

STAFF REPORT

SUBJECT: Proposition 4/111 Appropriations Limit

MEETING DATE: June 17, 2004

AGENDA ITEM: 7D

RECOMMENDATION:

Adopt a resolution establishing the Appropriations Limit and selecting the annual adjustment factors for the 2004-05 fiscal year.

DISCUSSION:

Propositions 4 and 111 restrict the amount of tax proceeds that can be appropriated by a government entity in a fiscal year, and this amount is known as the Appropriations Limit. This means that the Board cannot appropriate any Measure D sales tax revenue received in excess of SBCAG's calculated Limit.

SBCAG's first Appropriations Limit was established when Measure D was approved in the 1989-90 fiscal year. It was calculated using an estimate of the amount of tax proceeds that would be received in the first year. The Limit has then been adjusted annually thereafter for changes in cost of living and population. Government Code and Proposition 111 require adoption of the Limit by resolution prior to the fiscal year and a recorded vote of the Board regarding the annual adjustment factors that have been selected.

The following table presents the Appropriations Limit and annual adjustment factors for the 2004-05 fiscal year. The Limit for 2004-05 is determined by multiplying the Limit from the 2003-04 fiscal year by the income and population factors presented below. The recommended income and population factors were obtained from the State Department of Finance and represent the change in California per capita personal income and the change in county population, respectively.

Fiscal Year	Income Factor	Population Factor	Limit
2003-04			\$51,961,534
2004-05	1.0328	1.0110	\$54,256,196

In order to comply with the provisions of the Appropriations Limit guidelines, the proceeds of taxes received each year must be less than or equal to the established Limit for that fiscal year. SBCAG is in compliance with the provisions of the Appropriations Limit guidelines for the 2002-

03 fiscal year. Based on preliminary calculations, it appears that SBCAG will also be in compliance with the guidelines for the 2003-04 fiscal year.

All documentation used to determine the Appropriations Limit is available for review at the SBCAG offices.

COMMITTEE REVIEW: None

STAFF CONTACT: Kim Gillian

RESOLUTION OF THE SANTA BARBARA
COUNTY ASSOCIATION OF GOVERNMENTS

ADOPTION OF APPROPRIATIONS)
LIMIT FOR FY 2004-05)
_____)

RESOLUTION NO. 04-13

WHEREAS, Section 7910 of the Government Code, which became effective on January 1, 1981, requires that the governing body of each local jurisdiction establish by Resolution its Appropriations Limit for the following fiscal year pursuant to Article XIII B of the California State Constitution at a regularly scheduled or noticed special meeting; and

WHEREAS, at least fifteen (15) days prior to this date, documentation used in the determination of the Appropriations Limit was available for public inspection in the offices of the Santa Barbara County Association of Governments.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Santa Barbara County Association of Governments establishes its Appropriations Limit for the 2004-05 fiscal year at \$54,256,196.

BE IT FURTHER RESOLVED THAT the Santa Barbara County Association of Governments has selected the change in California per capita personal income as the cost of living factor and the change in County population as the population factor used in the calculation of the 2004-05 Appropriations Limit.

PASSED AND ADOPTED this 17th day of June 2004 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Jim Kemp
Executive Director

Naomi Schwartz, Chair
Santa Barbara County
Association of Governments

APPROVED AS TO FORM:

Kevin E. Ready, Sr.
Deputy County Counsel