

CITY OF PLACERVILLE

SALES TAX UPDATE

2Q 2023 (APRIL - JUNE)



PLACERVILLE
TOTAL: \$ 1,558,251

-9.4%
2Q2023



-5.1%
COUNTY

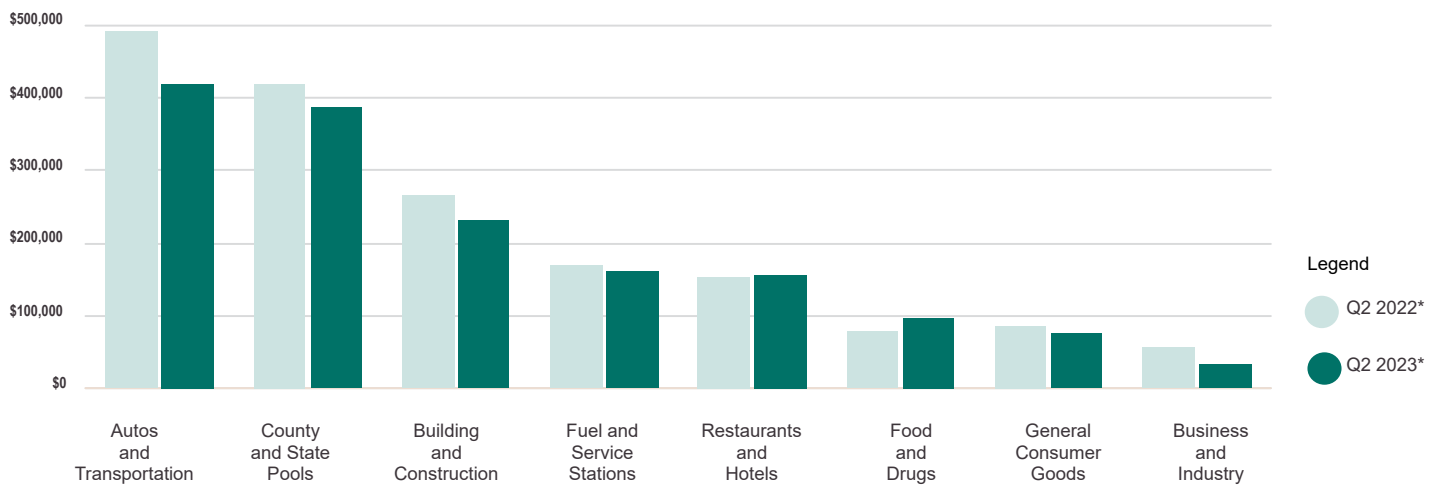


-3.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$355,070
-9.2%

Measure H
TOTAL: \$355,050
-9.3%

Measure L
TOTAL: \$710,040
-9.3%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's gross receipts from April through June 2023 were 10.7% below the second sales period in 2022. However, after accounting for reporting modifications such as audit adjustments and delayed payments, actual sales were down 9.4%. Sales softened in multiple sectors as economic factors influenced buying decisions during the spring months.

Sales in the autos-transportation group slumped, with auto supply stores down 30% and a closed business contributing to the overall decline. The City's share of the countywide use tax pool decreased 7.8% due to waning ecommerce. Building-construction revenues were slow to rebound from a harsh winter and felt the impact of lower lumber prices.

Adjustments to the price of crude oil after all-time highs caused a 4.6% dip in fuel-service station receipts – somewhat offset by new taxpayer payments. Most retail sectors inched lower as cautious consumers spent less.

On the positive, restaurants were steady, with locals and visitors enjoying the experience of dining out at casual and quick service eateries regardless of higher menu prices. A new taxpayer, coupled with stable grocery store receipts, boosted food-drug returns.

Voter-approved Measures H, J, & L all posted similar results.

Net of adjustments, taxable sales for the Sacramento region declined 2.2%.



TOP 25 PRODUCERS

- Bricks Restaurant
- C & H Motor Parts
- Chuck's Cannabis Collective
- Diamond Pacific
- Ferguson Enterprises
- Fuel 4 Less
- Grocery Outlet
- Home Depot
- In N Out Burger
- Kwik Serv
- Les Schwab Tire Center
- Marathon
- McDonald's
- Mobil
- Placerville Valero
- Raley's
- Rancho Convenience Center
- Rite Aid
- Sacred Roots
- Safelite Auto Glass
- Save Mart
- Thompsons Buick Gmc
- Thompsons Chrysler Dodge Jeep Ram
- Thompson's Toyota
- W N Hunt & Sons Distributors



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia’s invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled

with elevated overall financing costs remain challenges going forward.

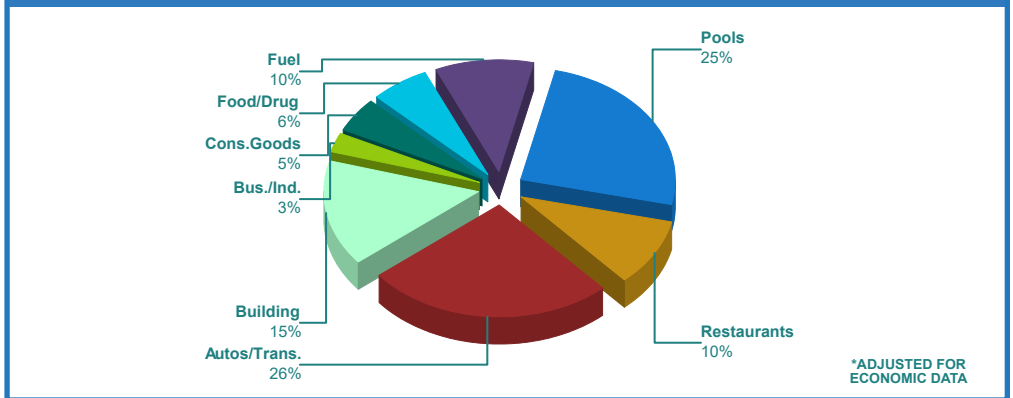
Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office

material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

REVENUE BY BUSINESS GROUP
Placerville This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

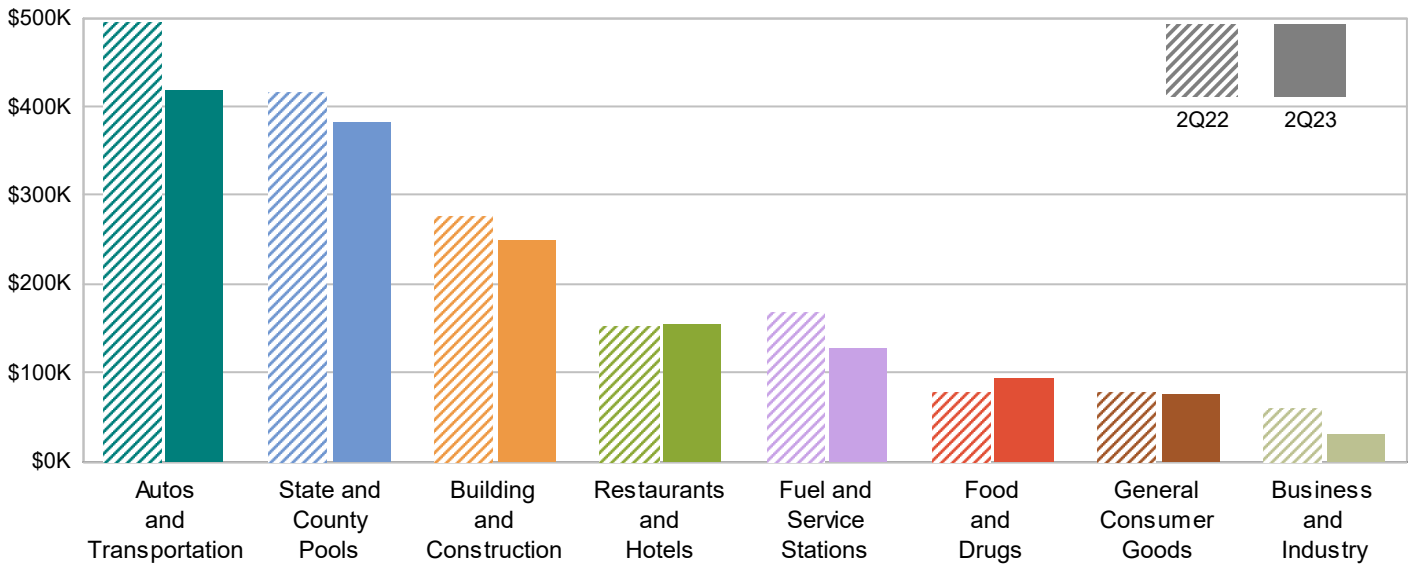
Placerville Business Type	Q2 '23*	Change	County Change	HdL State Change
Service Stations	125.3	-6.5% ↓	-13.3% ↓	-19.9% ↓
Casual Dining	85.2	1.6% ↑	2.8% ↑	4.5% ↑
Quick-Service Restaurants	62.5	5.1% ↑	5.3% ↑	3.2% ↑
Automotive Supply Stores	44.0	-29.7% ↓	-10.9% ↓	3.3% ↑
Grocery Stores	40.4	5.1% ↑	3.0% ↑	2.9% ↑
Auto Repair Shops	24.8	30.3% ↑	1.3% ↑	2.2% ↑
Convenience Stores/Liquor	12.0	-11.3% ↓	-5.3% ↓	-5.1% ↓
Home Furnishings	10.7	-2.5% ↓	-13.2% ↓	-11.3% ↓
Repair Shop/Equip. Rentals	10.2	-6.6% ↓	-10.5% ↓	0.6% ↑
Variety Stores	10.1	-11.3% ↓	14.8% ↑	-5.5% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars

