

COUNTY OF TULARE

2024-25 GANN APPROPRIATIONS LIMIT

DOCUMENTS FOR PUBLIC REVIEW

What is the Gann Appropriations Limit?

In November 1979, California voters passed Proposition 4 known as the “Gann Limit Initiative,” and in June 1990, Proposition 111 amended the requirements which added Article XIII B to the California Constitution. This article established limits on proceeds of taxes on State and local (County and City) spending each fiscal year. Under Section 8 (e) (2) of this article, the Board of Supervisors is required to select which cost-of-living factor is to be used in the calculation of the County’s appropriations limit.

On **August 27, 2024** the Board of Supervisors made the selection of a cost-of-living factor to be used in the calculation of a Gann Appropriations Limit.

Why are these documents being made public?

Government Code §7910 states that these documents are to be available for review by the public for fifteen days prior to the **September 17, 2024** meeting, where the Board of Supervisors will adopt the 2024-25 Appropriations Limit.

What documents are being made public?

1. Appropriations Limit – Last Ten Years
2. Calculations for the 2024-25 Gann Appropriations Limit.
3. Letter from the State of California, Department of Finance, dated April 30, 2024 showing the cost of living and population changes for Tulare County.
4. Statement from the Tulare County Assessor on the percentage change in Tulare County assessed value attributable to local non-residential new construction.
5. Government Code § 7900 through 7914.
6. Article XIII B, California Constitution, Government Spending Limit.

APPROPRIATIONS LIMIT - LAST TEN YEARS

<u>YEAR</u>	<u>APPROPRIATIONS LIMIT</u>	<u>PERCENTAGE CHANGE FROM PRIOR YEAR</u>
2024-25	\$6,249,125,123	9.08%
2023-24	\$5,728,784,234	4.39%
2022-23	\$5,487,983,588	10.04%
2021-22	\$4,987,265,612	6.41%
2020-21	\$4,686,985,805	5.76%
2019-20	\$4,431,919,110	5.37%
2018-19	\$4,205,882,773	4.84%
2017-18	\$4,011,659,444	4.72%
2016-17	\$3,830,970,531	6.35%
2015-16	\$3,602,230,988	4.52%

2024-25 GANN Limit Calculation

8.40% **1** % Change in AV attributable to local non-residential new construction for 2023-24

3.62% **2** California Per Capita Personal Income for calendar year 2023

	Jan 1 2023	Jan 1 2024	Difference
Fresno	1,005,799	1,011,968	6,169
Inyo	18,832	18,796	-36
Kern	889,260	894,734	5,474
Kings	132,905	133,575	670
Tulare	474,825	478,547	3,722
	<u>2,521,621</u>	<u>2,537,620</u>	<u>15,999</u>

0.63% **3** Percentage Change in average Population in Tulare County from Dept of Finance

\$5,728,784,234 Prior Year Appropriations Limit

X 108.40% Cost of Living Change Factor (Option 1)

X 100.63% Population Factor (3)

= **\$6,249,125,123** Current Year Appropriations Limit

\$437,438,759 ESTIMATE of Appr Subject to LIMIT (7%) used for Budget Book.

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. [California Revenue and Taxation Code section 2228](#) provides additional information regarding the appropriations limit. [Article XIII B, section 9\(C\) of the California Constitution](#) exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2024.** Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
 Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>	
	23-24	1-1-23	1-1-24
Fresno			
Incorporated	0.81	847,846	854,714
County Total	0.69	1,005,004	1,011,968
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Glenn			
Incorporated	2.77	14,458	14,858
County Total	1.43	28,330	28,736
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Humboldt			
Incorporated	-1.14	63,392	62,667
County Total	-1.11	134,351	132,866
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Imperial			
Incorporated	2.02	145,696	148,634
County Total	1.95	176,282	179,725
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Inyo			
Incorporated	-0.13	3,853	3,848
County Total	-0.16	18,826	18,796
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Kern			
Incorporated	0.96	587,734	593,394
County Total	0.77	887,906	894,734
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Kings			
Incorporated	0.15	108,741	108,903
County Total	0.04	133,516	133,575
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Lake			
Incorporated	0.90	21,343	21,535
County Total	0.47	66,619	66,933
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Lassen			
Incorporated	-0.22	9,355	9,334
County Total	-0.08	24,305	24,286
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*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
Sierra			
Incorporated	-0.41	727	724
County Total	-0.50	3,187	3,171
Siskiyou			
Incorporated	-0.12	19,636	19,613
County Total	-0.15	43,430	43,363
Solano			
Incorporated	0.06	417,409	417,662
County Total	0.04	434,801	434,963
Sonoma			
Incorporated	-0.22	348,147	347,375
County Total	-0.27	478,480	477,187
Stanislaus			
Incorporated	0.64	437,381	440,200
County Total	0.55	545,753	548,744
Sutter			
Incorporated	1.90	78,432	79,924
County Total	1.90	98,248	100,110
Tehama			
Incorporated	-0.50	22,913	22,798
County Total	-0.61	64,578	64,182
Trinity			
Incorporated	0.00	0	0
County Total	-0.11	15,878	15,860
Tulare			
Incorporated	1.08	340,642	344,328
County Total	0.90	474,294	478,547

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

PERCENTAGE CHANGE IN TULARE COUNTY'S ASSESSED VALUATION ATTRIBUTABLE TO NONRESIDENTIAL NEW CONSTRUCTION

Fiscal Year	Percentage Change		
	BASIC EQUATION	Nonresidential New Construction Growth from Prior Year Total Local Assessment Roll growth from Prior Year	= Percentage Change Due to Nonresidential New Construction
2014-2015	$\frac{52,150,376}{31,474,072,238-29,962,280,129}$	= $\frac{52,150,376}{1,511,792,109}$	= 3.45%
2015-2016	$\frac{17,082,836}{32,841,872,104-31,474,072,238}$	= $\frac{17,082,836}{1,367,799,866}$	= 1.25%
2016-2017	$\frac{32,386,391}{34,322,226,302-32,841,872,104}$	= $\frac{32,386,391}{1,480,354,198}$	= 2.19%
2017-2018	$\frac{35,614,000}{35,996,652,665-34,322,226,302}$	= $\frac{35,614,000}{1,674,426,363}$	= 2.13%
2018-2019	$\frac{76,184,012}{37,769,572,113-35,996,652,665}$	= $\frac{76,184,012}{1,772,919,448}$	= 4.30%
2019-2020	$\frac{90,703,059}{39,674,613,867-37,769,572,113}$	= $\frac{90,703,059}{1,905,041,754}$	= 4.76%
2020-2021	$\frac{276,603,957}{41,827,773,198-39,674,613,867}$	= $\frac{276,603,957}{2,153,159,331}$	= 12.85%
2021-2022	$\frac{278,292,458}{44,631,475,048-41,827,773,198}$	= $\frac{278,292,458}{2,803,701,850}$	= 9.93%
2022-2023	$\frac{32,360,824}{47,641,501,822-44,631,475,048}$	= $\frac{32,360,824}{3,010,026,774}$	= 1.08%
2023-2024	$\frac{333,428,012}{51,610,299,765-47,641,501,822}$	= $\frac{333,428,012}{3,968,797,943}$	= 8.40%

PERCENTAGE CHANGE IN TULARE COUNTY'S ASSESSED VALUATION ATTRIBUTABLE TO NONRESIDENTIAL NEW CONSTRUCTION

Assumptions and Parameters Used in Developing Figures for Numerator and Denominator (1986/87 - 1992/93)

Numerator: Only supplementals meeting the following criteria were included: (1) Reason code of "CON" (2) Not in a "CANCELED" status (3) Must be transmitted (4) There must be a "net supplemental difference" in one or more of the following value categories - "OTHER BLDG.", "MACHINERY", "IRRIGATION", "PI-IMPS", (5) "TRANSMIT DATE" must be within the "fiscal year" selected.

Denominator: Figures used in the denominator represent the "county-wide" assessed value totals as delivered to the Auditor-Controller each year, before any exemptions are deducted (LAND + IMPS + PERS. PROP.). Be it also noted that the figures above will not include the amounts from all supplementals transmitted because many have been "bumped" off the system if more than nine (9) have been created on any individual assessment. Generally, the earlier the fiscal year, the more supplementals which will have been "bumped", and the less reliable the calculation.

Assumptions and Parameters Used in Developing Figures for Numerator and Denominator (1993/94 - 2007/08)

Numerator: As noted in previous reports, the computed percentage is based on a figure for the numerator derived from a 'PIMS' report which, in the opinion of the Systems Analyst in the Assessor's Office, generates an erroneous amount. The requested explanation from ACS/SCT as to the logic of the PIMS program see attachment to previous reports) is "sketchy" at best and contains inaccurate information when compared to the actual reports produced. To compound the problem the Assessor's Office may be guilty of not consistently applying "Appraisal Codes" to appraisal worksheets when they are submitted for keying. All of the foregoing, and probably some other problems not discovered or mentioned, result in a "highly suspect" computed percentage; to such an extent that it should not in any manner be used if an explanation of its origin, or defense of its accuracy, is ever contemplated.

