OCTA

June 9, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limitation for Fiscal Year 2021-22

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2021-043 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at $1,981,873,617, for fiscal year 2021-22.

Background

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIIIB of the California Constitution, which is also known as the Gann Appropriations Limitation.

Both the Article XIIIB appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, “proceeds of taxes” by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriations limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

Discussion

In accordance with the requirements of Article XIIIB, a resolution has been prepared and is attached for review and approval (Attachment A). The resolution establishes the Orange County Local Transportation Authority (LTA)/Measure M2 (M2) appropriations limit for fiscal year (FY) 2021-22 at $1,981,873,617, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limitation.

Attachment B shows the calculation of the FY 2021-22 Orange County LTA/M2 appropriations limit. Appropriations subject to limitation do not include appropriations for debt service, costs of complying with the mandates of the courts, federal government, or capital outlay projects. The change in population and change in California per capita personal income rates were obtained from the State of California, Department of Finance.

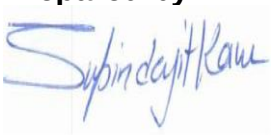
Summary

Staff recommends adoption of the Orange County Local Transportation Authority/Measure M2 Resolution No. 2021-043, which will establish the fiscal year 2021-22 appropriation limit at $1,981,873,617, for the Orange County Local Transportation Authority.

Attachments

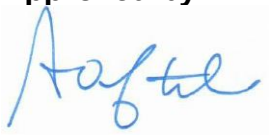
A. Resolution No. 2021-043 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2021-22
B. Orange County Local Transportation Authority/Measure M2 GANN Appropriations Limit Calculation for Fiscal Year 2021-22

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