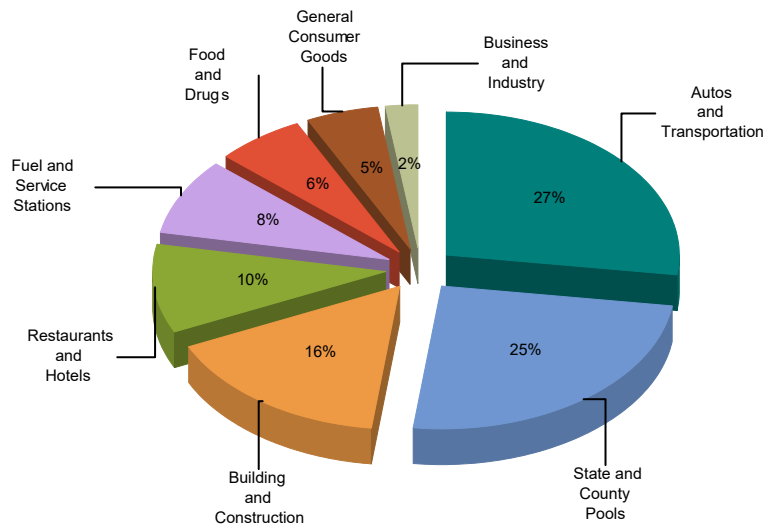


<u>Major Industry Group</u>	<u>Count</u>	<u>2Q23</u>	<u>2Q22</u>	<u>\$ Change</u>	<u>% Change</u>
Autos and Transportation	45	419,018	494,471	(75,452)	-15.3%
State and County Pools	-	382,788	416,751	(33,963)	-8.1%
Building and Construction	11	249,916	277,925	(28,009)	-10.1%
Restaurants and Hotels	91	155,600	154,546	1,054	0.7%
Fuel and Service Stations	18	129,302	168,823	(39,521)	-23.4%
Food and Drugs	23	95,877	78,802	17,074	21.7%
General Consumer Goods	320	78,018	79,469	(1,451)	-1.8%
Business and Industry	135	33,524	60,850	(27,326)	-44.9%
Transfers & Unidentified	15	2,683	446	2,237	501.8%
Total	658	1,546,726	1,732,084	(185,357)	-10.7%

2Q22 Compared To 2Q23

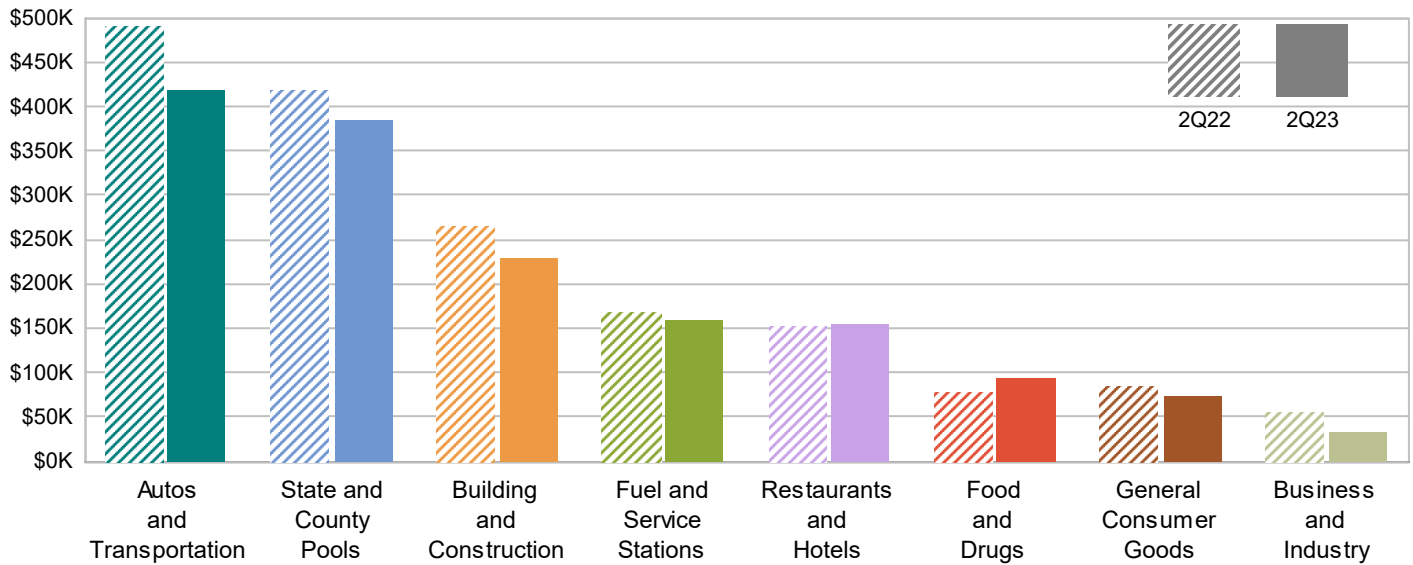


2Q23 Percent of Total

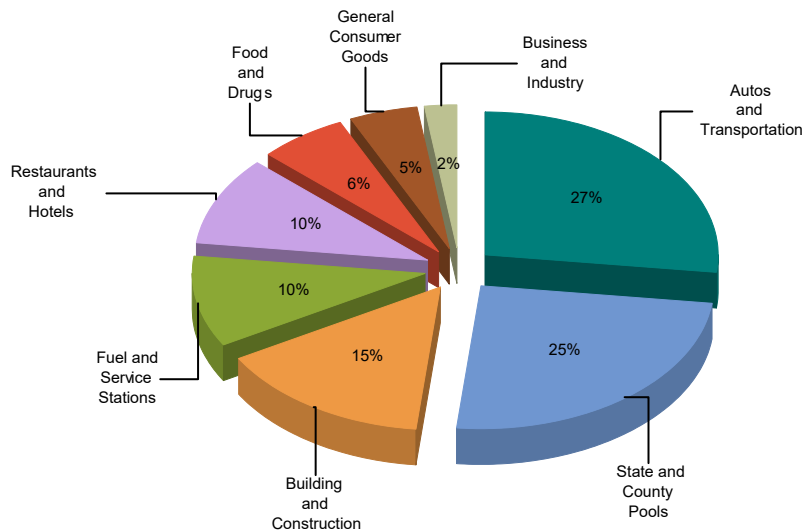


Major Industry Group	Count	2Q23	2Q22	\$ Change	% Change
Autos and Transportation	45	418,931	489,640	(70,709)	-14.4%
State and County Pools	-	385,569	418,153	(32,585)	-7.8%
Building and Construction	11	230,331	265,095	(34,765)	-13.1%
Fuel and Service Stations	18	160,915	168,591	(7,676)	-4.6%
Restaurants and Hotels	91	155,323	153,668	1,655	1.1%
Food and Drugs	23	95,883	78,802	17,081	21.7%
General Consumer Goods	320	74,687	86,971	(12,284)	-14.1%
Business and Industry	135	33,805	57,388	(23,583)	-41.1%
Transfers & Unidentified	15	2,808	1,651	1,156	70.0%
Total	658	1,558,251	1,719,960	(161,709)	-9.4%

