



Tracy Rural County Fire Protection District

Agenda Item 4.3

STAFF REPORT

Meeting: Regular Meeting
Date: July 07, 2026
To: Board of Directors
Prepared by: Raychel Jackson, District Clerk
Approved by: Craig Miller, Chairperson

Re: Approve Resolution 2026-12 Proposition 4 – Government
Spending Limit Calculation for FY 2026-2027

RECOMMENDATION

☒ **Action Item** ☐ Non-Action Item

Approve Proposed Government Spending limit calculation for Fiscal Year 2026-2027 in the amount of \$10,116,733.00.

BACKGROUND

In 1979, California voters passed Proposition 4 (also known as the Gann Limit), which added Article XIII B to the State Constitution. The Gann Limit establishes an annual appropriations limit for state and local governments to control the growth of tax-supported spending. Each city, county, and special district in California is required to calculate its own annual spending limit. The formula to calculate this limit includes:

- The change in the population of unincorporated areas
- The change in California's per capita personal income (this year: 4.95% increase)

The limit helps ensure that government agencies do not grow their budgets faster than the state's economy and population growth combined.

DISCUSSION

The California Department of Finance provides the data required for local jurisdictions to calculate their annual appropriations limit. For Fiscal Year 2026-2027, the Tracy Rural County Fire Protection District has calculated its Gann Limit at \$10,116,733.00, based on a 4.95% increase in California per capita personal income and population changes in unincorporated areas.



Tracy Rural County Fire Protection District

It is important to note that the Gann Limit applies only to the appropriation of tax revenues. Funding from service fees, grants, interest income, and certain assessments are excluded from this limitation. The appropriations limit is prepared annually using factors provided by the State and the County Auditor-Controller's Office. The calculation is an annual compliance requirement and does not establish or limit the District's total budget.

Special assessments may be included in the Gann Limit only if they are considered "proceeds of taxes" under state law. However, most Proposition 218-compliant assessments, which are levied to fund specific services or benefits to assessed properties, are exempt from the Gann Limit calculation.

The District remains in compliance with Article XIII B of the California Constitution, as the amount of budgeted expenditures funded by tax revenues does not exceed the calculated Gann Limit.

Adoption of the annual appropriations limit is required by state law and is performed each fiscal year regardless of the District's budget size. The District's projected tax supported appropriations remain well below the calculated limit.

FISCAL IMPACT

None.

ATTACHMENTS

1. Calculation of Budget Limit
2. Resolution 2026-12 Proposition 4 - Government Spending Limit Calculation for Fiscal Year 2026-2027



Tracy Rural County Fire Protection District

Resolution No. 2026-12

ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026-2027 PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION

WHEREAS, in November 1979, the California electorate did adopt Proposition 4, which added Article XIII B of the California Constitution;

WHEREAS, the provisions of the Article require the District to establish a maximum spending limitation for each fiscal year; and

WHEREAS, the Board of Directors approves to set the Gann Appropriations Limit for the Fiscal Year 2026-2027 to \$10,116,733.00.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Tracy Rural County Fire Protection District that:

The District does hereby approve to set the GANN Appropriations Limit for the Fiscal Year 2026-2027 in the amount of \$10,116,733.00.

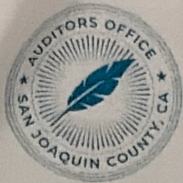
Motion passed.

Passed, approved, and adopted this 7th day of July, 2026.

Craig Miller, Chairman of the Board

ATTEST:

Raychel Jackson, Clerk of the Board



ASSISTANT AUDITOR-CONTROLLER
Jian Ou-Yang, CPA

JEFFERY M. WOLTKAMP, CPA
AUDITOR-CONTROLLER
SAN JOAQUIN COUNTY



CHIEF DEPUTIES
Randipa Gauba - Accounting
Zaakir J. Akhtar, CPA - Internal Audit
Dena Mannor - Payroll
Stanley Lawrence - Property Tax

May 6, 2026

MEMORANDUM

TO: Board of Directors - Fire Protection / Water Conservation Districts
FROM: Jeffery M. Woltkamp, Auditor-Controller *JM*
SUBJECT: Proposition 4 - Government Spending Limit Calculation for FY 2026-2027

Attached is the 2026-2027 Proposition 4 Appropriation Limit proposed for your district.

The factors used in computing the Limit are provided by the State Department of Finance.

If you agree with our computation, we recommend that you adopt a resolution to establish your FY 2026-2027 appropriation limit before the end of the current fiscal year, and then forward a copy of the resolution to us.

If your district has a higher percentage change in non-residential assessed valuation from fiscal year 2024-2025 to fiscal year 2025-2026 than the percentage change of CPCPI (4.95%), we can adjust the computation upon receiving the supporting documentation. If you have a special population growth study performed by the State Department of Finance for 2026-2027, please forward a copy to us so we may update the Spending Limit computation.

Should you have any questions regarding the spending limit, please contact Tammy Lagorio at our office at 209-953-1184.

JMW: tl

Enclosures

AUDITOR CONTROLLER
SAN JOAQUIN COUNTY
2026 JUN 16 PM 12:49

Calculation of Budget Limit		
Fire District Name:	TRACY	
Budget Limit to Be Established For Fiscal Year:		2026-2027
Budget Limit - Current Year		\$ 9,581,129
Percentage Change in Per Capita Personal Income [CPCPI]	X	104.95%
		10,055,395
Population Change Factor	X	100.61%
Budget Limit For the Coming Year		\$ 10,116,733