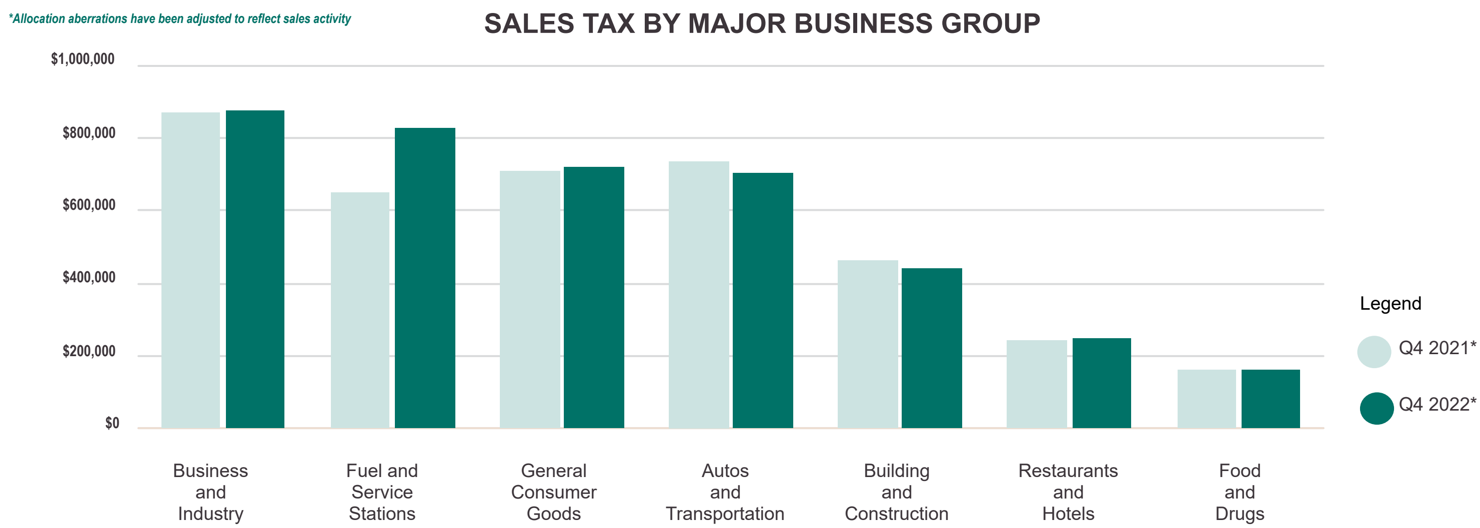
MADERA COUNTY MEASURE T
SALES TAX UPDATE
4Q 2022 (OCTOBER - DECEMBER)

MADERA COUNTY MEASURE T | 4.2% 4Q2022 | 4.6% STATE

TOTAL: $ 4,013,797



MADERA COUNTY TRANSPORTATION COMMISSION - MEASURE T HIGHLIGHTS

Madera County Transportation Commission - Measure T's receipts from October through December were 7.4% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 4.2%.

Fuel receipts remained strong as prices to fill up remained elevated. Crude oil and pump prices have been declining recently and less demand is anticipated in calendar year 2023. The restaurant-hotel group delivered modest gains. Although, both quick service and casual venues faced fewer visits from patrons compared to the prior year with higher menu pricing.

Sales weakened in multiple sectors due to pricing pressures on essentials such as food, housing, and energy as federal policy makers continue to take action to cool consumer demand. Mixed results in autos-transportation as area residents continued to purchase new cars despite increasing financing rates, but other segments including used vehicle sales dropped for lower returns overall. Local retailers saw a drop in foot traffic which was partially offset by an increase in online shopping.

Business-industry investment slowed with reduced garden agriculture supply receipts, but some gains in the medical/biotech field. Several businesses in the building sector had diminished sales as permits issued for construction and projects have been falling impacting sales at local material retailers.

Net of aberrations, taxable sales for all of Madera County rose by 1.9%, while the San Joaquin Valley gained 5.4%.

TOP NON-CONFIDENTIAL BUSINESS TYPES

Madera County Measure T			HdL State
Business Type	**Q4 '22***	**Change**	**Change**
Service Stations	691.4	24.1% ↑	7.5% ↑
New Motor Vehicle Dealers	389.6	9.9% ↑	12.5% ↑
General Merchandise	229.5	11.1% ↑	20.2% ↑
Contractors	207.3	0.1% ↑	11.6% ↑
Building Materials	187.6	-7.4% ↓	2.1% ↑
Garden/Agricultural Supplies	144.6	-12.9% ↓	-5.6% ↓
Warehse/Farm/Const. Equip.	138.2	-2.0% ↓	4.1% ↑
Used Automotive Dealers	134.8	-21.9% ↓	-18.4% ↓
Petroleum Prod/Equipment	125.2	48.5% ↑	28.3% ↑
Discount Dept Stores	120.4	-4.3% ↓	7.7% ↑

*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 for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above $5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it's greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfilment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency's coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondarily, all-time peak global crude oil costs had fuel seller's payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California's taxable sales in the months ahead.

Major Business Group Trends By County

Percent Change from 4th Quarter 2021 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Fresno Co.	-0.2%	-0.8%	3.5%	12.0%	6.6%	0.0%	4.4%
Kern Co.	-0.6%	0.3%	80.5%	4.7%	15.5%	-1.0%	2.7%
Kings Co.	-8.9%	8.9%	32.2%	-0.9%	9.3%	-1.0%	4.0%
Madera Co.	-7.3%	-3.9%	-3.2%	-1.5%	21.6%	-1.8%	4.2%
Merced Co.	-5.6%	9.0%	6.5%	-1.1%	8.3%	-0.7%	2.1%
San Joaquin Co.	0.8%	0.4%	3.5%	0.2%	7.5%	-3.5%	4.2%
Stanislaus Co.	-4.6%	-5.9%	12.2%	-3.7%	14.0%	-2.4%	3.6%
Tulare Co.	-4.4%	12.6%	-8.9%	7.3%	9.7%	-0.3%	4.5%

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