

GANN APPROPRIATIONS LIMIT

What is the GANN APPROPRIATIONS LIMIT?

- Proposition 4 limits growth of state and local government spending to changes in personal income and population
- Governments which bump up against this limit must return the “surplus” revenue to taxpayers
- Gann Limit must be calculated annually and presented to the governing body for review

Calculation

- In 2020/21, Contra Costa County’s population change was 0.35%
- California’s per capita personal income change factor was 5.73%
- Run the formula. Multiply the 2020/21 Appropriation Limit by Appropriation factor;
 $\$47,481,435 \times 1.0035 \times 1.0573 = \$50,377,828$

Revenues subject to Appropriation Limit: (FY21/22)

Property Taxes			\$	1,976,501
Sales Tax			\$	4,673,158
Property Tax in Lieu of VLF			\$	3,026,173
Utility Users Tax			\$	2,636,725
Business Licenses			\$	377,036
Other Taxes			\$	2,214,962
Other Revenue			\$	158,000
Interest			\$	255,328
Total Tax Revenues Subject to				
Appropriation Limit			\$	15,317,883

Conclusion:

- **FY 2021/22 Appropriation Limit: \$50,377,828**
- **Revenues subject to Appropriation Limit: \$15,317,833**
- **The City, therefore, will not be impacted by the Gann Limit in the fiscal year 21-22.**