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**SBCAG STAFF REPORT**

**SUBJECT:** Proposition 4/111 Appropriations Limit

**MEETING DATE:** June 21, 2018

**AGENDA ITEM:** 4C

**STAFF CONTACT:** Martha Gibbs

**RECOMMENDATION:**

Adopt a resolution establishing the Appropriations Limit and selecting the annual adjustment factors for the 2018-19 fiscal year.

**SUMMARY:**

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. In its capacity as the Local Transportation Authority, the SBCAG board cannot appropriate any Measure A sales tax revenue in excess of SBCAG’s calculated Appropriations Limit and must, by resolution, set the limit each fiscal year.

**DISCUSSION:**

SBCAG’s first Appropriations Limit was established when Measure A was approved in 2008. Section 35 of the Measure A Ordinance established an annual Appropriations Limit of \$200,000,000. The California Constitution Article XIII B, Government Code sections 7900 et seq and Proposition 111 require adoption of the Appropriations 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 2018-19 fiscal year. The Appropriations Limit for 2018-19 is determined by multiplying the Appropriations Limit established for the 2017-2018 fiscal year by the income and population factors presented below. (Gov. Code § 7902.) 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. (Gov. Code §§ 7901, 7909.)

Fiscal Year	Income Factor	Population Factor	Appropriations Limit
2017-18	1.0369	1.0212	275,149,214
2018-19	1.0367	1.0212	291,294,431

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 Appropriations Limit for that fiscal year. Based on preliminary calculations, SBCAG will also be in compliance with the limit established for the 2017-18 fiscal year.

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

The recommended action is not a project under the California Environmental Quality Act (CEQA) pursuant to sections 15378(b)(4) and 15378(b)(5) of the CEQA Guidelines.

**COMMITTEE REVIEW:** None

**ATTACHMENTS:**

- A. Resolution 18-19



PASSED AND ADOPTED this 21st day of June 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

\_\_\_\_\_  
Marjie Kirn  
Executive Director

\_\_\_\_\_  
Joan Hartman, Chair  
Santa Barbara County Association  
Of Governments

\_\_\_\_\_  
Date

APPROVAL AS TO FORM:

*Rachel Van Mullem*  
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Rachel Van Mullem  
Chief Assistant County Counsel