

CITY OF PLACERVILLE

SALES TAX UPDATE

3Q 2025 (JULY - SEPTEMBER)



PLACERVILLE
TOTAL: \$ 1,568,075

-0.9%
3Q2025



3.6%
COUNTY

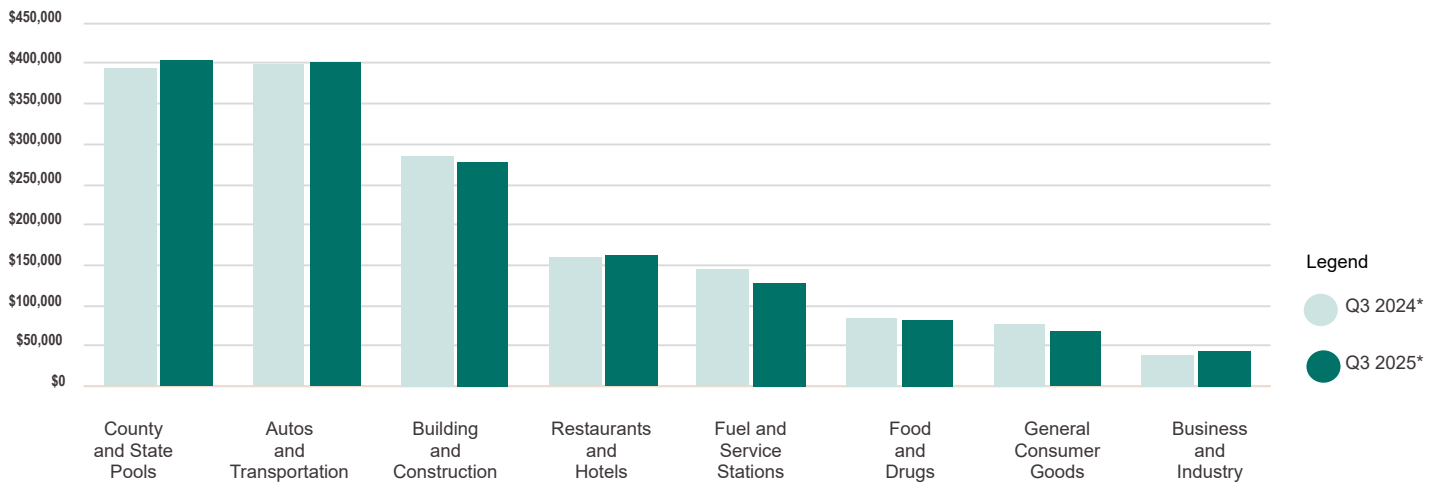


1.9%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$377,623
↑ 4.1%

Measure H
TOTAL: \$377,623
↑ 4.1%

Measure L
TOTAL: \$755,120
↑ 4.1%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's gross receipts from July – September 2025 were up 5.6% compared to the third sales period in 2024. However, after adjusting for reporting modifications from audit adjustments and delayed payments, actual sales landed 0.9% lower.

Auto repair shop and leasing revenues offset declines in other sectors, edging autos-transportation up 0.6%. The City's allocation from the countrywide use tax pool increased 2.6%. Casual and quick service dining contributed to a slight increase in restaurants-hotels. Business-industry benefitted from a new business.

Conversely, building-construction returns slumped as the summer months experienced a slow-down in improvement project

spending. The fluctuating price of crude oil directly affected fuel-service station receipts – with revenues falling 11.9%.

The closure of a food-drugs business and less convenience/liquor store purchases caused a 2.1% reduction in receipts. Similarly, several store closures drove an 11.9% drop in general retail.

Voter-approved Measures L, J and H performed a bit better, with the largest gain in business-industry caused by a new business in town and several one-time taxpayer payments.

Net of adjustments, taxable sales for all of El Dorado County grew 3.6% over the comparable time period; the Sacramento region was up 1.3%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|-----------------------------------|
| C & H Motor Parts | Placerville Valero |
| Chuck's Cannabis Collective | Raley's |
| Diamond Pacific | Rancho Convenience Center |
| Ferguson Enterprises | Sacred Roots |
| Fuel 4 Less | Shell |
| Grocery Outlet | Taco Bell |
| Harbor Freight Tools | Thompsons Buick GMC |
| Home Depot | Thompsons Chrysler Dodge Jeep Ram |
| In N Out Burger | Thompson's Toyota |
| Kwik Serv | Tractor Supply |
| Les Schwab Tire Center | |
| Main Street Tap House | |
| Marathon | |
| McDonald's | |
| Mobil | |



STATEWIDE RESULTS

California’s local one-cent sales and use tax receipts for July through September were 1.9% higher than the same quarter last year, after adjusting for accounting anomalies. While growth appears modest, calendar year 2025 remains on pace to rebound following two years of declines. Combined with second-quarter activity, the summer period posted a 1% improvement over the 2024 season.