2Q22 Compared To 2Q23



2Q23 Percent of Total



Sales Tax by Major Industry Group

Autos And Transportation

Count: 45

State & County Pools

Building And Construction

Count: 11

Fuel And Service Stations

Count: 18

Restaurants And Hotels

Count: 91

Food And Drugs

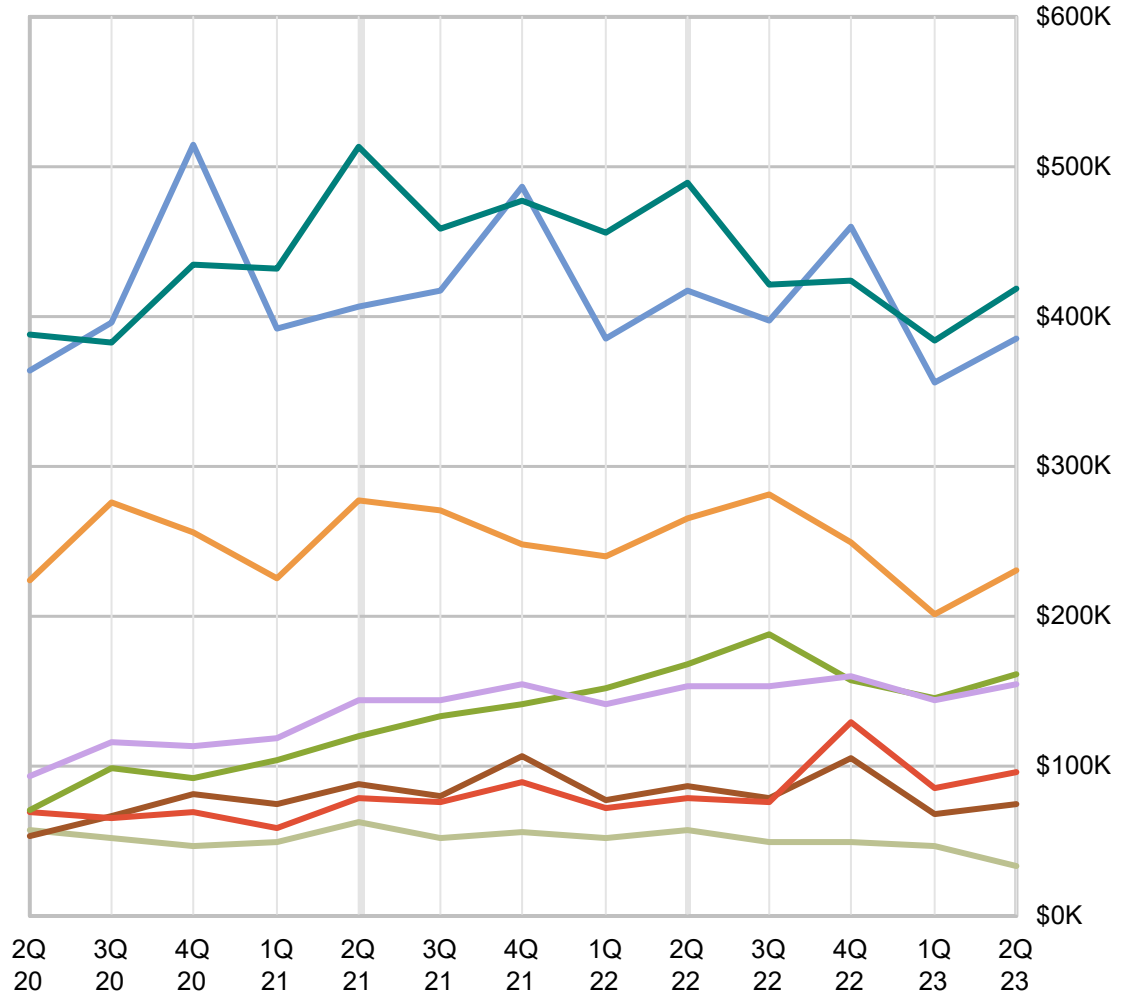
Count: 23

General Consumer Goods

Count: 320

Business And Industry

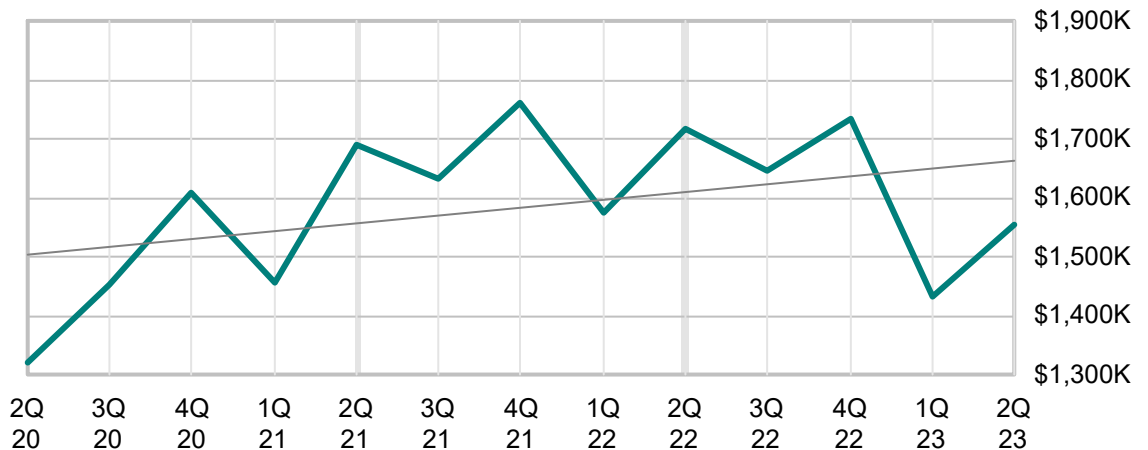
Count: 135



Agency Trend

Placerville

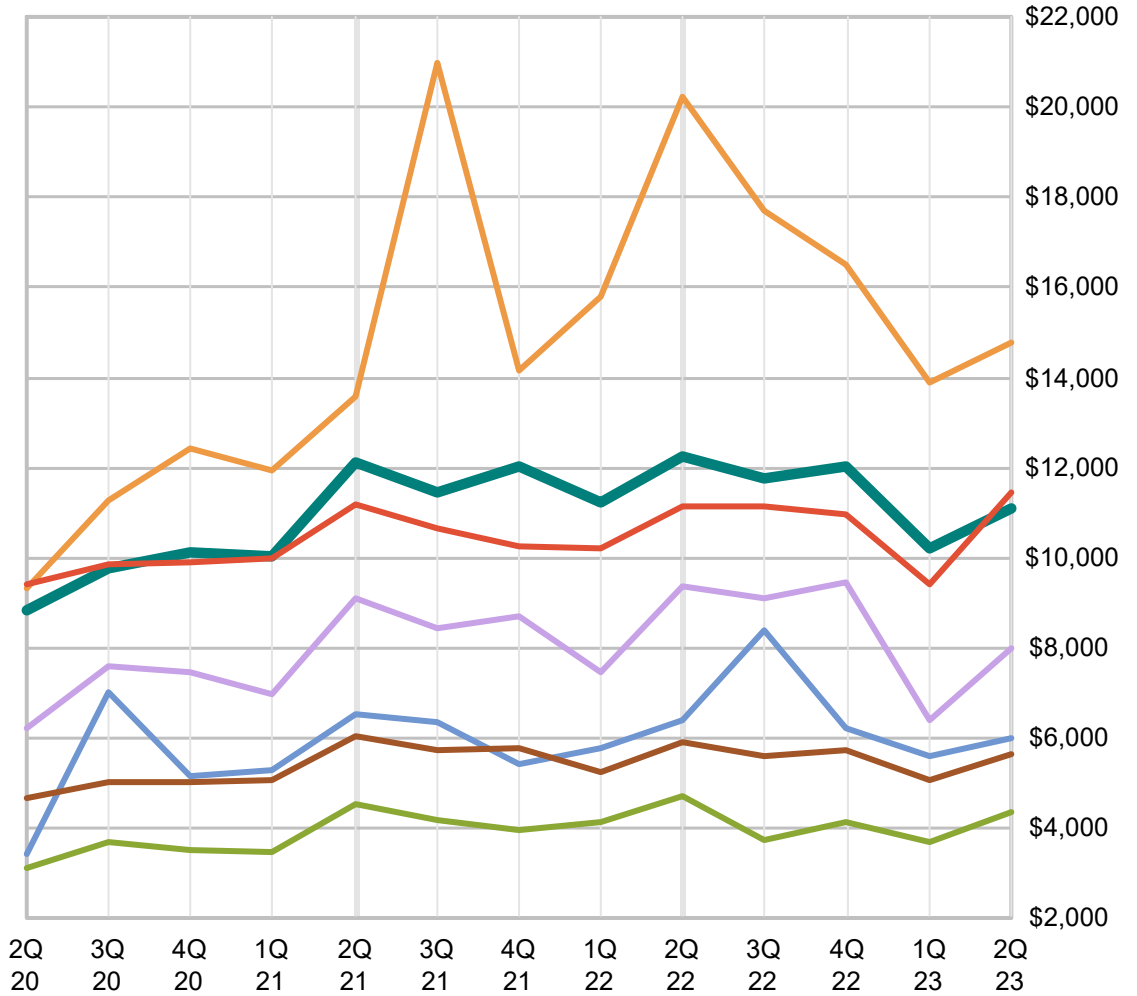
13 Quarter Trend: +10.4%



Periods shown reflect the period in which the sales occurred - Point of Sale

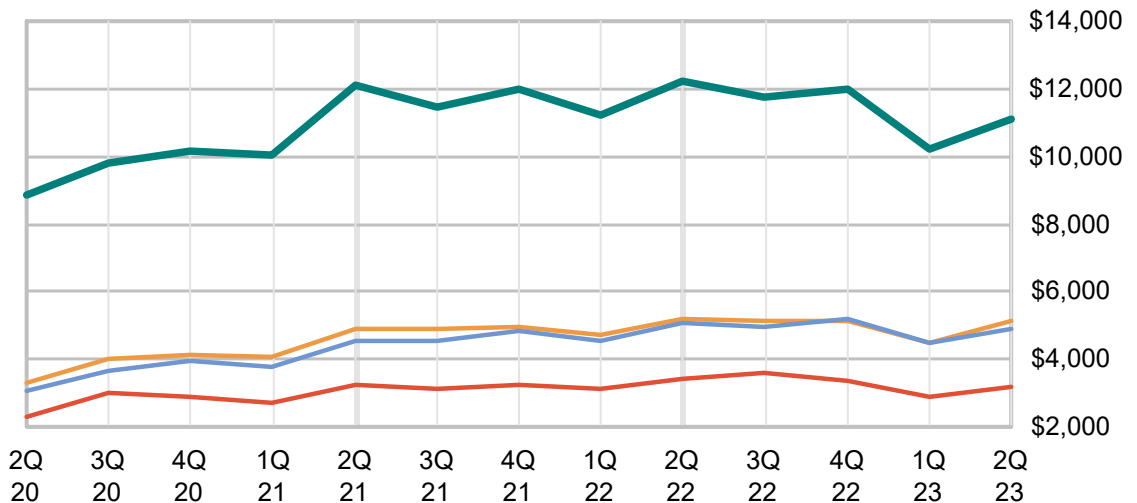
Per Capita Sales

- Placerville**
Count: 658
- South Lake Tahoe**
Count: 1,003
- Auburn**
Count: 857
- Marysville**
Count: 361
- Nevada City**
Count: 426
- Grass Valley**
Count: 931
- Yuba City**
Count: 1,681



