



City of Colusa California

STAFF REPORT

DATE: July 21st, 2026

TO: Mayor and Members of the City Council

FROM: Ishrat Aziz-Khan, through Jesse Cain, City Manager

AGENDA ITEM:

Consideration of the Resolution approving the GANN Limit, as City Manager and City Staff recommended.

Recommendation: Council to adopt the approval of the appropriation limit for the Fiscal Year 2026-27 and updated for the fiscal year 2025-26.

BACKGROUND ANALYSIS:

Article XIII B of the California Constitution, commonly referred to as the "Gann Limit," requires local governments to annually establish an appropriations limit that restricts the amount of proceeds of taxes that may be appropriated each fiscal year. The appropriations limit is adjusted annually using factors specified in state law.

In 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. The measure established annual appropriations limits for state and local governments to control the growth in government spending financed by tax proceeds.

Each year, the City is required to:

- Calculate its appropriations limit;
- Adjust the prior year's limit using the inflation and population growth factors established by state law;
- Make the calculations available for public review; and
- Adopt the appropriations limit by resolution at a public meeting.

The California Department of Finance annually publishes the inflation and population adjustment factors used in these calculations.

The GANN limit is calculated based on the information provided by the Department of Finance, the increase or decrease in population at the local level, and the state level. Based on the required calculations, the City's Fiscal Year 2026-27 appropriations limit is \$13,484,174 and the updated for Fiscal Year 2025-26 is \$13,109,034.

BUDGET IMPACT:

The proposed action has no direct fiscal impact. Adoption of the annual appropriations limit is required by the California Constitution and demonstrates the City's compliance with Article XIII B.

STAFF RECOMMENDATION:

Approve Resolution 26-

ATTACHMENTS:

Resolution 26

Worksheets for FY 2025-26 and FY 2026-27