Denominator: Figures used in the denominator represent the "county-wide" assessed value totals as delivered to the Auditor-Controller each year, before any exemptions are deducted (LAND + IMPS + PERS. PROP.).

Assumptions and Parameters Used in Developing Figures for Numerator and Denominator (2008/09 -2021/22)

Numerator: Doc Code will replace Assessor Code. The County Permitting department maintains Document Code.

Denominator: Figures used in the denominator represent the "county-wide" assessed value totals as delivered to the Auditor-Controller each year, before any exemptions are deducted (LAND + IMPS + PERS. PROP.).

Assumptions and Parameters Used in Developing Figures for Numerator and Denominator (2022/23 and forward)

Numerator: County converted property tax system from PIMS to Megabyte Property Tax System (MPTS) in 2022/23. Values are based on a report generated by MPTS, it was filtered to only include construction supplementals and filtered by Appraisal Code as recommended by Megabyte system administrators.

Denominator: Figures used in the denominator represent the "county-wide" assessed value totals as delivered to the Auditor-Controller each year, before any exemptions are deducted (LAND + IMPS + PERS. PROP.).

(Revised 6/15/2009 - MS Excel)

GOVERNMENT CODE - GOV

TITLE 1. GENERAL [100 - 7931.000] (Title 1 enacted by Stats. 1943, Ch. 134.)

DIVISION 9. EXPENDITURE LIMITATIONS [7900 - 7914] (Division 9 added by Stats. 1980, Ch. 1205.)

7900. (a) The Legislature finds and declares that the purpose of this division is to provide for the effective and efficient implementation of Article XIII B of the California Constitution.

(b) It is the intent of the Legislature that citizens be provided with timely information so that effective oversight can be accomplished at the local level.

(Added by Stats. 1980, Ch. 1205.)

7901. For the purposes of Article XIII B of the California Constitution and this division:

(a) "Change in California per capita personal income" means the number resulting when the quotient of the California personal income, as published by the United States Department of Commerce in the Survey of Current Business for the fourth quarter of a calendar year divided by the civilian population of the state on January 1 of the next calendar year, as estimated by the Department of Finance, is divided by the similarly determined quotient for the next prior year. For example, the change in California per capita personal income for 1979 (to be used for computing the appropriations limit for the 1980–81 fiscal year) would equal the fourth quarter 1979 personal income divided by the January 1, 1980, population, the quotient divided by the fourth quarter 1978 personal income divided by the January 1, 1979, population.

(b) "Change in population" for a local agency for a calendar year means the number resulting when the percentage change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for each city and county and Section 2228 of the Revenue and Taxation Code for each special district, plus 100, is divided by 100. For example, the change in population for 1979 would equal the percentage change in population between January 1, 1980, and January 1, 1979, plus 100, the sum divided by 100. For purposes of the state's appropriations limit, "change in population" means the number resulting when the civilian population of the state on January 1 of the next calendar year, as estimated by the Department of Finance, is divided by the similarly estimated population for January 1 of the calendar year in question. For example, the change in population for 1979 (to be used for computing the appropriations limit for the 1980–81 fiscal year) would equal the January 1, 1980, population divided by the January 1, 1979, population.

A city or special district may choose to use the change in population within its jurisdiction or within the county in which it is located. For a special district located in two or more counties, the special district may choose to use the change in population in the county in which the portion of the district is located which has the highest assessed valuation. Each city and special district shall select its change in population pursuant to this paragraph annually by a recorded vote of the governing body of the city or special district. A charter city and county may choose to use the change in population provided in this paragraph or may choose to use the change in population provided in Section 2 of Chapter 1221 of the Statutes of 1980.

A county may choose to use any one of the following:

(1) The change in population within its jurisdiction.

(2) The change in population within its jurisdiction, combined with the change in population within all counties having borders that are contiguous to that county.

(3) The change in population within the incorporated portion of the county.

(c) "Change in population" for a school district means the change in average daily attendance between the year prior to that for which the appropriations limit is being computed and the year for which the appropriations limit is being computed, using the average daily attendance as defined in Section 7906.

(d) "Change in population" for a community college district means the number resulting when the average daily attendance reported by the community college district for state apportionment funding purposes computed pursuant to former Article 2 (commencing with Section 84520) of Chapter 4 of Part 50 of the Education Code is divided by the similarly computed average daily attendance for the previous year.

(e) "Local agency" means a city, county, city and county, special district, authority or other political subdivision of the state, except a school district, community college district, or county superintendent of schools. The term "special district" shall not include any district which (1) existed on January 1, 1978, and did not possess the power to levy a property tax at that time or did not levy or have levied on its behalf, an ad valorem property tax rate on all taxable property in the district on the secured roll in excess of $12\frac{1}{2}$ cents per one hundred dollars (\$100) of assessed value for the 1977-78 fiscal year, or (2) existed on January 1, 1978, or was thereafter created by a vote of the people, and is totally funded by revenues other than the proceeds of taxes as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution.

If a special district levied, or had levied on its behalf, different property tax rates for the 1977-78 fiscal year depending on which area or zone within the district boundaries property was located, it shall be deemed not to have levied a secured property tax rate in excess of $12\frac{1}{2}$ cents per one hundred dollars (\$100) of assessed value if the total revenue derived from the ad valorem property tax levied by or for the district for 1977-78, divided by the total amount of taxable assessed valuation within the district's boundaries for 1977-78, does not exceed .00125.

(f) "School district" means an elementary, high school, or unified school district.

(g) "Local jurisdiction" means a local agency, school district, community college district, or county superintendent of schools.

(h) As used in Section 2 and subdivision (b) of Section 3 of Article XIII B, "revenues" means all tax revenues and the proceeds to a local jurisdiction or the state received from (1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues as described in subdivision (i) of Section 8 of Article XIII B. For a local jurisdiction, revenues and appropriations shall also include subventions, as defined in Section 7903, and with respect to the state, revenues and appropriations shall exclude those subventions.

(i) (1) "Proceeds of taxes" shall not include proceeds to a local jurisdiction or the state from regulatory licenses, user charges, or user fees except to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service.

(2) "Proceeds of taxes" also does not include the proceeds received by a local jurisdiction from a license tax imposed pursuant to Section 25149.5 of the Health and Safety Code or a tax or fee imposed pursuant to Section 25173.5 of the Health and Safety Code on the operation of a hazardous waste facility, or the proceeds received by a local jurisdiction from a surcharge that is collected by a regional disposal facility, as authorized pursuant to Section 115255 of the Health and Safety Code to the extent that these proceeds of the license tax, tax, fee, or surcharge are expended for costs or increased burdens on local jurisdictions that are associated with the hazardous waste facility or regional disposal facility. These costs or burdens include, but are not limited to, general fund expenses, the improvement and maintenance of

roads and bridges, fire protection, emergency medical response, law enforcement, air and groundwater monitoring, epidemiological studies, emergency response training, and equipment related to the hosting of the hazardous waste facility or regional disposal facility.

(3) For the 2021–22 fiscal year, and each fiscal year thereafter, “proceeds of taxes” does not include deposits by a local jurisdiction into a routine restricted maintenance account, as described in paragraph (1) of subdivision (b) of Section 17070.75 of the Education Code.

(Amended by Stats. 2022, Ch. 52, Sec. 98. (AB 181) Effective June 30, 2022.)

7902. (a) For the 1980–81 fiscal year, the appropriations limit of the state and of each local jurisdiction shall be determined as follows:

(1) Multiply the total amount of appropriations subject to limitation of each such entity for the 1978–79 fiscal year by the lesser of the change in cost of living for the 1979 calendar year or the change in California per capita personal income for the 1978 calendar year, and multiply this product by the change in population of each such entity for the 1978 calendar year.

(2) Multiply the product determined pursuant to paragraph (1) by the lesser of the change in cost of living for the 1980 calendar year or the change in California per capita personal income for the 1979 calendar year, and multiply this product by the change in population of each entity for the 1979 calendar year. The resulting product, as adjusted for other changes required or permitted by Article XIII B of the California Constitution, shall be the appropriations limit of each entity for fiscal year 1980–81.