Per Capita Sales

- Placerville**
- El Dorado County**
- Sacramento Region**
- California**



Periods shown reflect the period in which the sales occurred - Point of Sale

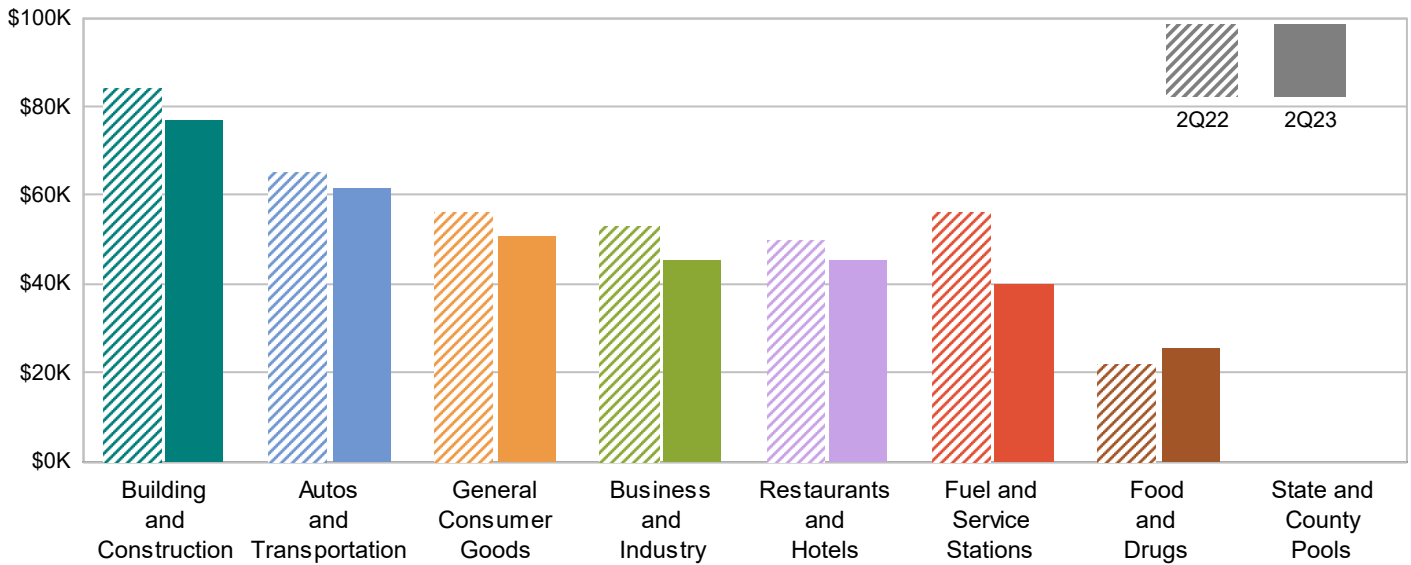


CITY OF PLACERVILLE MEASURE H

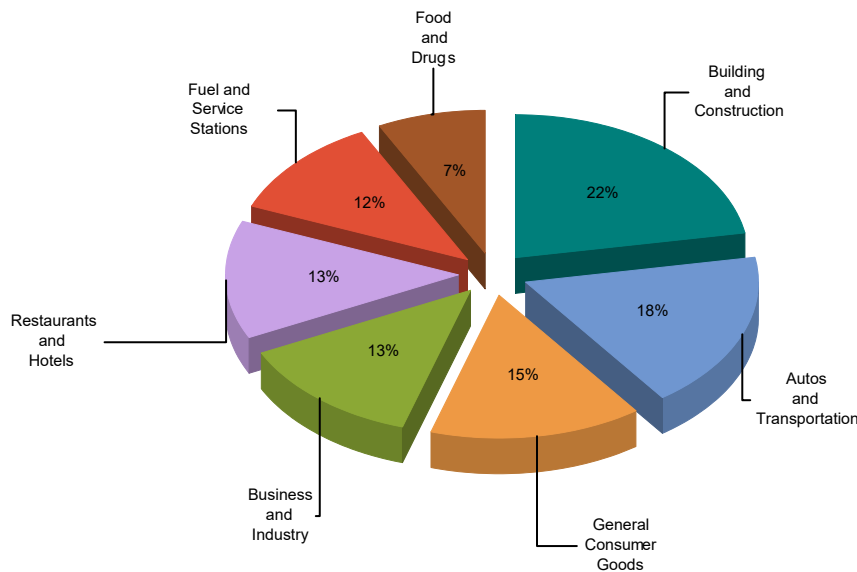
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	2Q23	2Q22	\$ Change	% Change
Building and Construction	406	76,932	83,974	(7,043)	-8.4%
Autos and Transportation	604	61,899	65,331	(3,432)	-5.3%
General Consumer Goods	2,280	50,988	56,248	(5,260)	-9.4%
Business and Industry	3,132	45,722	53,038	(7,316)	-13.8%
Restaurants and Hotels	146	45,584	49,979	(4,395)	-8.8%
Fuel and Service Stations	52	40,305	56,305	(16,000)	-28.4%
Food and Drugs	100	25,685	22,339	3,346	15.0%
Transfers & Unidentified	1,447	5,418	4,734	684	14.4%
State and County Pools	-	0	0	0	-N/A-
Total	8,167	352,532	391,947	(39,415)	-10.1%

2Q22 Compared To 2Q23

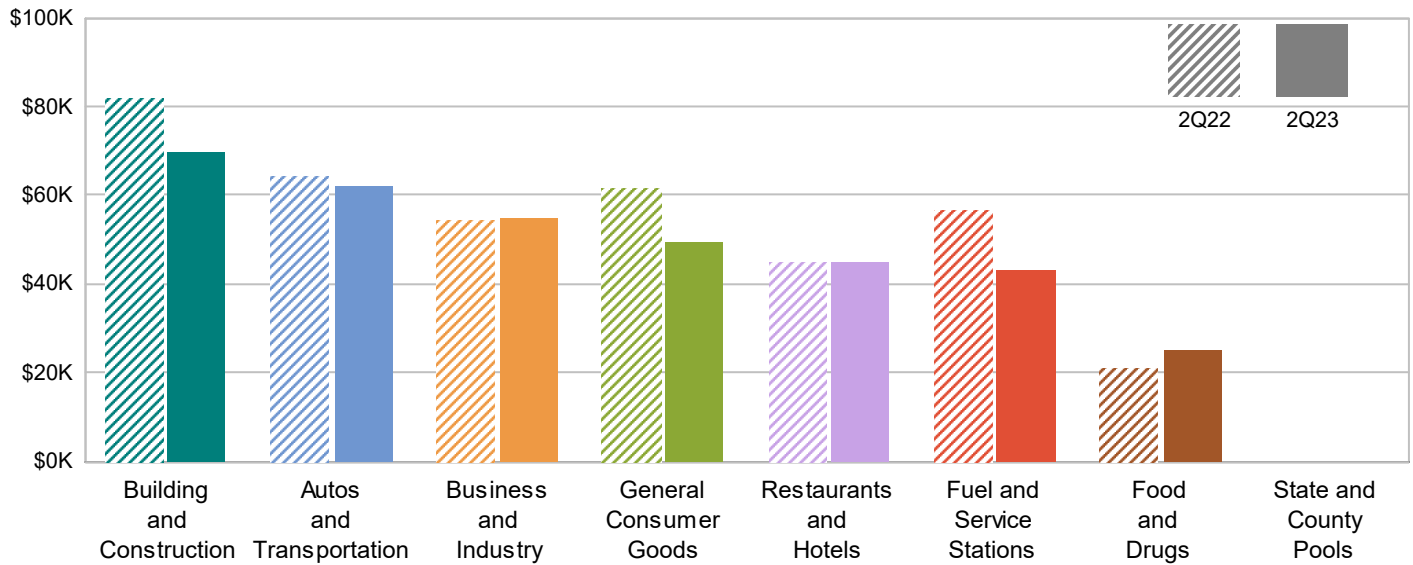


2Q23 Percent of Total

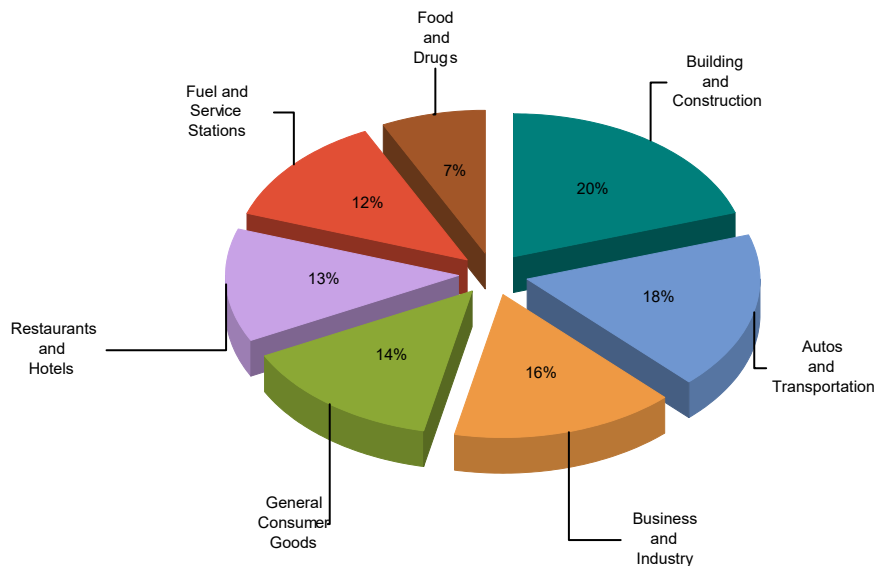


<u>Major Industry Group</u>	<u>Count</u>	<u>2Q23</u>	<u>2Q22</u>	<u>\$ Change</u>	<u>% Change</u>
Building and Construction	406	69,626	81,781	(12,154)	-14.9%
Autos and Transportation	604	62,227	64,349	(2,122)	-3.3%
Business and Industry	3,132	54,822	54,631	191	0.3%
General Consumer Goods	2,280	49,469	61,716	(12,247)	-19.8%
Restaurants and Hotels	146	45,282	45,277	5	0.0%
Fuel and Service Stations	52	43,273	57,000	(13,727)	-24.1%
Food and Drugs	100	25,372	21,375	3,997	18.7%
Transfers & Unidentified	1,447	4,979	5,113	(135)	-2.6%
State and County Pools	-	0	0	0	-N/A-
Total	8,167	355,050	391,243	(36,192)	-9.3%

