State of California
COUNTY OF NEVADA

MARCIA L. SALTER – Auditor-Controller

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June 5, 2018

Honorable Board of Supervisors
Eric Rood Administrative Center
950 Maidu Avenue
Nevada City, CA 95959

DATE OF MEETING: June 19, 2018

SUBJECT: Nevada County Appropriations Limitation For Fiscal Year 2018-19

RECOMMENDATIONS: Approve the attached resolutions.

FUNDING: None

BACKGROUND:
Proposition 4 approved by the voters in 1979 added Article XIIIB to the California Constitution, known as the GANN Limit. Stemming from the Proposition 13 era, this Article limits the level of appropriations from tax sources that state and local government entities are permitted to make in any given year. The limit for each year is equal to the limit for the prior year, adjusted for changes in the cost-of-living and population. Proposition 111 amended this article and changed the price and population factor that may be used by local jurisdictions in setting their appropriation limit. It specifies that appropriations made by local Governments may increase annually by a factor comprised of the change in population and the change in the U.S. Consumer Price Index on California's per capita personal income.

The State Department of Finance (DOF) is mandated to provide the requisite change data for local jurisdictions to calculate their appropriation limits. Using the data as provided by the DOF, I have calculated the 2018-19 appropriations limit to be $74,532,800. The 2018-19 proposed County budget estimates an amount of $63,122,202 in appropriations from applicable tax sources, which is well within the calculated spending ceiling limit.

Respectfully Submitted,

Marcia L. Salter
Auditor-Controller