(b) For the 1981–82 fiscal year and each year thereafter, the appropriations limit of the state and of each local jurisdiction shall equal the appropriations limit for the prior fiscal year multiplied by the product of the change in cost of living, as defined in paragraph (2) of subdivision (e) of Section 8 of Article XIII B of the California Constitution, and the change in population of the local jurisdiction for the calendar year preceding the beginning of the fiscal year for which the appropriations limit is to be determined, and adjusted for other changes required or permitted by Article XIII B of the California Constitution.

(c) For the purposes of this division, if a local agency’s fiscal year begins on January 1, the agency shall base its appropriations limit on its appropriations subject to limitation for the 1979 calendar year. For that agency, the 1981 calendar year shall be the first year for which the appropriations limit shall apply. For purposes of the computations required by this section, that agency shall use the change in population, cost-of-living, and per capita personal income factors that it would have used had its fiscal year begun on the previous July 1.

(Amended by Stats. 2003, Ch. 296, Sec. 4. Effective January 1, 2004.)

7902.1. (a) (1) If, beginning with the 1980–81 fiscal year or any fiscal year thereafter, the proceeds of taxes of a school district, community college district, or county superintendent of schools, exceed its appropriations limit determined pursuant to Section 7902 for that fiscal year, the governing body of the school district or community college district, or the county superintendent of schools, shall increase its appropriations limit to an amount equal to its proceeds of taxes.

(2) Any increase in a local jurisdiction’s appropriations limit pursuant to this section shall, in the fiscal year in which the change is made, reduce the appropriations limit of the state by an equal amount.

(b) (1) If, in the 2021–22 fiscal year or any fiscal year thereafter, the appropriations limit determined pursuant to Section 7902 for that fiscal year of a school district, community college district, or county superintendent of schools exceeds its proceeds of taxes, the governing board

of the school district or community college district, or the county superintendent of schools, shall decrease its appropriations limit to an amount equal to its proceeds of taxes.

(2) Any decrease in a local jurisdiction's appropriations limit pursuant to this section shall increase the appropriations limit of the state by an equal amount.

(Amended by Stats. 2021, Ch. 44, Sec. 108. (AB 130) Effective July 9, 2021.)

7902.2. (a) For the 2019–20 and 2020–21 fiscal years only, if the appropriations limit determined pursuant to Section 7902 of a school district, community college district, or county superintendent of schools, exceeds its proceeds of taxes, the appropriations limit shall be decreased to the proceeds of taxes for that school district, community college district, or county superintendent of schools.

(b) The Superintendent of Public Instruction shall notify the governing board of affected school districts and county superintendents of schools of the amounts reduced pursuant to subdivision (a). The notification shall be made at a time and in a manner determined by the Superintendent of Public Instruction.

(c) The Chancellor of the California Community Colleges shall notify the governing board of affected community college districts of the amounts reduced pursuant to subdivision (a). The notification shall be made at a time and in a manner determined by the Chancellor of the California Community Colleges.

(d) Any decrease in a local jurisdiction's appropriations limit pursuant to this section shall increase the appropriations limit of the state by an equal amount.

(Added by Stats. 2021, Ch. 44, Sec. 109. (AB 130) Effective July 9, 2021.)

7902.2.2. (a) If, beginning with the 2020–21 fiscal year or any fiscal year thereafter, the proceeds of taxes of a city, county, or city and county exceed its appropriations limit determined pursuant to Section 7902 for that fiscal year, the governing body of the city, county, or city and county shall calculate the following amounts:

(1) The appropriations limit of the city, county, or city and county determined pursuant to Section 7902.

(2) The total amount of proceeds of taxes of the city, county, or city and county.

(3) The amount of proceeds of taxes of the city, county, or city and county attributable to funding received by the city, county, or city and county from the Local Revenue Fund, established pursuant to Section 17600 of the Welfare and Institutions Code, and the Local Revenue Fund 2011, established pursuant to Section 30025 of the Government Code.

(4) The total amount of proceeds of taxes of the city, county, or city and county calculated pursuant to paragraph (2), less the amount calculated pursuant to paragraph (3).

(5) The amount equal to the appropriations limit of the city, county, or city and county calculated pursuant to paragraph (1), less the amount calculated pursuant to paragraph (4).

(6) If the calculation in paragraph (5) results in a positive value, the amount calculated pursuant to paragraph (3) less the positive value calculated pursuant to paragraph (5).

(b) If the amount determined pursuant to paragraph (6) of subdivision (a) results in a positive value, the governing body of the city, county, or city and county may increase its appropriations limit for the applicable fiscal year by that amount.

(c) To the extent that the amount determined pursuant to paragraph (4) of subdivision (a) is equal to or exceeds the amount determined pursuant to paragraph (1) of subdivision (a), the governing body of the city, county, or city and county may increase its appropriations limit for the applicable fiscal year by the amount determined pursuant to paragraph (3) of subdivision (a).

(d) In the event that the governing body of a city, county, or city and county increases its appropriations limit pursuant to subdivision (b) or (c) of this section, it shall notify the Director of Finance of the change within 45 days.

(e) Commencing with the 2020–21 fiscal year, and each fiscal year thereafter, the appropriations limit of the state shall be reduced by the total amount reported pursuant to subdivision (d) by each city, county, or city and county in the fiscal year in which the change is made.

(Added by renumbering Section 7902.2 (as added by Stats. 2021, Ch. 77, Sec. 8) by Stats. 2021, Ch. 251, Sec. 4. (AB 163) Effective September 23, 2021.)

7902.5. The governing body of any city incorporated after July 1, 1978, but prior to January 1, 1980, may, by resolution, adopt an appropriations limit for the purposes of Article XIII B of the California Constitution determined in the following manner:

(a) If the city's first full fiscal year of operation was the 1979–80 fiscal year, the appropriations limit of the city for fiscal year 1980–81 shall be equal to the total amount of proceeds of taxes received for fiscal year 1979–80 adjusted for changes in the cost of living and population and such other changes as may be required or permitted by Article XIII B.

(b) If the city's first full fiscal year of operation is the 1980–81 fiscal year, the governing body of the city shall, prior to July 1, 1980, estimate the amount of revenue anticipated to be received by the city from the proceeds of taxes for the 1980–81 fiscal year. This amount shall be the appropriations limit of the city for the 1980–81 fiscal year. For the 1981–82 fiscal year and each fiscal year thereafter, the appropriations limit of the city shall be equal to the total amount of proceeds of taxes received for fiscal year 1980–81 adjusted for changes in the cost of living and population and such other changes as may be required or permitted by Article XIII B.

(Added by renumbering Section 7900 (as added by Stats. 1980, Ch. 220) by Stats. 1980, Ch. 1205.)

7902.6. The governing body of any city incorporated at the General Election held on November 4, 1980, for which no appropriations limit has been established by the electors of that entity, may, by resolution, adopt an appropriations limit for the purposes of Article XIII B of the California Constitution in the following manner:

(a) For the 1980–81 fiscal year, the appropriations limit of the city shall not exceed the amount determined pursuant to subdivision (a) of Section 3 of Article XIII B of the California Constitution as adjusted in any manner which may be required or permitted by Article XIII B.

(b) For the 1981–82 fiscal year, the appropriations limit of the city shall not exceed the total amount of proceeds of taxes received by the city during the 1981–82 fiscal year.

(c) For the 1982–83 fiscal year and each year thereafter, the appropriations limit of the city shall be equal to the total amount of proceeds of taxes received by the city for the 1981–82 fiscal year, adjusted for changes in the cost-of-living and population and such other changes as may be required or permitted by Article XIII B.

(Added by Stats. 1981, Ch. 84, Sec. 1. Effective June 21, 1981.)

7902.7. (a) The appropriations limit of a city incorporated on or after January 1, 1990, shall be determined pursuant to Section 56812.

(b) The appropriations limit of a special district formed on or after January 1, 1988, shall be determined pursuant to Section 56811 and approved by the voters at the formation election.

(c) The appropriations limit of a county formed on or after January 1, 1988, shall be determined pursuant to Section 23332 and approved by the voters at the formation election.

(Amended by Stats. 2009, Ch. 332, Sec. 2. (SB 113) Effective January 1, 2010.)

7902.8. Notwithstanding any other provision of law, with respect to any special district formed during the 1978–79 fiscal year which initially was totally funded by other than the proceeds of taxes, and which subsequently, during the 1980–81 fiscal year, imposed a special tax with voter approval, the appropriations limit of such an entity, unless otherwise established pursuant to law, shall be deemed established by the electors at the election approving the special tax as that amount equal to the proceeds of taxes received during the first full fiscal year in which proceeds of taxes were received, and shall thereafter be adjusted in any manner which may be required or permitted by Article XIII B of the California Constitution.

(Added by Stats. 1989, Ch. 211, Sec. 1.)

7903. (a) "State subventions" shall, except as provided in subdivision (b), include only money received by a local agency from the state, the use of which is unrestricted by the statute providing the subvention.