Sustained consumer trends reflected a willingness to spend while remaining cost-conscious and prioritizing value. Online retailers, reporting to both business-industry and countywide use tax pools (depending on inventory location at purchase), recorded the strongest gains. This momentum extended to brick-and-mortar retailers, which also posted modest improvements. Seasonal “back-to-school” activity boosted men’s and family apparel along with shoe stores, lifting the General Goods sector and enhancing expectations for the upcoming holiday shopping period.

Tax receipts from restaurants edged higher, supported by households’ continued desire to eat out. Despite balancing higher menu prices, tip fatigue, and tighter margins, casual dining establishments generated the largest gains. Overall, summer performance appeared stable but lacked the tourism surge many had hoped for.

Offsetting positive results was a decline in revenue from fuel-service stations—marking the 10th out of the last 11 quarters with negative year-over-year change. This trend is largely tied to West Texas Intermediate (WTI) crude oil prices, which hit their lowest monthly levels since 2021. While lower gas prices may encourage spending in other categories, potential oil refinery closures in the coming year could keep per-gallon prices elevated.

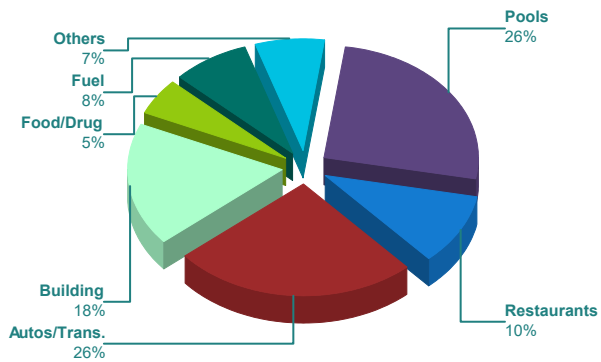
The food and drug sector continued its downward trend as grocers remitted fewer taxes, reflecting the challenge of generating taxable revenue amid rising food prices. Drug store filings have declined throughout the year, driven partly by increased access to medications through ecommerce platforms and a contraction in physical store footprints due to over-saturation and chain bankruptcies.

Two sectors poised to benefit from lower short-term interest rates—autos-transportation and building-construction—repeated a pattern of lackluster returns. A minor uptick came from new auto sales and leasing, while building material

suppliers struggled during the summer, likely creating pent-up demand for repairs and improvements ahead.

With the Federal Reserve considering additional rate changes in early 2026, optimism for improved consumer financing conditions and stronger sales tax receipts remains. As national tariff and trade talks ease, inflationary pressures will continue to shape spending behavior. For now, calendar year 2025 closes with sluggish but stable performance, awaiting broader economic shifts.

REVENUE BY BUSINESS GROUP Placerville This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q3 '25*	Change	County Change	HdL State Change
Service Stations	124.8	-11.5% ↓	-4.7% ↓	-5.0% ↓
Casual Dining	84.5	3.5% ↑	1.2% ↑	2.1% ↑
Quick-Service Restaurants	70.0	2.2% ↑	-2.4% ↓	-1.1% ↓
Automotive Supply Stores	41.7	-14.2% ↓	-0.3% ↓	-3.9% ↓
Grocery Stores	39.1	0.1% ↑	-9.8% ↓	-2.0% ↓
Auto Repair Shops	30.8	37.5% ↑	20.4% ↑	-6.1% ↓
Garden/Agricultural Supplies	19.4	1.0% ↑	2.4% ↑	-0.8% ↓
Cigarette/Cigar Stores	14.5	19.5% ↑	0.1% ↑	-3.4% ↓
Convenience Stores/Liquor	12.6	-1.9% ↓	4.6% ↑	-1.5% ↓
Electronics/Appliance Stores	10.5	16.8% ↑	2.8% ↑	-2.3% ↓

