

1 [California Constitution Appropriations Limit - FY2017-2018 - \$3,489,975,077]

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3 **Resolution establishing the appropriations limit of \$3,489,975,077 for FY2017-2018,**
4 **pursuant to California Constitution, Article XIII B.**

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6 WHEREAS, Article XIII B of the California Constitution provides that the annual
7 appropriations of the City and County of San Francisco which are subject to said Article may
8 not exceed the Appropriations Limit for the prior year, with adjustments as provided in said
9 Article XIII B; and

10 WHEREAS, The California Government Code, Section 7901, defines the terms, and
11 Section 7902(b) sets forth the equations to be used to determine the City and County of San
12 Francisco's annual Appropriations Limit, according to the following formula:

13 (b) "...the appropriations limit of the state and each local jurisdiction shall equal the
14 appropriations limit for the prior fiscal year multiplied by the product of the change in
15 cost of living, as defined in paragraph (2) of subdivision (e) of Section 8 of Article XIII B
16 of the California Constitution, and the change in population of the local jurisdiction for
17 the calendar year preceding the beginning of the fiscal year for which the
18 appropriations limit is to be determined, and adjusted for other changes required or
19 permitted by Article XIII B of the California Constitution;" and

20 WHEREAS, Article XIII B, Section 8(e)(2) of the California Constitution authorizes the
21 calculation of the cost of living, either the use of the percentage change in California per-
22 capita personal income from the preceding year, or the use of the percentage change in the
23 local assessment roll from the preceding year for the jurisdiction due to the addition of local
24 non-residential new construction; and

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1 WHEREAS, The change in California per-capita personal income in FY2016-2017 was
2 3.69%, while the percentage change in the local assessment roll from 2016 due to the
3 addition of local non-residential new construction was 0.89%; and

4 WHEREAS, The percentage change in population during calendar year 2016 for the
5 City and County of San Francisco according to the California Department of Finance was
6 1.08%; and

7 WHEREAS, Article XIII B, Section 4 of the California Constitution authorizes voters to
8 approve an increase in the Appropriations Limit for up to four years; and

9 WHEREAS, Voters approved two measures, the Soda and Sugary Sweetened
10 Beverages Tax (Proposition V-November 2016) and the increase in the Real Estate Transfer
11 Tax (Proposition W-November 2016), that increased the Appropriations Limit by the
12 aggregate sum collected by the levy of these taxes; and

13 WHEREAS, The aggregate sum collected by the levy of these taxes through FY2017-
14 2018 is projected to be \$67,588,340; and

15 WHEREAS, Article XIII B, Sections 8(h) and 10.5 of the California Constitution
16 establish that the Base Appropriations Limit for a local government is equal to the
17 appropriations subject to limitation in FY1986-1987; and

18 WHEREAS, The City and County of San Francisco improperly excluded health and
19 dental fringe benefits in its calculation of the Base Appropriations Limit; and

20 WHEREAS, The Appropriations Limit for FY2016-2017 would have been
21 \$3,265,329,234 with the correct Base Appropriations Limit; and

22 WHEREAS, The resulting calculation establishing the City and County of San
23 Francisco's FY2017-2018 Appropriations Limit is:

24 \$3,265,329,234 X 1.0369 X 1.0108 + \$67,588,340 = \$3,489,975,077; and
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1 WHEREAS, This matter has been considered at a regularly scheduled meeting of the
2 Board of Supervisors for the City and County of San Francisco; and

3 WHEREAS, The documentation used to determine the Appropriations Limit for the City
4 and County of San Francisco for FY2017-2018 was available for public inspection in the
5 Office of the Clerk of the Board of Supervisors for at least 15 days prior to said regularly
6 scheduled meeting; now, therefore, be it

7 RESOLVED, That the City and County of San Francisco elects to use the percentage
8 change in California per capita personal income and elects to use the percent change in
9 population within its jurisdiction from the previous year for the purpose of computation of its
10 Appropriations Limit pursuant to Article XIII B of the California Constitution for FY2017-2018;
11 and, be it

12 FURTHER RESOLVED, That the net appropriations limit for FY 2017-2018 is
13 established at \$3,489,975,077.

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Recommended: _____
Ben Rosenfield
Controller