(b) (1) Commencing with the 2021–22 fiscal year and each fiscal year thereafter, "state subventions" shall also include any money provided to a local agency pursuant to any of the following:

(A) Child support administration relating to local child support agencies (Sections 17306, subdivision (b) of Section 17704, and subdivision (a) of Section 17710 of the Family Code).

(B) Black Infant Health Program (Section 123255 of the Health and Safety Code).

(C) California Home Visiting Program (Section 123255 of the Health and Safety Code).

(D) Sexually transmitted disease prevention and control activities (Section 120511 of the Health and Safety Code).

(E) Support for vital public health activities (Article 7 (commencing with Section 101320) of Chapter 3 of Part 3 of Division 101 of the Health and Safety Code).

(F) County administration for Medi-Cal eligibility (Section 14154 of the Welfare and Institutions Code).

(G) Optional Targeted Low Income Children's Program (Section 14005.27 of the Welfare and Institutions Code).

(H) Case management services under the California Children's Services program (Section 123850 of the Health and Safety Code).

(I) Child Health and Disability Prevention Program (Article 6 (commencing with Section 124024) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code).

(J) Specialty Mental Health Services (Chapter 8.9 (commencing with Section 14700) of Part 3 of Division 9 of the Welfare and Institutions Code).

(K) Specified precare and postcare services for individuals treated in short-term residential therapeutic programs (Article 5 (commencing with Section 14680) of Chapter 8.8 of Part 3

of Division 9 of the Welfare and Institutions Code).

(L) Behavioral Health Quality Improvement Program (Section 14184.405 of the Welfare and Institutions Code).

(M) Mental health plan costs for Continuum of Care Reform (Sections 4096.5 and 11462.01 of the Welfare and Institutions Code).

(N) Mobile crisis services (Section 14132.57 of the Welfare and Institutions Code).

(O) Los Angeles County Justice-Involved Population Services and Supports (Provision 18 of Item 4260-101-0001 of the Budget Act of 2022).

(P) Funds distributed from the Mental Health Services Fund pursuant to Section 5892 of the Welfare and Institutions Code.

(Q) Drug Medi-Cal organized delivery system, excluding Narcotic Treatment Program services (Section 14184.401 of the Welfare and Institutions Code).

(R) Drug Medi-Cal, excluding Narcotic Treatment Program services (Section 14124.20 of the Welfare and Institutions Code).

(S) Behavioral Health Bridge Housing Program (Provision 17 of Item 4260-101-0001 of the Budget Act of 2022).

(T) Mental Health Student Services Act partnership grant program (Section 5886 of the Welfare and Institutions Code).

(U) CalFresh (Section 18906.55 of the Welfare and Institutions Code).

(V) In-Home Supportive Services (Sections 12306.16 and 12302.25 of the Welfare and Institutions Code).

(W) Community Care Expansion Program (Section 18999.97 of the Welfare and Institutions Code).

(X) Housing and Disability Income Advocacy Program (Chapter 25 of the Statutes of 2016 (Assembly Bill No. 1603) and Chapter 17 (commencing with Section 18999) of Part 6 of Division 9 of the Welfare and Institutions Code).

(Y) Project Roomkey (Executive Order No. N-32-20 and Item 5180-151-0001 of the Budget Act of 2019, Item 5180-151-0001 of the Budget Act of 2021, and Item 5180-493 of the Budget Act of 2022).

(Z) Bringing Families Home Program (Section 16523.1 of the Welfare and Institutions Code).

(AA) Home Safe Program (Section 15771 of the Welfare and Institutions Code).

(AB) CalWORKs Housing Support Program (Section 11330.5 of the Welfare and Institutions Code).

(AC) CalWORKs (Section 15204.3 of the Welfare and Institutions Code).

(AD) Automation (Section 10823 of the Welfare and Institutions Code and Item 5180-141-0001 of the Budget Act of 2022).

(AE) Adult Protective Services (Chapter 13 (commencing with Section 15750) of Part 3 of Division 9 of the Welfare and Institutions Code).

(AF) Adult corrections and rehabilitation operations—institution administration (Chapter 3 (commencing with Section 1228) of Title 8 of Part 2 of the Penal Code, Sections 1557 and 4750 of the Penal Code, and Section 26747 of the Government Code).

(AG) Corrections planning and grant programs (The Safe Neighborhoods and Schools Act (Proposition 47 approved at the November 4, 2014, general election), The Public Safety and Rehabilitation Act of 2016 (Proposition 57 approved at the November 8, 2016, general election), The Control, Regulate, and Tax Adult Use of Marijuana Act (Proposition 64 approved at the November 8, 2016, general election), Section 7599.1 of the Government Code, Title 10.2 (commencing with Section 14130) of the Penal Code, Chapter 337 of the Statutes of 2020 (Senate Bill No. 823), Items 5227-123-0001, 5227-117-0001, 5227-118-0001, 5227-120-0001, 5227-121-0001, 5227-125-0001, of the Budget Act of 2022, Items 5227-115-0001 and 5227-116-0001 of the Budget Act of 2021).

(AH) Office of the Small Business Advocate (Item 0509-103-0001 of the Budget Act of 2021).

(AI) Elections (Chapter 9 of the Statutes of 2022 (Senate Bill No. 119) and Item 0890-101-0001 of the Budget Act of 2021).

(AJ) County Subvention (Items 8955-101-0001 and 8955-101-3085 of the Budget Act of 2021).

(AK) Department of Cannabis Control grant (Item 1115-101-0001 of the Budget Act of 2021 and Item 1115-102-0001 of the Budget Act of 2022).

(AL) Agricultural land burning in San Joaquin Valley (Provision 1 of Item 3900-101-0001 of the Budget Act of 2021).

(AM) Carl Moyer Air Quality Standards Attainment Program (Provision 2g of Item 3970-101-0001 of the Budget Act of 2021).

(AN) Pre-positioning for fire and rescue (Provision 3 of Item 0690-101-0001 of the Budget Act of 2021 and the Budget Act of 2022).

(AO) Prepare California (Item 0690-106-0001 of the Budget Act of 2021).

(AP) Law Enforcement Mutual Aid (Provision 6 of Item 0690-101-0001 of the Budget Act of 2022).

(AQ) Los Angeles Regional Interoperable Communication Systems (Provision 9 of Item 0690-101-0001 of the Budget Act of 2022).

(AR) Homeless Housing, Assistance, and Prevention program grants (Chapter 6 (commencing with Sections 50216) of Part 1 of Division 31 of the Health and Safety Code).

(AS) Encampment resolution grants (Chapter 7 (commencing with Section 50250) and Chapter 8 (commencing with Section 50255) of Part 1 of Division 31 of the Health and Safety Code).

(AT) Operating subsidies for Homekey facilities (Sections 50675.1.1 to 50675.14, inclusive, of the Health and Safety Code).

(AU) Various programs contained in Control Sections 19.56 and 19.57 of the Budget Act of 2021, and Control Section 19.56 of the Budget Act of 2022.

(2) State subventions pursuant to programs listed in paragraph (1) shall be included within the appropriations limit of the local agency, up to the amount representing the difference between the total amount of proceeds of taxes of the local agency, calculated without application of this section, and the full appropriations limit of the local agency, as determined pursuant to Section 7902.

(c) (1) No later than February 1 of each year, the Department of Finance shall do both of the following:

(A) Calculate for each local agency the individual subvention amounts for each program listed in paragraph (1) of subdivision (b).

(B) Provide the information described in subparagraph (A) to the California State Association of Counties and the League of California Cities for distribution to local agencies.

(2) Local agencies shall utilize the amounts calculated by the Department of Finance and provided to them pursuant to this subdivision for purposes of Article XIII B of the California Constitution and this division.

(d) (1) Any portion of state subventions pursuant to programs listed in paragraph (1) of subdivision (b) that exceeds the amount representing the difference between the total amount of proceeds of taxes of the local agency, calculated without application of this section, and the appropriations limit of the local agency shall be identified and reported to the Director of Finance by November 1, 2022, and by that date annually thereafter.

(2) The Director of Finance shall calculate the total amounts reported by local agencies pursuant to this subdivision and shall include those amounts within the state appropriations limit determined pursuant to Section 7902.

(e) The determinations and calculations required pursuant to this section shall be in addition to any determinations and calculations required pursuant to Section 7902.2.2 of the Government Code.

(Amended by Stats. 2023, Ch. 45, Sec. 2. (AB 127) Effective July 10, 2023. Superseded on January 1, 2025; see amendment by Stats. 2024, Ch. 40.)

7903. (a) "State subventions" shall, except as provided in subdivision (b), include only money received by a local agency from the state, the use of which is unrestricted by the statute providing the subvention.

