

1 [California Constitution Appropriations Limit - FY2018-2019 - \$4,443,944,710]

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3 **Resolution establishing the appropriations limit of \$4,443,944,710 for FY2018-2019,**
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 cost
15 of living, as defined in paragraph (2) of subdivision (e) of Section 8 of Article XIII B of the
16 California Constitution, and the change in population of the local jurisdiction for the
17 calendar year preceding the beginning of the fiscal year for which the appropriations limit
18 is to be determined, and adjusted for other changes required or permitted by Article XIII
19 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-capita
22 personal income from the preceding year, or the use of the percentage change in the local
23 assessment roll from the preceding year for the jurisdiction due to the addition of local non-
24 residential new construction; and

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1 WHEREAS, The change in California per-capita personal income in fiscal year 2017-
2 2018 was 3.67%, while the percentage change in the local assessment roll from 2017 due to
3 the addition of local non-residential new construction was 13.5844%; and

4 WHEREAS, The percentage change in population during calendar year 2017 for the City
5 and County of San Francisco according to the California Department of Finance was 1.14%;
6 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 aggregate
12 sum collected by the levy of these taxes; and

13 WHEREAS, The aggregate sum collected by the levy of these taxes through fiscal year
14 2018-2019 is projected to be \$99,984,425; and

15 WHEREAS, Article XIII B, Sections 8(h) and 10.5 of the California Constitution establish
16 that the Base Appropriations Limit for a local government is equal to the appropriations subject
17 to limitation in fiscal year 1986-1987; and

18 WHEREAS, For fiscal years 2014-2015 through 2017-2018, the percentage change in
19 the local assessment roll from the prior year due to the addition of local non-residential new
20 construction was not calculated in a manner consistent with “Article XIII B California Constitution
21 Appropriation Limit Procedure Guidelines for California Counties” prepared by the County
22 Accounting Standards and Procedures; and

23 WHEREAS, When the percentage change in the local assessment roll due to the addition
24 of non-residential construction is calculated according to the guidelines, the Base
25 Appropriations Limit for fiscal year 2017-2018 is \$3,781,327,469; and

1 WHEREAS, The resulting calculation establishing the City and County of San
2 Francisco's fiscal year 2018-2019 Appropriations Limit is:

3 \$3,781,327,469 X 1.0114 X 1.135844 + \$99,984,425 = \$4,443,944,710; and

4 WHEREAS, This matter has been considered at a regularly scheduled meeting of the
5 Board of Supervisors for the City and County of San Francisco; and

6 WHEREAS, The documentation used to determine the Appropriations Limit for the City
7 and County of San Francisco for FY2018-2019 was available for public inspection in the Office
8 of the Clerk of the Board of Supervisors for at least 15 days prior to said regularly scheduled
9 meeting; now, therefore, be it

10 RESOLVED, That the City and County of San Francisco elects to use the percentage
11 change in the local assessment roll from 2017 due to the addition of local non-residential new
12 construction and elects to use the percent change in population within its jurisdiction from the

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1 previous year for the purpose of computation of its Appropriations Limit pursuant to Article XIII
2 B of the California Constitution for FY 2018-2019; and, be it

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4 FURTHER RESOLVED, That the net appropriations limit for FY 2018-2019 is
5 established at \$4,443,944,710.

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7 Recommended: _____

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Ben Rosenfield

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Controller

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