

## South Placer Fire Protection District 2023-24 Gann Limit Compliance Evaluation and 2024-25 Gann Limit

### 2023-24 Gann Limit Compliance Evaluation

The District’s 2023-24 Gann Limit was calculated to be \$14,250,268. Based on 2023-24 Budget figures, it was expected that the District’s appropriations subject to limitation would not exceed this figure. At the end of the 2023-24 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.

<b>2023-24 Appropriations Subject to Limitation</b>	
	<b>2023-24 Actuals</b>
<b>Unadjusted Appropriations Subject to the Limit</b>	
Property Tax	\$10,386,290
Special Tax	\$1,253,312
<b>Total Unadjusted Appropriations Subject to the Limit</b>	<b>\$11,639,602</b>
<b>Adjustments for Appropriations Not Subject to the Limit</b>	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$751,268
Qualified Capital Outlay	\$990,818
Qualified Debt Service	\$400,403
<b>Total Adjustments for Appropriations Not Subject to the Limit</b>	<b>\$2,142,489</b>
Adjusted Appropriations Subject to the Limit	\$9,497,113
Gann Limit	\$14,250,268
<b>Appropriations Under/(Over) the Limit</b>	<b>\$4,753,155</b>

As shown in the table, the District’s appropriations were \$4,753,155 under the Limit. Since the District has demonstrated its compliance with the 2023-24 Gann Limit, no further action is required.

### 2024-25 Gann Limit and Estimated Compliance

For 2024-25, 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 2024-25 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 2024-25, the Placer County Assessor's Office has calculated that the District's percent change in non-residential new construction is 6.19%. The California Department of Finance calculated the percent change in California per capita personal income to be 3.62%. Therefore, the Cost of Living Factor to be applied to the District's 2024-25 Gann Limit is 6.19%.

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 0.67% and the percent change in unincorporated Placer County population was 0.16%. 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 2024-25 Gann Limit is 0.67%.

As shown in the following table, the District's 2024-25 Gann Limit is calculated to be \$15,234,435.

<b>Gann Limit Calculation</b>				
	<b>Prior Year Gann Limit</b>	<b>Cost of Living Factor</b>	<b>Population Factor</b>	<b>Current Year Gann Limit</b>
2024-25	\$14,250,268	1.0619	1.0067	\$15,234,435

### **Estimated Appropriations Subject to Limitation**

Based on the District's 2024-25 budget, the District is estimating tax receipts of \$12,114,517 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 2024-25 budget estimates, the District will have approximately \$1,670,000 of appropriations that are not subject to limitation. Therefore, the District's total appropriations subject to the Gann Limit total \$10,444,517, which is \$4,789,918 below the calculated 2024-25 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 2024-25.**

<b>2024-25 Estimated Appropriations Subject to Limitation</b>	
	<b>2024-25 Estimated</b>
<b>Unadjusted Appropriations Subject to the Limit</b>	
Property Tax	\$10,807,039
Special Tax	\$1,307,478
<b>Total Unadjusted Appropriations Subject to the Limit</b>	<b>\$12,114,517</b>
<b>Adjustments for Appropriations Not Subject to the Limit</b>	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$700,000
Qualified Capital Outlay	\$570,000
Qualified Debt Service	\$400,000
<b>Total Adjustments for Appropriations Not Subject to the Limit</b>	<b>\$1,670,000</b>
Adjusted Appropriations Subject to the Limit	\$10,444,517
Gann Limit	\$15,234,435
<b>Appropriations Under/(Over) the Limit</b>	<b>\$4,789,918</b>

**Summary**

In summary, the District has met its Gann Limit requirements for 2023-24 and is estimated to again meet its limitations for 2024-25.

## The District Has Been and Is Expected to be Under its Gann Limit