(b) (1) Commencing with the 2021–22 fiscal year and each fiscal year thereafter, "state subventions" shall also include any money provided to a local agency pursuant to any of the following:

(A) Child support administration relating to local child support agencies (Sections 17306, subdivision (b) of Section 17704, and subdivision (a) of Section 17710 of the Family Code).

(B) Black Infant Health Program (Section 123255 of the Health and Safety Code).

(C) California Home Visiting Program (Section 123255 of the Health and Safety Code).

(D) Sexually transmitted disease prevention and control activities (Section 120511 of the Health and Safety Code).

(E) Support for vital public health activities (Article 7 (commencing with Section 101320) of Chapter 3 of Part 3 of Division 101 of the Health and Safety Code).

(F) County administration for Medi-Cal eligibility (Section 14154 of the Welfare and Institutions Code).

(G) Optional Targeted Low Income Children's Program (Section 14005.27 of the Welfare and Institutions Code).

(H) Case management services under the California Children's Services program (Section 123850 of the Health and Safety Code).

- (I) Child Health and Disability Prevention Program (Article 6 (commencing with Section 124024) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code).
- (J) Specialty Mental Health Services (Chapter 8.9 (commencing with Section 14700) of Part 3 of Division 9 of the Welfare and Institutions Code).
- (K) Specified precare and postcare services for individuals treated in short-term residential therapeutic programs (Article 5 (commencing with Section 14680) of Chapter 8.8 of Part 3 of Division 9 of the Welfare and Institutions Code).
- (L) Behavioral Health Quality Improvement Program (Section 14184.405 of the Welfare and Institutions Code).
- (M) Mental health plan costs for Continuum of Care Reform (Sections 4096.5 and 11462.01 of the Welfare and Institutions Code).
- (N) Mobile crisis services (Section 14132.57 of the Welfare and Institutions Code).
- (O) Los Angeles County Justice-Involved Population Services and Supports (Provision 18 of Item 4260-101-0001 of the Budget Act of 2022).
- (P) Funds distributed from the Behavioral Health Services Fund pursuant to Section 5892 of the Welfare and Institutions Code.
- (Q) Drug Medi-Cal organized delivery system, excluding Narcotic Treatment Program services (Section 14184.401 of the Welfare and Institutions Code).
- (R) Drug Medi-Cal, excluding Narcotic Treatment Program services (Section 14124.20 of the Welfare and Institutions Code).
- (S) Behavioral Health Bridge Housing Program (Provision 17 of Item 4260-101-0001 of the Budget Act of 2022).
- (T) Mental Health Student Services Act partnership grant program (Section 5886 of the Welfare and Institutions Code).
- (U) CalFresh (Section 18906.55 of the Welfare and Institutions Code).
- (V) In-Home Supportive Services (Sections 12306.16 and 12302.25 of the Welfare and Institutions Code).
- (W) Community Care Expansion Program (Section 18999.97 of the Welfare and Institutions Code).
- (X) Housing and Disability Income Advocacy Program (Chapter 25 of the Statutes of 2016 (Assembly Bill No. 1603) and Chapter 17 (commencing with Section 18999) of Part 6 of Division 9 of the Welfare and Institutions Code).
- (Y) Project Roomkey (Executive Order No. N-32-20 and Item 5180-151-0001 of the Budget Act of 2019, Item 5180-151-0001 of the Budget Act of 2021, and Item 5180-493 of the Budget Act of 2022).
- (Z) Bringing Families Home Program (Section 16523.1 of the Welfare and Institutions Code).
- (AA) Home Safe Program (Section 15771 of the Welfare and Institutions Code).

(AB) CalWORKs Housing Support Program (Section 11330.5 of the Welfare and Institutions Code).

(AC) CalWORKs (Section 15204.3 of the Welfare and Institutions Code).

(AD) Automation (Section 10823 of the Welfare and Institutions Code and Item 5180-141-0001 of the Budget Act of 2022).

(AE) Adult Protective Services (Chapter 13 (commencing with Section 15750) of Part 3 of Division 9 of the Welfare and Institutions Code).

(AF) Adult corrections and rehabilitation operations—institution administration (Chapter 3 (commencing with Section 1228) of Title 8 of Part 2 of the Penal Code, Sections 1557 and 4750 of the Penal Code, and Section 26747 of the Government Code).

(AG) Corrections planning and grant programs (The Safe Neighborhoods and Schools Act (Proposition 47 approved at the November 4, 2014, general election), The Public Safety and Rehabilitation Act of 2016 (Proposition 57 approved at the November 8, 2016, general election), The Control, Regulate, and Tax Adult Use of Marijuana Act (Proposition 64 approved at the November 8, 2016, general election), Section 7599.1 of the Government Code, Title 10.2 (commencing with Section 14130) of the Penal Code, Chapter 337 of the Statutes of 2020 (Senate Bill No. 823), Items 5227-123-0001, 5227-117-0001, 5227-118-0001, 5227-120-0001, 5227-121-0001, 5227-125-0001, of the Budget Act of 2022, Items 5227-115-0001 and 5227-116-0001 of the Budget Act of 2021).

(AH) Office of the Small Business Advocate (Item 0509-103-0001 of the Budget Act of 2021).

(AI) Elections (Chapter 9 of the Statutes of 2022 (Senate Bill No. 119) and Item 0890-101-0001 of the Budget Act of 2021).

(AJ) County Subvention (Items 8955-101-0001 and 8955-101-3085 of the Budget Act of 2021).

(AK) Department of Cannabis Control grant (Item 1115-101-0001 of the Budget Act of 2021 and Item 1115-102-0001 of the Budget Act of 2022).

(AL) Agricultural land burning in San Joaquin Valley (Provision 1 of Item 3900-101-0001 of the Budget Act of 2021).

(AM) Carl Moyer Air Quality Standards Attainment Program (Provision 2g of Item 3970-101-0001 of the Budget Act of 2021).

(AN) Pre-positioning for fire and rescue (Provision 3 of Item 0690-101-0001 of the Budget Act of 2021 and the Budget Act of 2022).

(AO) Prepare California (Item 0690-106-0001 of the Budget Act of 2021).

(AP) Law Enforcement Mutual Aid (Provision 6 of Item 0690-101-0001 of the Budget Act of 2022).

(AQ) Los Angeles Regional Interoperable Communication Systems (Provision 9 of Item 0690-101-0001 of the Budget Act of 2022).

(AR) Homeless Housing, Assistance, and Prevention program grants (Chapter 6 (commencing with Sections 50216) of Part 1 of Division 31 of the Health and Safety Code).

(AS) Encampment resolution grants (Chapter 7 (commencing with Section 50250) and Chapter 8 (commencing with Section 50255) of Part 1 of Division 31 of the Health and Safety Code).

(AT) Operating subsidies for Homekey facilities (Sections 50675.1.1 to 50675.14, inclusive, of the Health and Safety Code).

(AU) Various programs contained in Control Sections 19.56 and 19.57 of the Budget Act of 2021, and Control Section 19.56 of the Budget Act of 2022.

(2) State subventions pursuant to programs listed in paragraph (1) shall be included within the appropriations limit of the local agency, up to the amount representing the difference between the total amount of proceeds of taxes of the local agency, calculated without application of this section, and the full appropriations limit of the local agency, as determined pursuant to Section 7902.

(c) (1) No later than February 1 of each year, the Department of Finance shall do both of the following:

(A) Calculate for each local agency the individual subvention amounts for each program listed in paragraph (1) of subdivision (b).

(B) Provide the information described in subparagraph (A) to the California State Association of Counties and the League of California Cities for distribution to local agencies.

(2) Local agencies shall utilize the amounts calculated by the Department of Finance and provided to them pursuant to this subdivision for purposes of Article XIII B of the California Constitution and this division.

(d) (1) Any portion of state subventions pursuant to programs listed in paragraph (1) of subdivision (b) that exceeds the amount representing the difference between the total amount of proceeds of taxes of the local agency, calculated without application of this section, and the appropriations limit of the local agency shall be identified and reported to the Director of Finance by November 1, 2022, and by that date annually thereafter.

(2) The Director of Finance shall calculate the total amounts reported by local agencies pursuant to this subdivision and shall include those amounts within the state appropriations limit determined pursuant to Section 7902.

(e) The determinations and calculations required pursuant to this section shall be in addition to any determinations and calculations required pursuant to Section 7902.2.2 of the Government Code.

(Amended by Stats. 2024, Ch. 40, Sec. 1. (SB 159) Effective June 29, 2024. Operative January 1, 2025, pursuant to Sec. 85 of Stats. 2024, Ch. 40.)

7904. In no event shall the appropriation of the same proceeds of taxes be subject to the appropriations limit of more than one local jurisdiction or the state.

