

City of Los Alamitos

Administrative Regulation

Regulation:	3.13	 Bret M. Plumlee, City Manager
Title:	Annual Appropriations Limit	
Authority:	Government Code 7910	
Date:	May 28, 2019	
Revised:		

- 1. Purpose:** To establish a framework and written procedures for efficiently adopting the City's Annual Appropriations Limits.
- 2. Application:** Compliance with this regulation shall be the responsibility of the Finance Director.
- 3. Regulation:**

Article XIII B of the California Constitution was added by the November 1979 passage of the Gann Initiative. For State and local governments, this legislation mandated that the total annual appropriations subject to the limitation, shall not exceed the prior year Appropriations Limit, adjusted for the change in cost of living and population, except as otherwise provided in that article. The Gann Initiative is implemented by Section 7900 et. seq. of the California Government Code.

SECTION 1. ADOPTION

Government Code Section 7910 provides that the governing body of each jurisdiction shall annually establish its Appropriations Limit by resolution. The Finance Director shall prepare the appropriate Staff report and Resolution for Council approval by June of every year.

SECTION 2. CALCULATION

The Appropriations Limit is calculated by determining appropriations financed by proceeds of taxes in the 1978/79 base year and adjusting the limit each subsequent year for changes in the cost of living and population. This Appropriation Limit is the maximum limit of proceeds from taxes the City may collect or spend each year. Appropriations financed by proceeds of taxes are limited to actual revenues collected if they are lower than the limit. The Appropriations Limit may be amended at any time during the fiscal year to reflect new data.

The cost of living adjustment may be based upon the changes in the California per capita personal income or the percentage change in the local assessment roll from the preceding year due to the addition of local nonresidential new construction. The population adjustment may be based on the changes in the City population or population growth within the County.

SECTION 3. NOTICE

Fifteen days prior to the meeting in which the City Council will adopt the Resolution, the Finance Director will make the documentation used in the determination of the appropriations limit and other necessary determinations available to the public via the City's website.