

1 [California Constitution Appropriations Limit - FY2020-2021 - \$8,364,999,808]

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3 **Resolution establishing the appropriations limit of \$8,364,999,808 for Fiscal Year (FY)**
4 **2020-2021, pursuant to California Constitution, Article XIII B.**

5
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,
8 may not exceed the Appropriations Limit for the prior year, with adjustments as provided in
9 said 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
16 B of the California Constitution, and the change in population of the local jurisdiction
17 for 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

1 WHEREAS, The change in California per-capita personal income in fiscal year 2019-
2 20 was 3.73%, while the percentage change in the local assessment roll in 2019 due to the
3 addition of local non-residential new construction was 28.95%; and

4 WHEREAS, The percentage change in population during calendar year 2019 for the
5 City and County of San Francisco according to the California Department of Finance was
6 0.76%; 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 seven measures, the Tax on Cannabis Businesses
10 (Proposition D-November 2018), the Homeless Gross Receipts Tax (Proposition C-
11 November 2018), the Traffic Congestion Mitigation Tax (Proposition D-November 2019), the
12 Parcel Tax for San Francisco Unified School District (Proposition J-November 2020), the
13 Real Estate Transfer Tax (Proposition I-November 2020), the Executive Compensation Tax
14 (Proposition L-November 2020), and the Business Tax Overhaul (Proposition F-November
15 2020), that increased the Appropriations Limit by the aggregate sum collected by the levy of
16 these taxes; and

17 WHEREAS, The aggregate sum collected by the levy of these taxes through fiscal
18 year 2020-21 is projected to be \$1,362,924,073; and

19 WHEREAS, Article XIII B, Sections 8(h) and 10.5 of the California Constitution
20 establish that the Base Appropriations Limit for a local government is equal to the
21 appropriations subject to limitation in fiscal year 1986-87; and

22 WHEREAS, The Base Appropriations Limit for fiscal year 2019-20 is \$5,389,113,105;
23 and

1 WHEREAS, The resulting calculation establishing the City and County of San
2 Francisco's fiscal year 2020-21 Appropriations Limit is:

3 $\$5,389,113,105 \times 1.0076 \times 1.2895 + \$1,362,924,073 = \$8,364,999,808$; 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
7 City and County of San Francisco for FY2020-2021 was available for public inspection in
8 the Office of the Clerk of the Board of Supervisors for at least 15 days prior to said regularly
9 scheduled 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 2019 due to the addition of local non-residential
12 new construction and the percent change in population within its jurisdiction from the
13 previous year for the purpose of computation of its Appropriations Limit pursuant to Article
14 XIII B of the California Constitution for FY 2020-2021; and, be it

15 FURTHER RESOLVED, That the net appropriations limit for FY 2020-2021 is
16 established at \$8,364,999,808.

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18 Recommended:



19 Ben Rosenfield

20 Controller