

South Placer Fire Protection District 2021-22 Gann Limit Compliance Evaluation and 2022-23 Gann Limit

2021-22 Gann Limit Compliance Evaluation

The District's 2021-22 Gann Limit was calculated to be \$12,613,359. Based on 2021-22 Budget figures, it was expected that the District's appropriations subject to limitation would not exceed this figure. At the end of the 2021-22 fiscal year, after all property tax receipts and expenditures were documented, a compliance calculation demonstrated that the District's appropriations subject to limitation were in fact below the Gann Limit, as demonstrated in the following table.

2021-22 Appropriations Subject to Limitation	
	2021-22 Actuals
Unadjusted Appropriations Subject to the Limit	
Property Tax	\$9,075,528
Special Tax	\$1,205,068
Total Unadjusted Appropriations Subject to the Limit	\$10,280,596
Adjustments for Appropriations Not Subject to the Limit	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$709,279
Qualified Capital Outlay	\$291,593
Qualified Debt Service	\$371,298
Total Adjustments for Appropriations Not Subject to the Limit	\$1,372,170
Adjusted Appropriations Subject to the Limit	\$8,908,426
Gann Limit	\$12,613,359
Appropriations Under/(Over) the Limit	\$3,704,933

As shown in the table, the District's appropriations were \$3,704,933 under the Limit. Since the District has demonstrated its compliance with the 2021-22 Gann Limit, no further action is required.

2022-23 Gann Limit and Estimated Compliance

For 2022-23, the District must calculate its new Gann Limit, based on both Cost of Living and Population Factors. Additionally, as part of the Budget adoption process, the District should estimate whether it will be in compliance with its 2022-23 Gann Limit by evaluating appropriations subject to limitation.

Gann Limit Calculation

The Gann Limit is calculated by first using the prior year's Limit as a base, then applying a Cost of Living Factor and a Population Factor. The Cost of Living Factor is equal to the **greater of** the percent change in non-residential new construction or the percent change in California per capita personal income. For 2022-23, the Placer County Assessor's Office has calculated that the District's percent change in non-residential new construction is 1.59%. The California Department of Finance calculated the percent change in California per capita personal income to be 7.55%. Therefore, the Cost of Living Factor to be applied to the District's 2022-23 Gann Limit is 7.55%.

The Population Factor is equal to the **greater of** the percent change in county population or the percent change in unincorporated County population, or the percent change in the District's population. According to data provided by the California Department of Finance, the percent change in Placer County population was 0.37% and the percent change in unincorporated Placer County population was -1.16%. In order to determine the percentage change in the District's population, a special population estimate must be specifically requested to the Department of Finance at the District's expense. Due to the fact that there was minimal residential new construction in the District's boundaries, this was not completed this year. Therefore, the Population factor to be applied to the District's 2022-23 Gann Limit is 0.37%.

As shown in the following table, the District's 2022-23 Gann Limit is calculated to be \$13,615,861.

Gann Limit Calculation				
	Prior Year Gann Limit	Cost of Living Factor	Population Factor	Current Year Gann Limit
2022-23	\$12,613,359	1.0755	1.0037	\$13,615,861

Estimated Appropriations Subject to Limitation

Based on the District's 2022-23 budget, the District is estimating tax receipts of \$10,143,902 from general property taxes, the District's Special Tax and the Loomis Parcel Tax. These tax receipts can be adjusted for appropriations that are not subject to limitation from sources such as: FLSA Overtime, Federal Mandates (Worker's Compensation), Qualified Capital Outlay and Debt Service. Based on 2022-23 budget estimates, the District will have approximately \$1,638,120 of appropriations that are not subject to limitation. Therefore, the District's total appropriations subject to the Gann Limit total \$8,505,782, which is \$5,110,079 below the calculated 2022-23 Gann Limit, as shown in the following table. **Therefore, we can reasonably estimate that the District will be in compliance with its Gann Limit for 2022-23.**

2022-23 Estimated Appropriations Subject to Limitation	
	2022-23 Estimated
Unadjusted Appropriations Subject to the Limit	
Property Tax	\$9,440,902
Special Tax	\$1,223,000
Total Unadjusted Appropriations Subject to the Limit	\$10,663,902
Adjustments for Appropriations Not Subject to the Limit	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$700,000
Qualified Capital Outlay	\$551,750
Qualified Debt Service	\$386,370
Total Adjustments for Appropriations Not Subject to the Limit	\$1,638,120
Adjusted Appropriations Subject to the Limit	\$9,025,782
Gann Limit	\$13,615,861
Appropriations Under/(Over) the Limit	\$4,590,079

Summary

In summary, the District has met its Gann Limit requirements for 2021-22 and is estimated to again meet its limitations for 2022-23.