2Q22 Compared To 2Q23

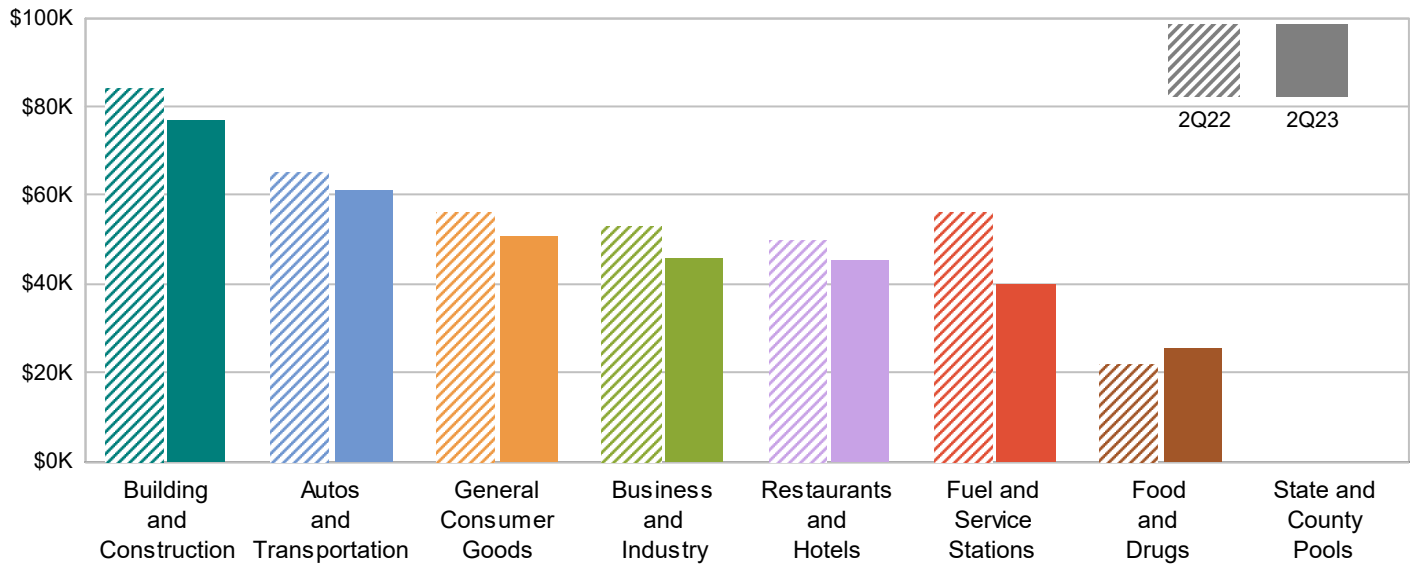


2Q23 Percent of Total

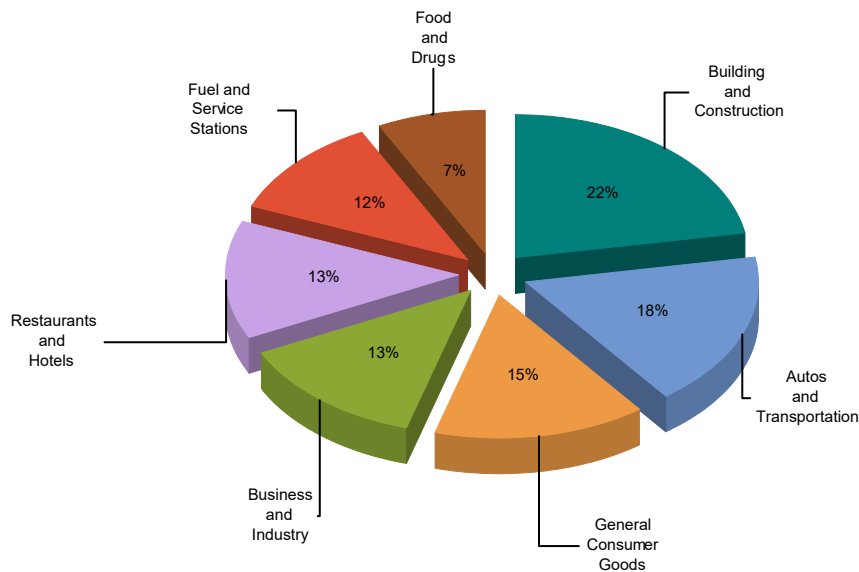


Major Industry Group	Count	2Q23	2Q22	\$ Change	% Change
Building and Construction	406	76,951	84,083	(7,132)	-8.5%
Autos and Transportation	603	61,424	65,189	(3,766)	-5.8%
General Consumer Goods	2,284	50,995	56,141	(5,146)	-9.2%
Business and Industry	3,127	46,209	53,113	(6,903)	-13.0%
Restaurants and Hotels	146	45,601	49,997	(4,395)	-8.8%
Fuel and Service Stations	52	40,298	56,298	(15,999)	-28.4%
Food and Drugs	103	25,706	22,364	3,342	14.9%
Transfers & Unidentified	1,448	5,418	4,734	684	14.4%
State and County Pools	-	0	0	0	-N/A-
Total	8,169	352,602	391,918	(39,316)	-10.0%

2Q22 Compared To 2Q23

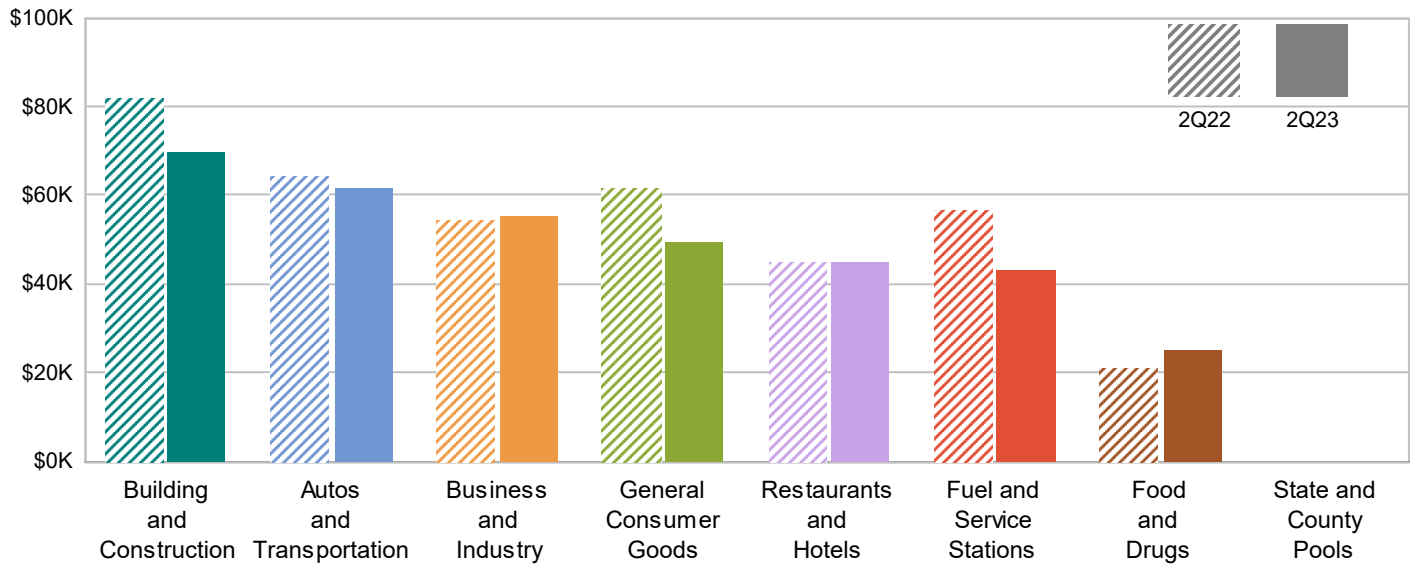


2Q23 Percent of Total

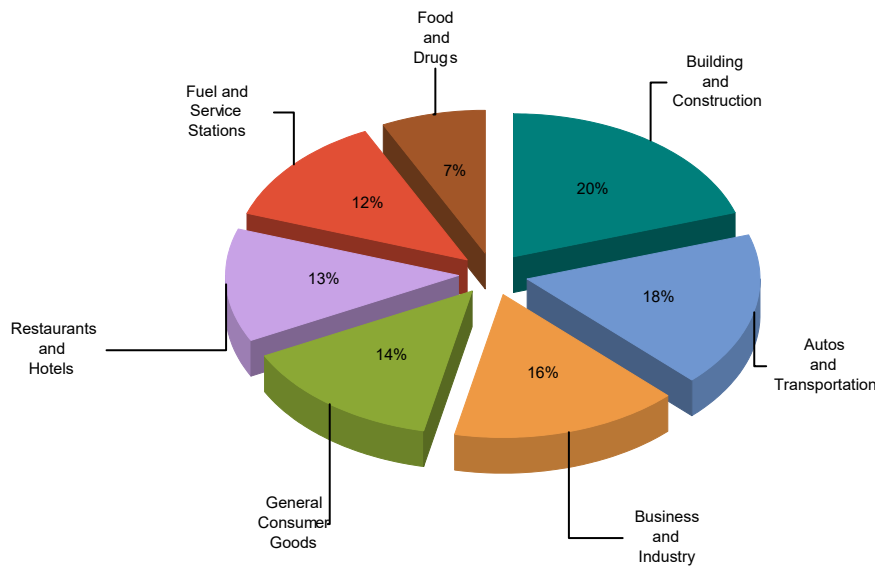


<u>Major Industry Group</u>	<u>Count</u>	<u>2Q23</u>	<u>2Q22</u>	<u>\$ Change</u>	<u>% Change</u>
Building and Construction	406	69,646	81,809	(12,164)	-14.9%
Autos and Transportation	603	61,726	64,206	(2,480)	-3.9%
Business and Industry	3,127	55,301	54,697	604	1.1%
General Consumer Goods	2,284	49,477	61,743	(12,266)	-19.9%
Restaurants and Hotels	146	45,282	45,277	5	0.0%
Fuel and Service Stations	52	43,266	56,993	(13,727)	-24.1%
Food and Drugs	103	25,393	21,401	3,993	18.7%
Transfers & Unidentified	1,448	4,979	5,113	(135)	-2.6%
State and County Pools	-	0	0	0	-N/A-
Total	8,169	355,070	391,240	(36,171)	-9.2%