(Added by Stats. 1980, Ch. 1205.)

7905. Revenues to a local jurisdiction from regulatory licenses, user charges, or user fees may be aggregated if they are reasonably related.

(Added by Stats. 1980, Ch. 1205.)

7906. For school districts:

(a) (1) For the 1980–81 to 2012–13 fiscal years, inclusive, “ADA” means a school district’s second principal apportionment units of average daily attendance as determined pursuant to Section 42238.5 of the Education Code, including average daily attendance in summer school, regional occupational centers and programs, and apprenticeship programs, and excluding average daily attendance in adult education programs. All other units of average daily attendance including, but not limited to, special day classes for special education pupils, shall be included.

(A) For purposes of this subdivision, the average daily attendance of apprenticeship programs shall be determined pursuant to Section 79149.1 or 79149.3 of the Education Code.

(B) For the 2008–09 to 2012–13 fiscal years, inclusive, the average daily attendance of public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, or any part thereof, shall include the same amount of average daily attendance for classes for supplemental instruction and regional occupational centers and programs that was used for purposes of this section for the 2007–08 fiscal year.

(2) For the 2013–14 fiscal year and each fiscal year thereafter, “ADA” means a school district’s second principal apportionment units of average daily attendance, as determined pursuant to Section 42238.05 of the Education Code.

(b) “Foundation program level” means:

(1) For the 1978–79 fiscal year, one thousand two hundred forty-one dollars (\$1,241) for elementary school districts, one thousand three hundred twenty-two dollars (\$1,322) for unified school districts, and one thousand four hundred twenty-seven dollars (\$1,427) for high school districts.

(2) For the 1979–80 fiscal year to the 1986–87 fiscal year, inclusive, the levels specified in paragraph (1) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(3) For the 1986–87 fiscal year, the levels specified in paragraph (2) increased by one hundred eighty dollars (\$180) for elementary school districts, one hundred ninety-one dollars (\$191) for unified school districts, and two hundred seven dollars (\$207) for high school districts.

(4) For the 1987–88 fiscal year, the levels specified in paragraph (3) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(5) For the 1988–89 fiscal year and each fiscal year thereafter, the appropriations limit of the school district for the current fiscal year, plus amounts paid for any nonreimbursed court or federal mandates imposed on or after November 6, 1979, less the sum of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year that are from the proceeds of taxes.

(C) Locally voted taxes received during the current fiscal year, such as parcel taxes or square foot taxes, unless for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current fiscal year, other than local taxes that offset state aid, such as excess bond revenues transferred to a school district’s general fund pursuant to Section 15234 of the Education Code.

(c) “Proceeds of taxes” shall be deemed to include subventions received from the state only if those subventions are for one of the following purposes:

(1) Basic aid subventions of one hundred twenty dollars (\$120) per ADA.

(2) (A) Additional apportionments that, when added to the school district’s local revenues, do not exceed the foundation program level for that school district. In no case shall subventions received from the state for reimbursement of state mandates in accordance with Section 6 of Article XIII B of the California Constitution or Section 17561, or for reimbursement of court or federal mandates imposed on or after November 6, 1979, be considered “proceeds of taxes” for purposes of this section.

(B) A school district's local revenues for purposes of subparagraph (A) are the amounts that offset state aid, as follows:

(i) For the 1980–81 to 2012–13 fiscal years, inclusive, as defined in Section 42238 of the Education Code.

(ii) For the 2013–14 fiscal year and each fiscal year thereafter, as defined in subdivision (j) of Section 42238.02 of the Education Code.

(d) Proceeds of taxes for a fiscal year shall not include any proceeds of taxes within the school district's beginning balance or reserve, unless those funds were not appropriated in a prior fiscal year. Funds that were appropriated to a reserve or other fund referenced in Section 5 of Article XIII B of the California Constitution shall be deemed to be appropriated for the purpose of this paragraph.

(e) The remainder of the state apportionments shall not be considered proceeds of taxes for a school district, and shall be considered appropriations subject to the state's limit.

(f) (1) Each school district shall report to the Superintendent of Public Instruction and to the Director of Finance at least annually its appropriations limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the school district, amounts excluded from its appropriations limit, and any increase or decrease to its appropriations limit pursuant to Section 7902.1, at a time and in a manner prescribed by the Superintendent of Public Instruction and approved by the Director of Finance.

(2) (A) A local jurisdiction that made a deposit into a routine restricted maintenance account, as described in paragraph (1) of subdivision (b) of Section 17070.75 of the Education Code, for the 2021–22 fiscal year shall revise the report that is required pursuant to paragraph (1) to reflect the exclusion in paragraph (3) of subdivision (i) of Section 7901.

(B) For purposes of subparagraph (A), the Director of Finance may direct the Superintendent of Public Instruction to make any necessary adjustments to a local jurisdiction's report, and may direct the Superintendent of Public Instruction to notify the local jurisdiction of the adjustments made. These adjustments may be retroactive to the two fiscal years before the adjustments made.

(g) For the 1988–89 fiscal year and each fiscal year thereafter, paragraph (2) of subdivision (c) shall not be construed as requiring the amount determined pursuant to subdivision (b) to be multiplied by the amount determined pursuant to subdivision (a) for purposes of determining the amount of state aid included in school district "proceeds of taxes" for purposes of this section.

(Amended by Stats. 2023, Ch. 131, Sec. 64. (AB 1754) Effective January 1, 2024.)

7907. For county superintendents of schools:

(a) (1) For the 1978–79 to 2012–13 fiscal years, inclusive, "proceeds of taxes" shall be deemed to include subventions received from the state only if those subventions are received for one or more of the following programs:

(A) Educational services provided directly to pupils, including, but not limited to, the services described in subdivision (c) of Section 1981 of, Sections 1904, 2550.2, 2551.3, 8152, 48633, 52570, and 58804 of, and Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of, the Education Code.

(B) Support services provided to school districts, including, but not limited to, the services described in subdivision (b) of Section 2550 of, and Sections 1510, 2509, 2551, 2554, and 2555 of, the Education Code.

(C) Direct services provided to school districts, as described in subdivision (a) of Section 2550 of the Education Code.

(2) For the 2013–14 fiscal year and each fiscal year thereafter, “proceeds of taxes” shall be deemed to include subventions received from the state only if those subventions are received for one or more of the following programs:

(A) The alternative education grant described in Section 2574 of the Education Code.

(B) The operations grant described in Section 2574 of the Education Code.

(C) The add-on amount described in subdivision (e) of Section 2574 of the Education Code and any amounts added either pursuant to calculations in Sections 2575 of the Education Code or added to the calculations in Section 2575 of the Education Code.

(b) For programs identified in subparagraph (A) of paragraph (1) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost of living or change in California per capita personal income applicable to each year and by the percentage change in average daily attendance in those programs for the 1979–80 and 1980–81 fiscal years.

(c) For all other programs operated by the county superintendent of schools, including, but not limited to, the programs identified in subparagraphs (B) and (C) of paragraph (1) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost of living or change in California per capita personal income for each year and by the percentage change in population, as defined by subdivision (d) of Section 7901, for all the school districts in the county for the 1979–80 and 1980–81 fiscal years. The “percentage change in population” for the program identified in subparagraph (C) of paragraph (1) of subdivision (a) shall be, for purposes of this subdivision, the percentage change in direct services average daily attendance as calculated pursuant to subdivision (a) of Section 2550 of the Education Code.

(d) The sum of the amounts calculated in subdivisions (b) and (c) shall be the appropriations limit for the county superintendent for the 1980–81 fiscal year.

(e) For the 1981–82 fiscal year and each fiscal year thereafter, the appropriations limit for the prior year shall be adjusted by the appropriate average daily attendance and the lesser of the change in cost of living or California per capita personal income.

(f) For the 1981–82 fiscal year to the 1987–88 fiscal years, inclusive, state apportionments to county superintendents in excess of the amounts in subdivision (d) or (e) shall not be considered proceeds of taxes for a county superintendent of schools.

(g) For the 1988–89 fiscal year and each fiscal year thereafter, the state apportionments to county superintendents that shall be considered “proceeds of taxes” for a county superintendent of schools shall be equal to the lesser of the following:

(1) The total amount of state apportionments received for that fiscal year, excluding amounts paid for reimbursement of state mandates in accordance with Section 6 of Article XIII B of the California Constitution or Section 17561, or for reimbursement of court or federal mandates imposed on or after November 6, 1979.

(2) The appropriations limit for the county superintendent for that fiscal year, less the sum of all of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year that are from the proceeds of taxes.

(C) Locally voted taxes received during the current year, such as parcel taxes or square foot taxes, other than for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current year, such as excess bond revenues transferred to a school district's general fund pursuant to Section 15234 of the Education Code.

