

MADERA COUNTY MEASURE T

SALES TAX UPDATE

3Q 2024 (JULY - SEPTEMBER)



MADERA COUNTY - MEASURE T

TOTAL: \$ 4,130,543

-6.4%

3Q2024



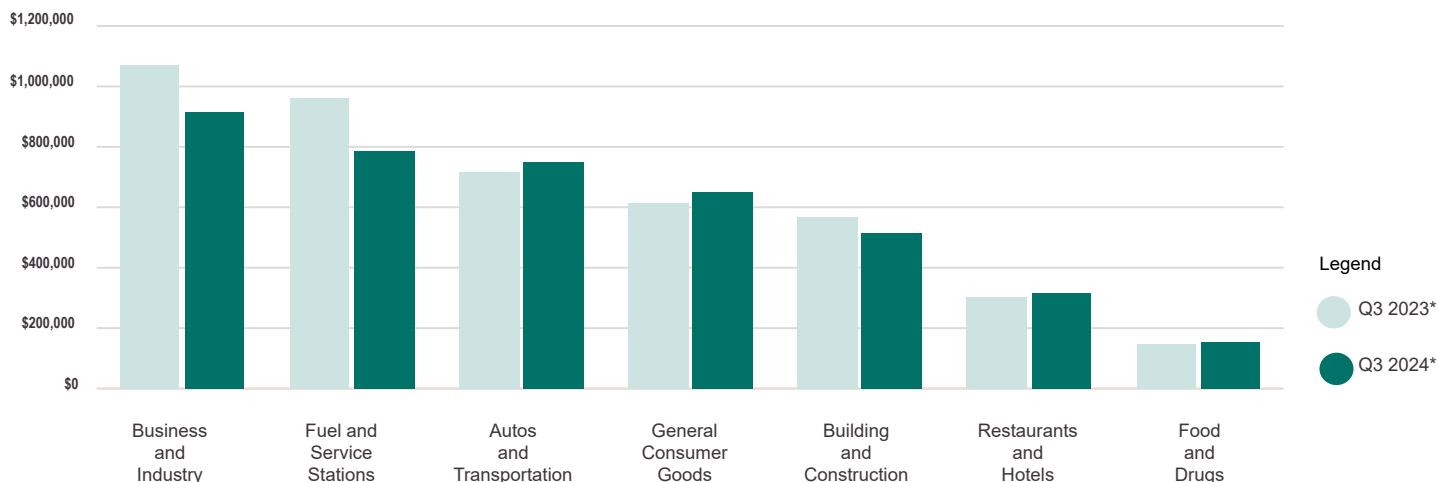
-2.3%

STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



MADERA COUNTY TRANSPORTATION COMMISSION - MEASURE T HIGHLIGHTS

Madera County Transportation Commission - Measure T's receipts from July through September were 8.2% below the third sales period in 2023. Excluding reporting aberrations, actual sales were down 6.4%.

Fuel-service station payments suffered double-digit declines with lower consumption. Recent pricing to fill-up for a tank of a gas

has dropped by as much as \$1.70 per gallon, which hurts taxes received.

Building-construction returns were dreary since customers focused on smaller repair projects rather than large improvement projects and fewer contractors booked and materials purchased. Business-industry sales were mixed, but overall tipped downward

from garden-ag supplies, light industrial/printers and limited-term solar projects.

Lower price tags along with incentives helped lift sales at many new car dealers outpacing statewide results in the autos-transportation group. A business closure in the used automotive segment hurt reported sales.

Shoppers boosted general consumer goods with strong online seasonal sales in general merchandise and seeking to stretch their dollars with bargains at family apparel stores. Quick-service restaurants led the gains, aided by a newer, popular option in the restaurant segment. More modest gains were realized from casual and fast casual options as people evaluate their dining choices.

Net of aberrations, taxable sales for all of Madera County dropped by 9.6%, while the San Joaquin Valley was down 2.9%.

TOP NON-CONFIDENTIAL BUSINESS TYPES

Madera County Transportation Commission - Measure T

Business Type	Q3 '24*	Change	HdL State Change
Service Stations	658.4	-17.5% ↓	-12.8% ↓
New Motor Vehicle Dealers	386.4	11.2% ↑	-7.9% ↓
Contractors	249.2	-15.8% ↓	-1.8% ↓
General Merchandise	240.9	11.7% ↑	-4.0% ↓
Building Materials	210.2	-4.1% ↓	-4.2% ↓
Garden/Agricultural Supplies	183.6	-18.5% ↓	-7.8% ↓
Warehse/Farm/Const. Equip.	162.1	8.7% ↑	-2.5% ↓
Used Automotive Dealers	161.0	-0.9% ↓	3.2% ↑
Quick-Service Restaurants	141.4	5.8% ↑	1.0% ↑
Petroleum Prod/Equipment	114.5	-25.8% ↓	-13.7% ↓

**Allocation aberrations have been adjusted to reflect sales activity*

**In thousands of dollars*



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity

for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back -3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of -2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop

from fine dining establishments – consistent with spending trends in other sectors. State mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren't considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

MAJOR BUSINESS GROUP TRENDS BY COUNTY

Percent Change from 3rd Quarter 2023 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Fresno Co.	-1.7%	-3.1%	-7.1%	-3.5%	-11.6%	-3.8%	0.9%
Kern Co.	-1.9%	-6.0%	-13.7%	-3.3%	-10.9%	-2.1%	-0.1%
Kings Co.	-0.8%	-0.5%	167.4%	-7.8%	-15.6%	-4.3%	2.9%
Madera Co.	-4.9%	-3.3%	-23.8%	-0.6%	-19.6%	0.4%	1.5%
Merced Co.	-8.3%	-9.4%	-6.7%	-8.1%	-16.2%	-6.3%	2.2%
San Joaquin Co.	-8.3%	-7.3%	12.5%	-1.7%	-12.2%	-3.8%	3.2%
Stanislaus Co.	-4.5%	4.0%	1.4%	-5.6%	-12.4%	-3.1%	1.8%
Tulare Co.	0.5%	-4.0%	-10.7%	-4.9%	-10.1%	-1.5%	2.3%

*Allocation aberrations have been adjusted to reflect sales activity