2Q22 Compared To 2Q23



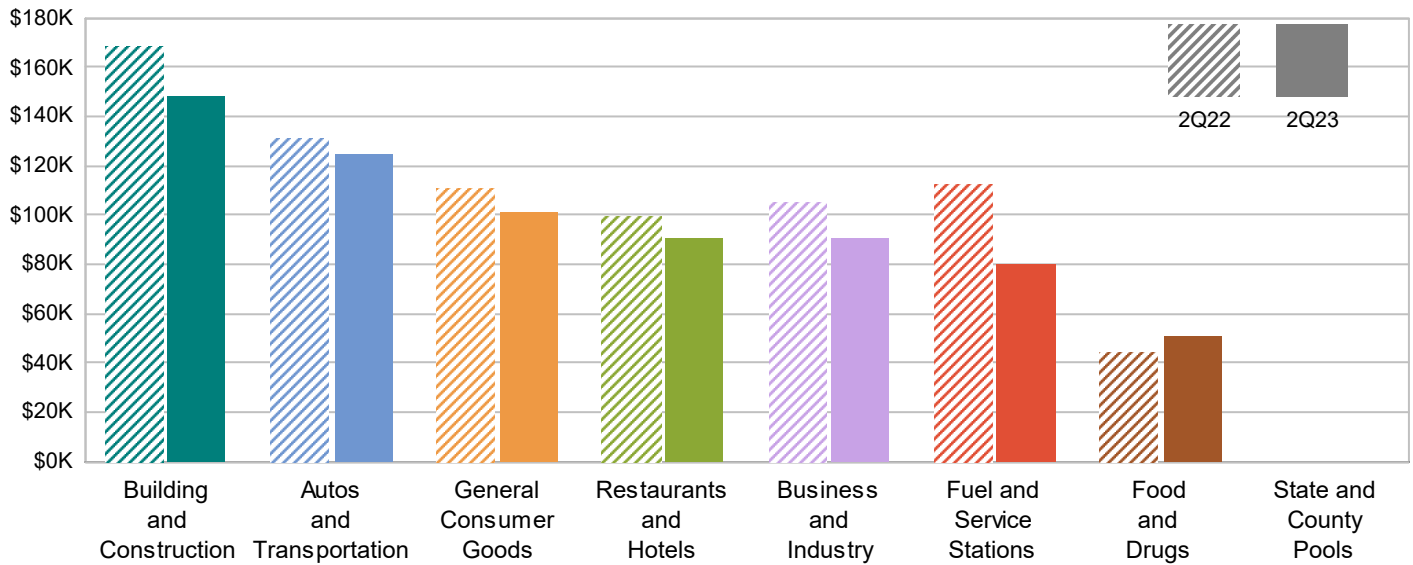
2Q23 Percent of Total



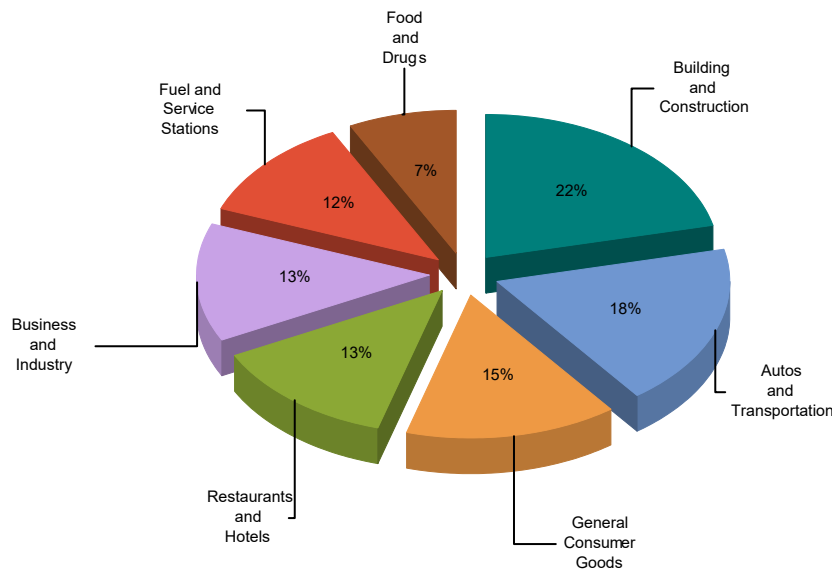


<u>Major Industry Group</u>	<u>Count</u>	<u>2Q23</u>	<u>2Q22</u>	<u>\$ Change</u>	<u>% Change</u>
Building and Construction	424	148,006	168,338	(20,332)	-12.1%
Autos and Transportation	603	124,762	131,434	(6,672)	-5.1%
General Consumer Goods	2,268	101,063	111,309	(10,246)	-9.2%
Restaurants and Hotels	147	91,168	99,959	(8,792)	-8.8%
Business and Industry	3,168	91,069	105,545	(14,477)	-13.7%
Fuel and Service Stations	52	80,608	112,609	(32,001)	-28.4%
Food and Drugs	99	51,364	44,676	6,688	15.0%
Transfers & Unidentified	1,451	10,836	9,470	1,366	14.4%
State and County Pools	-	0	0	0	-N/A-
Total	8,212	698,877	783,341	(84,465)	-10.8%

