

## MEASURE D - INCREASING THE APPROPRIATIONS LIMIT

### THE QUESTION

Shall the measure increasing the appropriations limit under Article XIII B of the California Constitution (which limits city expenditures of tax proceeds) to allow the City of Oakland to continue to expend the revenues from taxes Oakland voters previously approved for emergency medical services, paramedic services, library services, public safety and violence prevention services, homeless services, children's services, parks and recreation, the Oakland Zoo and other lawful governmental purposes without increasing or imposing new taxes, be adopted?



### THE SITUATION

The California Constitution establishes a limit on what the state, counties and cities may spend from tax revenues in any given year. This limit is known as the Gann Limit or Appropriations Limit. By state law, all governmental entities calculate their limit from the base year of 1986-87 and adjust it according to inflation and population growth.

Under the Gann Limit, every four years governments may ask voters to approve raising their base spending limit. By voting approval, voters give the government leeway to spend revenue generated from taxes the voters have already approved.

Oakland voters have approved 12 current parcel taxes that raise revenue for emergency dispatch services, paramedic services, libraries, police staffing, violence prevention, homeless services, children's services, parks and recreation, and the Oakland Zoo.

As permitted by the Constitution, Oakland has asked voters every four years to approve a new spending limit so it can spend the parcel tax revenues. The last measure requesting such a new limit was Measure S in 2020. Measure S passed with a vote of 72%. Now, four years later, the City Council has placed Measure D on the ballot.

### THE PROPOSAL

The proposal is to increase Oakland's limit for spending tax revenues by \$322.97 million for Fiscal Year 2024-25 through Fiscal Year 2027-28. That amount is based on a projection of the maximum amount to be collected from taxes voters have approved.

### FISCAL EFFECT

Measure D does not impose any new or increased tax. It permits continued spending of revenues generated by existing parcel taxes that voters have approved in past elections.



Specifically, if Measure D passes, the City will be able to raise its appropriations limit by an estimated \$322.97 million to continue spending tax revenues previously approved by the voters through the next four fiscal years (Fiscal Year 2024-25 through Fiscal Year 2027-28).

If it does not pass, the City would not be able to raise its limit and would not be able to spend tax revenues in excess of the limit approved in 2020. The City would have to return excess revenue to the voters.

### REASONS TO SUPPORT

- Approval of an increased spending limit would allow tax revenues voters have approved to be spent for essential services.



### REASONS TO OPPOSE

- No opposition was filed on this measure.