(E) Local proceeds of taxes received during the current fiscal year that offset state aid.

(3) Amounts paid for court or federal mandates shall be excluded from the appropriations limit.

(h) Each county superintendent of schools shall report to the Superintendent of Public Instruction and to the Director of Finance at least annually its appropriations limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the county superintendents of schools, amounts excluded from its appropriations limit, and any increase or decrease to its appropriations limit pursuant to Section 7902.1, at a time and in a manner prescribed by the Superintendent of Public Instruction and approved by the Director of Finance.

(Amended by Stats. 2021, Ch. 44, Sec. 111. (AB 130) Effective July 9, 2021.)

7908. For community college districts:

(a) As used in this section, "ADA" means the annual average daily attendance reported for students attending the community college district during the fiscal year.

(b) "Proceeds of taxes" shall be deemed to include subventions from the state, including special purpose apportionments, but excluding subventions received from the state for reimbursement of state mandates in accordance with Section 6 of Article XIII B of the California Constitution or Section 17561, or for reimbursement of court or federal mandates imposed on or after November 6, 1979, only if those subventions, when added to the community college district's local resources, as defined in items (2) and (3) of subdivision (a) of Section 84904 of the Education Code, do not exceed:

(1) For the 1978–79 fiscal year, the lesser of the statewide average revenues or the actual revenues received per ADA, as defined in paragraph (1) of subdivision (c) of Section 84700 of the Education Code, multiplied by the ADA in the community college district for the 1978–79 fiscal year.

(2) For the 1979–80 to the 1987–88 fiscal years, inclusive, the amount specified in paragraph (1) adjusted by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year and the percentage change in the community college district's ADA for that fiscal year.

(3) For the 1988–89 fiscal year and each fiscal year thereafter, the appropriations limit of that community college district, plus amounts paid for any nonreimbursed court or federal mandates imposed on or after November 6, 1979, less the sum of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year that are from the proceeds of taxes.

(C) Locally voted taxes received during the current fiscal year, such as parcel taxes or square foot taxes, unless for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current fiscal year, other than local taxes which count towards the revenue limit, such as excess bond revenues transferred to a community college district's general fund pursuant to Section 15234.

(c) Each community college district shall report to the Chancellor of the California Community Colleges and to the Director of Finance at least annually its appropriations limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the community college district, amounts excluded from the appropriations limit, and any increase or decrease to its appropriations limit pursuant to Section 7902.1, at a time and in a manner prescribed by the Chancellor of the California Community Colleges and approved by the Director of Finance.

(Amended by Stats. 2021, Ch. 44, Sec. 112. (AB 130) Effective July 9, 2021.)

7909. No later than May 1 of each year, the Department of Finance shall notify each local agency of the change in the cost of living or change in California per capita personal income, whichever is less, and population for each local agency for the prior calendar year.

No later than May 1 of each year, the Department of Finance shall notify the Department of Education and the Chancellor's Office of the California Community Colleges of the change in the cost of living or change in California per capita personal income, whichever is less. These agencies shall inform the school districts, county superintendents of schools, and community college districts for which they are respectively responsible.

(Amended by Stats. 1982, Ch. 1638, Sec. 2. Effective October 1, 1982.)

7910. (a) Each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution at a regularly scheduled meeting or noticed special meeting. Fifteen days prior to the meeting documentation used in the determination of the appropriations limit and other necessary determinations shall be available to the public. The determinations made pursuant to this section are legislative acts.

(b) A judicial action or proceeding to attack, review, set aside, void, or annul the action of the governing body taken pursuant to this section shall be commenced within 45 days of the effective date of the resolution.

(c) A court in which an action described in subdivision (b) is pending, including any court reviewing the action on appeal from the decision of a lower court, shall give the action preference over all other civil actions, in the manner of setting the action for hearing or trial and in hearing the action, to the end that the action shall be quickly heard and determined.

(Amended by Stats. 2007, Ch. 263, Sec. 25. Effective January 1, 2008.)

7911. For the purposes of Section 2 of Article XIII B, a local jurisdiction may return excess revenues by granting a tax credit or refund, by providing a temporary suspension of tax rates or fee schedules, or by any other means consistent with the intent of that section. The determination by the governing body of such entity of the means by which such excess revenues are to be returned is a legislative act.

Judicial review of such determination may be obtained only by a proceeding for a writ of mandate which shall be brought within 30 days after the governing body's determination.

All courts wherein such actions are or may be hereafter pending, including any court reviewing such action on appeal from the decision of a lower court, shall give such actions preference over

all other civil actions therein, in the manner of setting the same for hearing or trial and in hearing the same, to the end that all such actions shall be quickly heard and determined.

(Added by Stats. 1980, Ch. 1205.)

7912. Each year, the Governor shall include in the budget as submitted to the Legislature an estimate of the state's appropriations limit for the budget year. This estimate shall be subject to the budget process, and shall be established in the Budget Bill.

(Added by Stats. 1980, Ch. 1205.)

7913. For purposes of subdivision (b) of Section 3 of Article XIII B of the California Constitution, the financial responsibility of providing services is transferred in whole or in part from other revenues of an entity of government to proceeds from regulatory licenses, user charges, or user fees only when the dollar amount allocated from other revenues of a local jurisdiction or the state to the provision of such services is decreased.

(Added by Stats. 1980, Ch. 1205.)

7914. An appropriation for a "qualified capital outlay project," as used in subdivision (d) of Section 9 of Article XIII B of the California Constitution, means an appropriation for a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds one hundred thousand dollars (\$100,000).

(Added by Stats. 1990, Ch. 60, Sec. 7. Applicable from July 1, 1990, pursuant to Secs. 8 and 9 of Ch. 60.)

*** CALIFORNIA CONSTITUTION - CONS**

ARTICLE XIII B GOVERNMENT SPENDING LIMITATION [SEC. 1 - SEC. 15] (*Article 13B added Nov. 6, 1979, by Prop. 4. Initiative measure.)*

SEC. 1. The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article.

(Sec. 1 amended June 5, 1990, by Prop. 111. Res.Ch. 66, 1989. Effective July 1, 1990.)

SEC. 1.5. The annual calculation of the appropriations limit under this article for each entity of local government shall be reviewed as part of an annual financial audit.

(Sec. 1.5 added June 5, 1990, by Prop. 111. Res.Ch. 66, 1989. Effective July 1, 1990.)

SEC. 2. (a) (1) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article during that fiscal year and the fiscal year immediately following it shall be transferred and allocated, from a fund established for that purpose, pursuant to Section 8.5 of Article XVI.

(2) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

(b) All revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the entity in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

(Sec. 2 amended June 5, 1990, by Prop. 111. Res.Ch. 66, 1989. Effective July 1, 1990.)

SEC. 3. The appropriations limit for any fiscal year pursuant to Sec. 1 shall be adjusted as follows:

(a) In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation or otherwise, from one entity of government to another, then for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

(b) In the event that the financial responsibility of providing services is transferred, in whole or in part, from an entity of government to a private entity, or the financial source for the provision of services is transferred, in whole or in part, from other revenues of an entity of government, to regulatory licenses, user charges or user fees, then for the year of such transfer the appropriations limit of such entity of government shall be decreased accordingly.

(c) (1) In the event an emergency is declared by the legislative body of an entity of government, the appropriations limit of the affected entity of government may be exceeded provided that the

appropriations limits in the following three years are reduced accordingly to prevent an aggregate increase in appropriations resulting from the emergency.

(2) In the event an emergency is declared by the Governor, appropriations approved by a two-thirds vote of the legislative body of an affected entity of government to an emergency account for expenditures relating to that emergency shall not constitute appropriations subject to limitation. As used in this paragraph, "emergency" means the existence, as declared by the Governor, of conditions of disaster or of extreme peril to the safety of persons and property within the State, or parts thereof, caused by such conditions as attack or probable or imminent attack by an enemy of the United States, fire, flood, drought, storm, civil disorder, earthquake, or volcanic eruption.

(Subdivision (c) amended June 5, 1990, by Prop. 111. Res.Ch. 66, 1989. Effective July 1, 1990. Other Source: Entire Sec. 3 was added Nov. 6, 1979, by Prop. 4; initiative measure.)

SEC. 4. The appropriations limit imposed on any new or existing entity of government by this Article may be established or changed by the electors of such entity, subject to and in conformity with constitutional and statutory voting requirements. The duration of any such change shall be as determined by said electors, but shall in no event exceed four years from the most recent vote of said electors creating or continuing such change.

(Sec. 4 added Nov. 6, 1979, by Prop. 4. Initiative measure.)

