



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Jennifer Terry, Finance Director
Jennifer Terry, Finance Director

MEETING DATE: June 23, 2026

SUBJECT: Consideration of Resolution 2026-103, Establishing an Appropriations limit for Fiscal Year 2026/27 and Retroactively Approving the Fiscal Year 2025/26, Pursuant to Article XIII B of the California Constitution.

STAFF RECOMMENDATION:

Adopt Resolution 2026-103

BACKGROUND:

Article XIII-B of the California State Constitution, commonly referred to as the Gann Initiative or Gann Appropriations Limit, was adopted by California voters on November 6, 1979, to place limits on the amount of tax proceeds that can be spent by governmental entities. Subsequently, on June 5, 1990, California voters approved the Traffic Congestion Relief and Spending Limitation Act (Proposition 111), which made various amendments to Article XIII-B. As a result of Proposition 111, the City may choose between two annual inflation factors and two population growth factors for the calculation of the appropriations limit.

JUSTIFICATION:

Annually, local agencies are required to adopt an appropriations limit in accordance with Article XIII-B of the California State Constitution. Not doing so could allow spending limits greater than legally allowed and result in audit and compliance findings.

FISCAL IMPACT:

Approval of the FY 2026/27 GANN limit sets the maximum spending authority for the fiscal year.

ATTACHMENTS:

1. [Resolution 2026-103 JT.docx](#)
2. [GANN FY27 Exhibit A.pdf](#)