ARTICLE XIIIB APPROPRIATIONS LIMIT
Fiscal Year 2023-24

Article XIIIB of the California Constitution was created by the passage of Proposition 4 in November 1979 and establishes a limit on the amount of tax revenue that can be appropriated by government jurisdictions. This limit is popularly known as the Gann Limit. Each year, the limit is recalculated by multiplying the previous year's limit by adjustment factors for population growth and inflation. Proposition 111, passed in June 1990, gave cities the option of using their own growth or the growth of the entire county in which the city is located as the population adjustment factor. Cities were also given the option of using the increase in California Per Capita Income or the increase in the assessed valuation of non-residential property in the City as the inflation adjustment factor. Cities have the option each year of deciding which factor to use. For FY2023-24, the Town of Mammoth Lakes is using the population growth of Mono County and the increase in California Per Capita Income.

2022-23 Appropriations Limit	$30,563,494

2022-23 Adjustment Factors

Mono County Population Change	= 0.9997 (-0.03% change)
California Per Capita Income Change	= 1.0444 (4.44% change)
Combined Change = 0.9997 x 1.0444	=1.0441

2023-24 Appropriations Limit	$31,910,937

Not all Town appropriations are subject to the limitations of Article XIIIB. The intent of Proposition 4 was to restrict only the appropriation of "proceeds of taxes." Determining which appropriations are subject to the limit requires classifying each funding source as either proceeds of taxes or non-proceeds of taxes. Property tax and local taxes are subject to limitation i.e. TOT, Measure R, and Measure U. State taxes that are subvented to the Town count against the Town's limit if their use is unrestricted, as in the case of sales tax. State subventions that are restricted in use, such as gas tax and state grants, are applied against the State's limit rather than the Town's, so they are considered non-proceeds of taxes for the Town's calculation. Interest income is prorated so that the interest earned on tax revenue is included as proceeds of taxes.

The Town's other revenue sources are classified as non-proceeds of taxes: franchise fees, assessment districts, fines and penalties, license and permit fees, service charges, rentals and concessions, federal grants, internal service revenues and other miscellaneous revenues. Enterprise funds are also exempt from the limitation. Fund transfers are re-appropriations of revenue and have already been included in the calculation of appropriations and are not counted twice.