2Q22 Compared To 2Q23

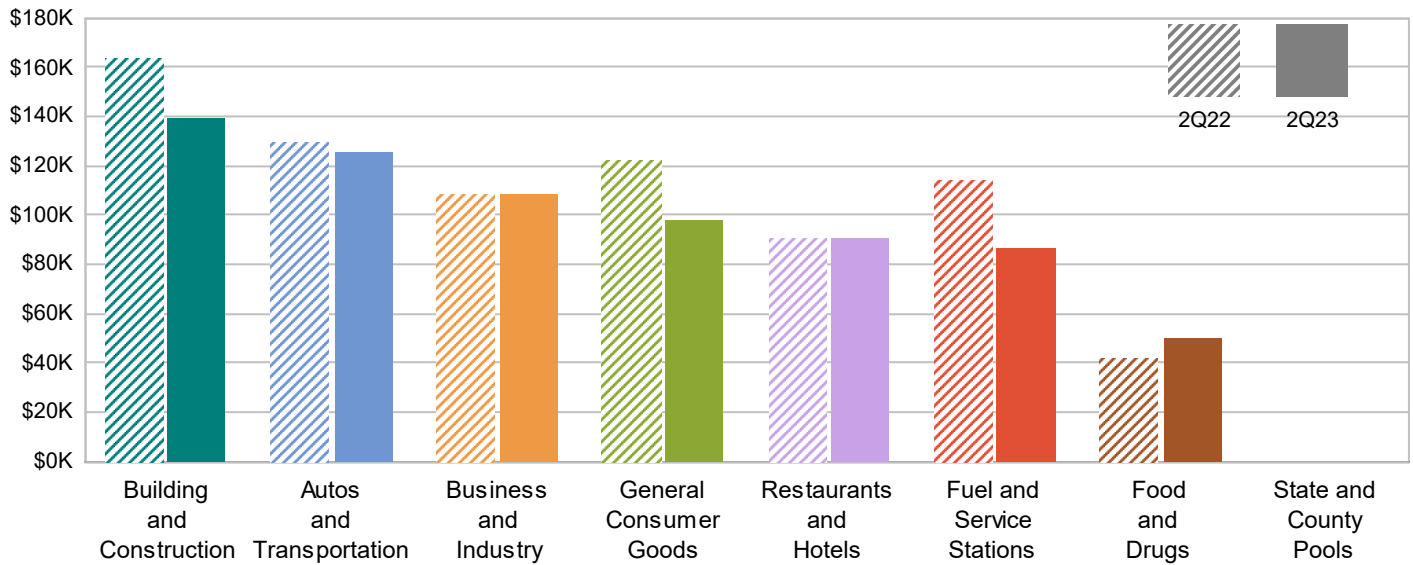


2Q23 Percent of Total

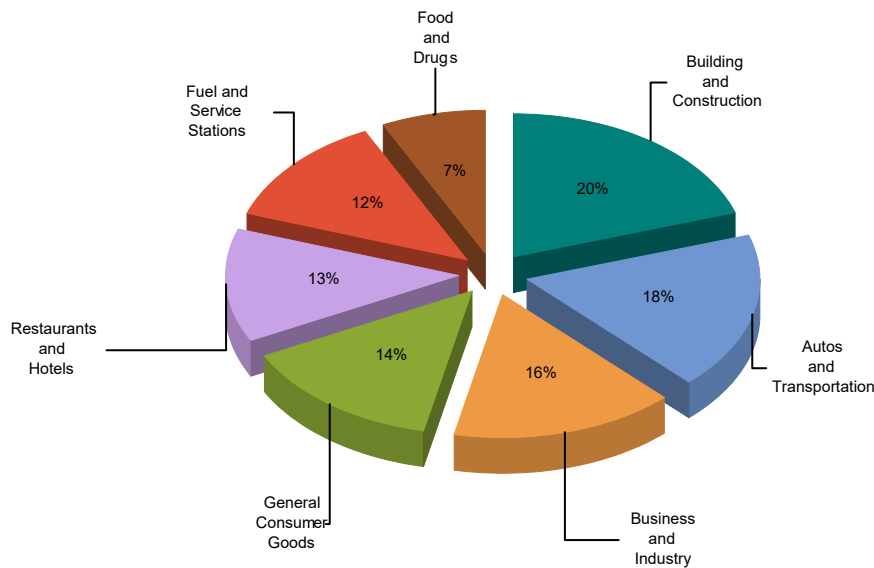


Major Industry Group	Count	2Q23	2Q22	\$ Change	% Change
Building and Construction	424	139,624	164,009	(24,384)	-14.9%
Autos and Transportation	603	125,352	129,570	(4,218)	-3.3%
Business and Industry	3,168	109,039	108,769	270	0.2%
General Consumer Goods	2,268	98,050	122,546	(24,497)	-20.0%
Restaurants and Hotels	147	90,581	90,555	26	0.0%
Fuel and Service Stations	52	86,605	114,000	(27,395)	-24.0%
Food and Drugs	99	50,741	42,749	7,992	18.7%
Transfers & Unidentified	1,451	10,048	10,229	(181)	-1.8%
State and County Pools	-	0	0	0	-N/A-
Total	8,212	710,040	782,428	(72,388)	-9.3%

2Q22 Compared To 2Q23



2Q23 Percent of Total



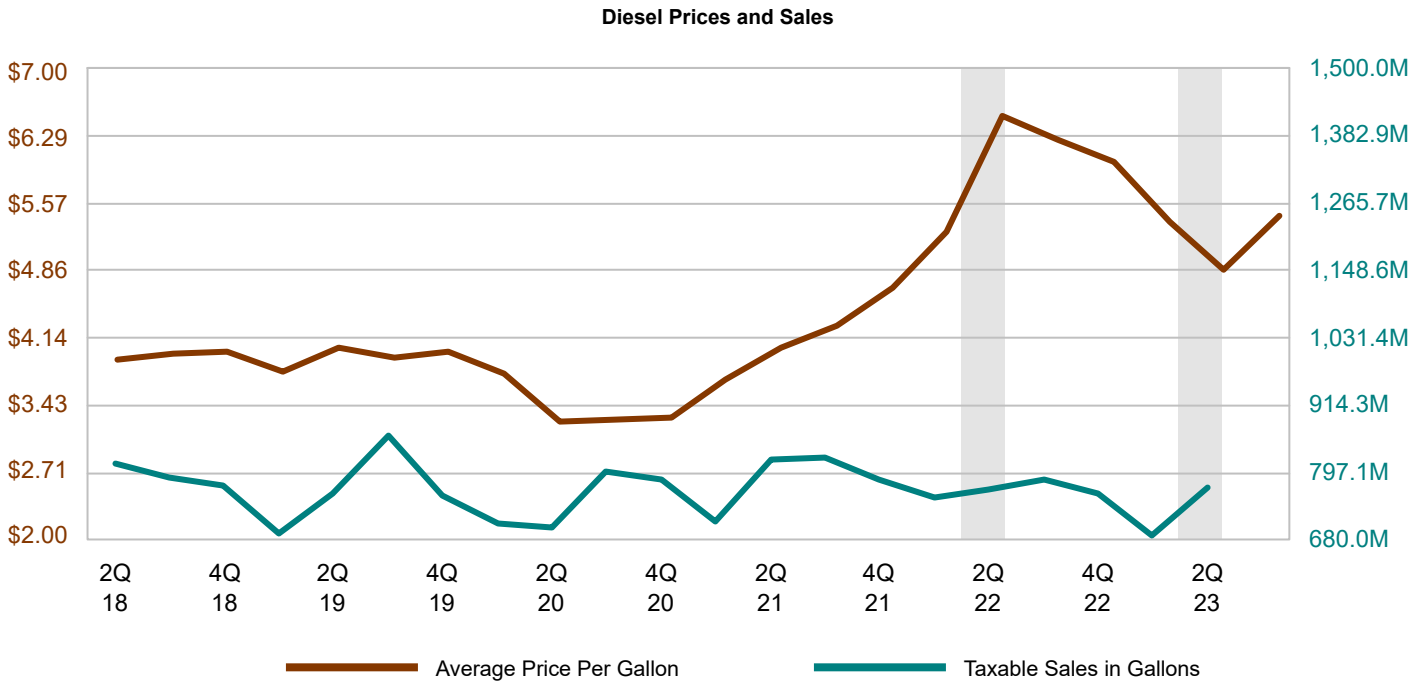
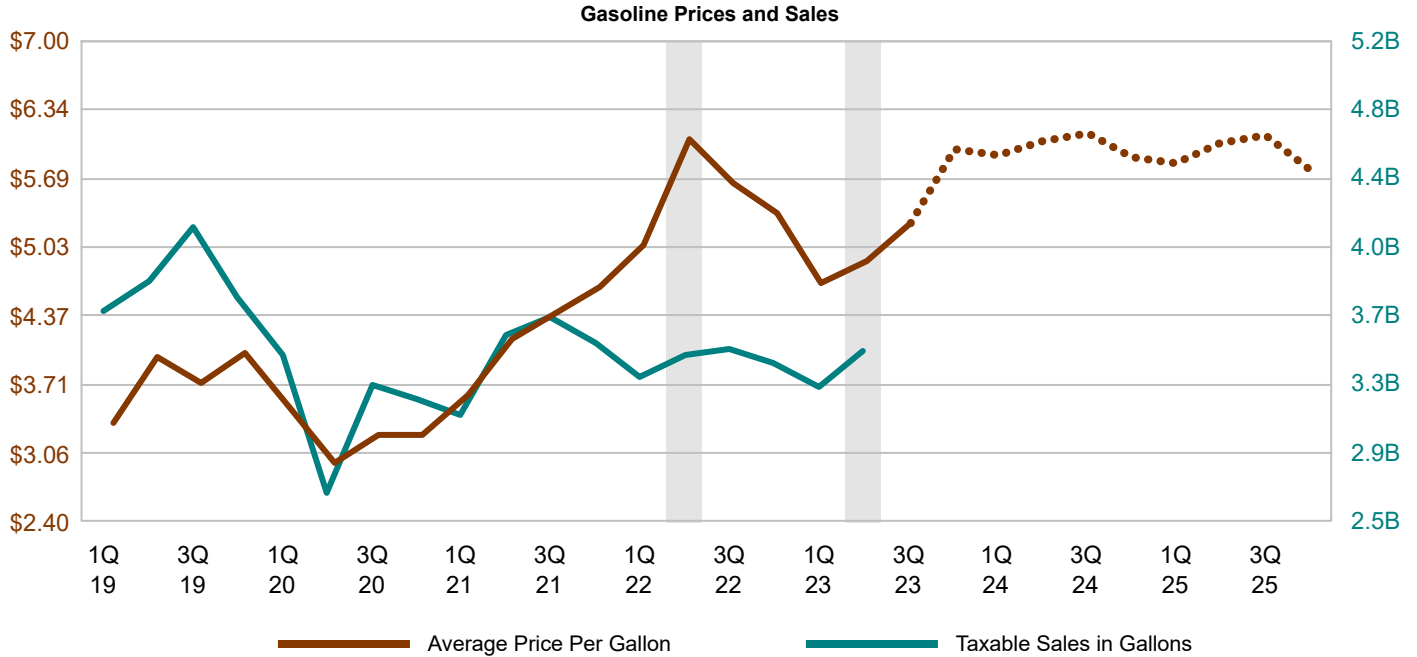


STATE OF CALIFORNIA

GASOLINE AND DIESEL TRENDS

Gasoline Data	2Q23	3Q23	4Q23*	1Q24*	2Q24*	3Q24*	4Q24*	1Q25*	2Q25*
Average Price Per Gallon	\$4.90	\$5.27	\$5.97	\$5.91	\$6.04	\$6.13	\$5.89	\$5.83	\$6.03
% Change from Prior Quarter	4.36%	7.52%	13.36%	-1.01%	2.20%	1.49%	-3.92%	-1.02%	3.43%
% Change from Same Qtr Prior Year	-19.29%	-6.66%	11.53%	25.93%	23.32%	16.40%	-1.34%	-1.35%	-0.17%

* - Estimate



Sources: Board of Equalization, California Department of Tax and Fee Administration, Energy Information Administration, The HdL Companies

CALIFORNIA FORECAST

SALES TAX TRENDS & ECONOMIC DRIVERS

SEPTEMBER 2023



Bishop, CA



HdL Companies

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Overview: Steady household spending, despite historically low unemployment, has shielded the economy from recession, a unique situation even as inflation exceeded Federal Reserve targets and interest rates on loans and credit cards rose. In California, sales tax performance for fiscal year 2022-23 grew by 2.1%, but it lags far behind the double-digit growth seen during the pandemic recovery. Looking ahead, households face tight budgets, and various industries grapple with challenges like labor costs, inventory issues, and competition. Spending generating sales taxes is expected to dip slightly in fiscal year 2023-24, with limited expansion anticipated in the following year.