SEC. 5. Each entity of government may establish such contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar funds as it shall deem reasonable and proper. Contributions to any such fund, to the extent that such contributions are derived from the proceeds of taxes, shall for purposes of this Article constitute appropriations subject to limitation in the year of contribution. Neither withdrawals from any such fund, nor expenditures of (or authorizations to expend) such withdrawals, nor transfers between or among such funds, shall for purposes of this Article constitute appropriations subject to limitation.

(Sec. 5 added Nov. 6, 1979, by Prop. 4. Initiative measure.)

SECTION 5.5. Prudent State Reserve. The Legislature shall establish a prudent state reserve fund in such amount as it shall deem reasonable and necessary. Contributions to, and withdrawals from, the fund shall be subject to the provisions of Section 5 of this Article.

(Sec. 5.5 added Nov. 8, 1988, by Prop. 98. Initiative measure.)

SEC. 6. (a) Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse that local government for the costs of the program or increased level of service, except that the Legislature may, but need not, provide a subvention of funds for the following mandates:

- (1) Legislative mandates requested by the local agency affected.
- (2) Legislation defining a new crime or changing an existing definition of a crime.
- (3) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975.
- (4) Legislative mandates contained in statutes within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I.

(b) (1) Except as provided in paragraph (2), for the 2005–06 fiscal year and every subsequent fiscal year, for a mandate for which the costs of a local government claimant have been determined in a preceding fiscal year to be payable by the State pursuant to law, the Legislature shall either appropriate, in the annual Budget Act, the full payable amount that has not been previously paid, or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable in a manner prescribed by law.

(2) Payable claims for costs incurred prior to the 2004–05 fiscal year that have not been paid prior to the 2005–06 fiscal year may be paid over a term of years, as prescribed by law.

(3) Ad valorem property tax revenues shall not be used to reimburse a local government for the costs of a new program or higher level of service.

(4) This subdivision applies to a mandate only as it affects a city, county, city and county, or special district.

(5) This subdivision shall not apply to a requirement to provide or recognize any procedural or substantive protection, right, benefit, or employment status of any local government employee or retiree, or of any local government employee organization, that arises from, affects, or directly relates to future, current, or past local government employment and that constitutes a mandate subject to this section.

(c) A mandated new program or higher level of service includes a transfer by the Legislature from the State to cities, counties, cities and counties, or special districts of complete or partial financial responsibility for a required program for which the State previously had complete or partial financial responsibility.

(Sec. 6 amended June 3, 2014, by Prop. 42. Res.Ch. 123, 2013.)

SEC. 7. Nothing in this Article shall be construed to impair the ability of the State or of any local government to meet its obligations with respect to existing or future bonded indebtedness.

(Sec. 7 added Nov. 6, 1979, by Prop. 4. Initiative measure.)

SEC. 8. As used in this article and except as otherwise expressly provided herein:

(a) "Appropriations subject to limitation" of the State means any authorization to expend during a fiscal year the proceeds of taxes levied by or for the State, exclusive of state subventions for the use and operation of local government (other than subventions made pursuant to Section 6) and further exclusive of refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds.

(b) "Appropriations subject to limitation" of an entity of local government means any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6) exclusive of refunds of taxes.

(c) "Proceeds of taxes" shall include, but not be restricted to, all tax revenues and the proceeds to an entity of government, from (1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues. With respect to any local government, "proceeds of taxes" shall include subventions received from the State, other than pursuant to Section 6, and, with respect to the State, proceeds of taxes shall exclude such subventions.

(d) "Local government" means any city, county, city and county, school district, special district, authority, or other political subdivision of or within the State.

(e) (1) "Change in the cost of living" for the State, a school district, or a community college district means the percentage change in California per capita personal income from the preceding year.

(2) "Change in the cost of living" for an entity of local government, other than a school district or a community college district, shall be either (A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction. Each entity of local government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity's governing body.

(f) "Change in population" of any entity of government, other than the State, a school district, or a community college district, shall be determined by a method prescribed by the Legislature.

"Change in population" of a school district or a community college district shall be the percentage change in the average daily attendance of the school district or community college district from the preceding fiscal year, as determined by a method prescribed by the Legislature.

"Change in population" of the State shall be determined by adding (1) the percentage change in the State's population multiplied by the percentage of the State's budget in the prior fiscal year that is expended for other than educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges, and (2) the percentage change in the total statewide average daily attendance in kindergarten and grades one to 12, inclusive, and the community colleges, multiplied by the percentage of the State's budget in the prior fiscal year that is expended for educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges.

Any determination of population pursuant to this subdivision, other than that measured by average daily attendance, shall be revised, as necessary, to reflect the periodic census conducted by the United States Department of Commerce, or successor department.

(g) "Debt service" means appropriations required to pay the cost of interest and redemption charges, including the funding of any reserve or sinking fund required in connection therewith, on indebtedness existing or legally authorized as of January 1, 1979, or on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for that purpose.

(h) The "appropriations limit" of each entity of government for each fiscal year is that amount which total annual appropriations subject to limitation may not exceed under Sections 1 and 3. However, the "appropriations limit" of each entity of government for fiscal year 1978-79 is the total of the appropriations subject to limitation of the entity for that fiscal year. For fiscal year 1978-79, state subventions to local governments, exclusive of federal grants, are deemed to have been derived from the proceeds of state taxes.

(i) Except as otherwise provided in Section 5, "appropriations subject to limitation" do not include local agency loan funds or indebtedness funds, investment (or authorizations to invest) funds of the State, or of an entity of local government in accounts at banks or savings and loan associations or in liquid securities.

(Sec. 8 amended June 5, 1990, by Prop. 111. Res.Ch. 66, 1989. Effective July 1, 1990.)

SEC. 9. "Appropriations subject to limitation" for each entity of government do not include:

(a) Appropriations for debt service.

(b) Appropriations required to comply with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

(c) Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977–78 fiscal year levy an ad valorem tax on property in excess of 12¹/₂ cents per \$100 of assessed value; or the appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.

(d) Appropriations for all qualified capital outlay projects, as defined by the Legislature.

(e) Appropriations of revenue which are derived from any of the following:

(1) That portion of the taxes imposed on motor vehicle fuels for use in motor vehicles upon public streets and highways at a rate of more than nine cents (\$0.09) per gallon.

(2) Sales and use taxes collected on that increment of the tax specified in paragraph (1).

(3) That portion of the weight fee imposed on commercial vehicles which exceeds the weight fee imposed on those vehicles on January 1, 1990.

(Sec. 9 amended June 5, 1990, by Prop. 111. Res.Ch. 66, 1989. Effective July 1, 1990.)

SEC. 10. This Article shall be effective commencing with the first day of the fiscal year following its adoption.

(Sec. 10 added Nov. 6, 1979, by Prop. 4. Initiative measure.)

SEC. 10.5. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986–87 fiscal year adjusted for the changes made from that fiscal year pursuant to this article, as amended by the measure adding this section, adjusted for the changes required by Section 3.

(Sec. 10.5 added June 5, 1990, by Prop. 111. Res.Ch. 66, 1989. Effective July 1, 1990.)

SEC. 11. If any appropriation category shall be added to or removed from appropriations subject to limitation, pursuant to final judgment of any court of competent jurisdiction and any appeal therefrom, the appropriations limit shall be adjusted accordingly. If any section, part, clause or phrase in this Article is for any reason held invalid or unconstitutional, the remaining portions of this Article shall not be affected but shall remain in full force and effect.

(Sec. 11 added Nov. 6, 1979, by Prop. 4. Initiative measure.)

SEC. 12. “Appropriations subject to limitation” of each entity of government shall not include appropriations of revenue from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988.

(Sec. 12 added Nov. 8, 1988, by Prop. 99. Initiative measure.)

SEC. 13. “Appropriations subject to limitation” of each entity of government shall not include appropriations of revenue from the California Children and Families First Trust Fund created by the California Children and Families First Act of 1998. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the California Children and Families First Trust Fund. The surtax created by the California Children and Families First Act of 1998 shall not be considered General Fund revenues for the purposes of Section 8 of Article XVI.

(Sec. 13 added Nov. 3, 1998, by Prop. 10. Initiative measure. Effective on date election results were certified.)

SEC. 14. "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenue from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund created by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund.

(Sec. 14 added Nov. 8, 2016, by Prop. 56. Initiative measure.)

SEC. 15. "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenues from the Road Maintenance and Rehabilitation Account created by the Road Repair and Accountability Act of 2017, or any other revenues deposited into any other funds pursuant to the act. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenues being deposited in or appropriated from the Road Maintenance and Rehabilitation Account created by the Road Repair and Accountability Act of 2017 or any other account pursuant to the act.

(Sec. 15 added June 5, 2018, by Prop. 69. Res.Ch. 30, 2017.)