2023/24 | 2024/25

2023/24 | 2024/25



Autos/Transportation

-2.2% | 2.0%

The California New Car Dealership Association (NCDA) reported a 16.8% increase in new car registrations in Q2 2023 compared to the previous year. Despite this, sales tax revenue from the auto industry declined by 1.3%. Rental car agencies bought many new vehicles, deferring taxes until rentals. Sales of recreational vehicles, boats, and yachts also dropped from pandemic highs. Challenges include higher auto loan rates and labor disputes at major automakers. However, the aging vehicle fleet and limited pandemic inventory provide some protection against future tax revenue declines.



Fuel/Service Stations

-4.6% | 0.5%

Fuel sellers are facing upward price pressure due to slowing demand and consumption of fuel, including oil barrel, regular, and diesel prices. Reduced consumption of jet fuel is attributed to a pilot shortage, leading to fewer aircraft in operation with lower fuel needs. The price of West Texas Intermediate crude has risen significantly compared to the previous quarter's forecast, and global oil production is limited until the end of 2023. As a result, HdL has adjusted its projections, raising each of the next four quarters by 5% from the previous forecast, with an overall expected growth of only 0.5% over 2022-23. Taxes are anticipated to increase by around 2% per year starting in fiscal year 2024-2025.



Building/Construction

-1.8% | 3.5%

First-quarter rains delayed construction, with a slight second-quarter rebound in home improvement sales. Cement and asphalt plants saw increased activity, but overall sales didn't surpass last year due to reduced customers and big-ticket purchases at major home improvement stores. Lumber prices dropped significantly, down 42% compared to last year. Rising interest rates, reaching a 20-year high in the third quarter, have hampered both commercial and residential development. Slow progress in public infrastructure projects hasn't fully offset the decline in private development. Conditions will likely persist through the end of 2023, with mild growth expected by the close of fiscal year 2023-24. Improvements may be seen starting in 2024-25, and further gains are anticipated from 2025-26 onward, driven by more favorable mortgage rates.



General Consumer Goods

-1.2% | 1.4%

Tax proceeds from General Consumer Goods showed a decline of 4.8% in the second quarter compared to the same period in 2022. This marks the second consecutive quarter of contraction following eight quarters of expansion. The slowdown was expected, with major business types experiencing a more pronounced sales pullback as household finances tighten. Major retailers are forecasting modest declines in the remainder of 2023, particularly in general merchandise categories. While consumer spending remains supportive of the economy, nontaxable service spending is gaining a larger share compared to goods, which is reducing demand for many retail types. The outlook suggests a continued mild decline in direct tax allocations for the remainder of the year, with limited growth expected in the second half of 2024.



Business/Industry

2.0% | 2.2%

In Q2 2023, this category showed resilience with a statewide growth of slightly over 3%. Fulfillment centers, making up around 30% of B&I revenues, continued to expand as e-commerce increasingly relies on California-based warehouses. This shift redirects some indirect allocations from countywide pools directly to agencies with fulfillment centers. Excluding fulfillment centers, the remaining segments experienced a minor decline of 0.2%. Certain sectors, such as trailers/auto parts, farm/construction, and business technology, saw increases due to strong equipment sales. However, medical-biotech declined as post-pandemic product needs decreased, and industrial sectors also dipped due to inventory, labor, and demand challenges. Taking into account these influencing factors, HdL anticipates modest overall growth, mainly driven by fulfillment center revenues. Predictions at the local level vary depending on the size and nature of local businesses and industry companies.



Restaurants/Hotels

3.0% | 3.0%

Restaurant sales remain strong, with patrons allocating around 40% of their food budget to dining out. Younger diners increasingly prefer food delivery over dining in. While menu prices are stabilizing after a year of rapid growth, operating costs remain high, and profit margins are slim. The campus food category saw improvement as employees spent more time in office buildings, while fine dining experienced a decline as consumers seek more budget-friendly options. HdL's projections have only slightly moderated from the previous forecast, anticipating year-over-year gains of 3% for the next few years.



State and County Pools

-0.5% | 2.0%

In response to recent trends, there was a decrease in out-of-state inventories for e-commerce sales in California. Despite an overall increase in online sales, pool collections saw a 2% decline. This was partly offset by more in-state fulfillment from large warehouses and existing retail outlets. Economic experts have differing opinions on the outlook for the holiday season in 2023, ranging from lackluster to potentially stressful. While most agree that consumers will continue to increase online spending, estimates for local pool-related revenues are expected to dip slightly in fiscal year 2023-24 due to existing sales tax law allocations, with subsequent years showing modest increases.



Food/Drugs

1.0% | 2.0%

Mixed performance was evident in 2Q23, with grocery stores showing growth while all other sectors experienced declines. Convenience store purchases decreased, drug stores saw contractions with some closures and increased online shopping. Cannabis tax revenue remained challenging, with county sales performance ranging from \$4.55 to \$75.55 per capita according to CDTFA data. Looking ahead, price fluctuations driven by inflation and limited growth in new taxpayers constrain the outlook for the current year to a 1% growth rate. However, annual year-over-year gains are expected to gradually increase, reaching 2% starting in fiscal year 2024-25.



NATIONAL AND STATEWIDE ECONOMIC DRIVERS

2023/24 | 2024/25

2023/24 | 2024/25



U.S. Real GDP Growth

2.2% | 1.2%

Real GDP growth reached 2.1% in the second quarter, a slight improvement from the 2% growth recorded in the first quarter. Over the past four quarters, from the third quarter of 2022 to the second quarter of 2023, GDP growth has averaged 2.5% on an annualized basis, driven by robust consumer spending. Job growth continues, industrial production remains close to record highs, profits and wages are on the rise, and U.S. debt markets show minimal signs of stress. This economic strength is expected to carry into the second half of the year. According to the GDPNow estimate from the Atlanta Fed, third-quarter growth for this year could range between 5% and 6%.



U.S. Unemployment Rate

3.7% | 4.2%

Unemployment in the U.S. remains exceptionally low at the beginning of 2023, standing at 3.8% in August and 3.6% in the second quarter, despite challenges such as higher interest rates and inflation. In August, the economy added 187,000 jobs, and the labor force participation rate continues to rise. These trends indicate that increasing incomes are encouraging more people to join the workforce, albeit at a slower pace. The issue is that labor supply is struggling to keep up with demand, not the other way around. The nation appears to be on course for what's often referred to as a 'soft landing'—a scenario where inflation subsides without a rise in unemployment.



CA Unemployment Rate

4.7% | 5.2%

The Bureau of Labor Statistics reports that in California, there are currently more job openings than unemployed individuals, with a ratio of 0.86. This situation stems from a reduction in California's labor force during the pandemic, which has yet to return to pre-pandemic levels. As of the second quarter of 2023, the state's labor force remains about 168,000 workers short of its January 2020 levels. In contrast, the national labor force has expanded during the same period. This presents a paradox: California has added jobs since the pandemic, but there are fewer active workers in the state's economy. One plausible explanation is an increase in multiple job holders, where workers hold more than one job. Looking ahead, labor shortages will likely impede job growth in the state, largely due to California's severe housing shortage.



CA Residential Building Permits

140,369 | 147,744

California's severe housing shortage has been a longstanding issue. Some estimates suggest that the state was short by 3.5 million homes needed to accommodate its population in 2016. Although there has been a rapid increase in housing construction in recent years, with around 377,000 units built from 2020 to 2023 according to the California Department of Finance, this pace must be sustained or even accelerated for a decade or longer to make a significant impact on the housing shortage. Additionally, the updated forecasts from the CDF indicating essentially zero population growth in California over the next several decades will also need to materialize to address the problem effectively.



CA Total Nonfarm Employment Growth

1.3% | 0.4%

In the second quarter of 2023, California's total nonfarm employment grew by 2.3% year-over-year, down from the 2.8% growth in the first quarter. However, recent data from the BLS for July indicates a 2% increase in jobs since May 2022, with the state adding about 29,000 jobs. While California has added a significant number of jobs compared to other states, this is mainly due to its large population, where even a small percentage increase results in a substantial job count. In terms of percentage growth, California lags behind states like Texas and Florida. Moreover, employment growth in California is slowing, partly due to the state's high housing costs, which have led to significant domestic migration losses.



CA Median Existing Home Price

\$672,968 | \$709,999

Median home sale prices have fallen 10.6% from their pandemic peak in April 2022 to February 2023. However, they started to rebound in March 2023 and have shown year-over-year growth since July 2023. As of July, prices are 33% above pre-pandemic levels and only 6.4% below the peak. If this trend continues, California home prices will surpass the pandemic peak by Q1 2024. The state's severe housing shortage is a primary reason for the price increase, even as sales decline. Existing homeowners, locked into low mortgage rates, are also contributing to the housing shortage by hesitating to sell.

Proposition 172

While Proposition 172 (½ cent designated for Public Safety) projections closely track with the statewide Bradley-Burns, calculations vary somewhat due to the state's allocation methodology.

HdL projects an average statewide decrease of 0.8% for fiscal year 2023-24 and a 2.1% increase for 2024-2025.

Projections reflect the recent change in county allocation factors published by the SCO in late August. As Bradley-Burns countywide pool allocations are reduced to reflect direct allocations for changes to internet-related sales in the first part of fiscal year 2023-24, Proposition 172 pro-rata factors can shift considerably for many counties.

Watch our webinar for more info!