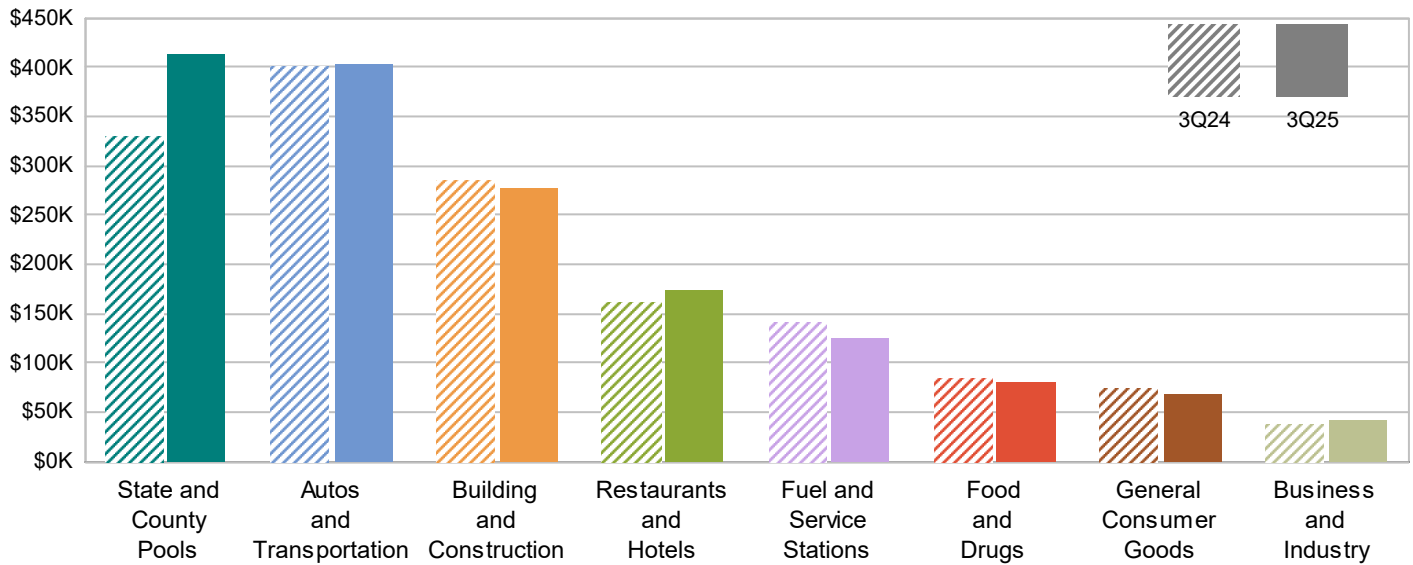
*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars

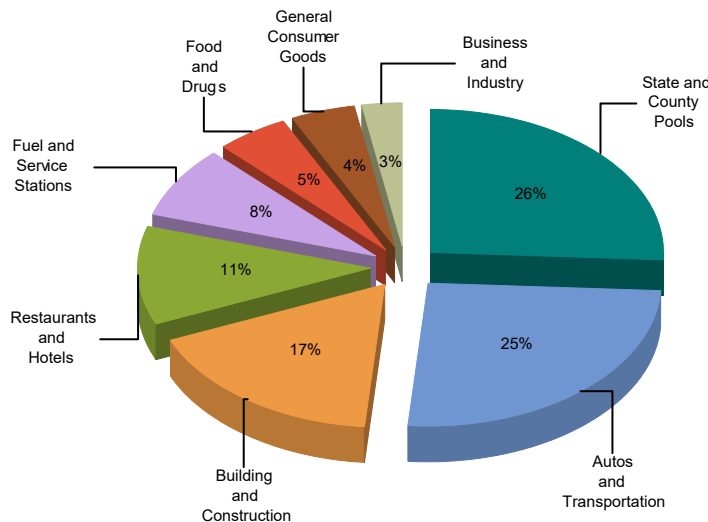


<u>Major Industry Group</u>	<u>Count</u>	<u>3Q25</u>	<u>3Q24</u>	<u>\$ Change</u>	<u>% Change</u>
State and County Pools	-	413,107	329,841	83,265	25.2%
Autos and Transportation	53	403,314	401,184	2,130	0.5%
Building and Construction	16	277,676	285,740	(8,064)	-2.8%
Restaurants and Hotels	96	175,682	161,749	13,933	8.6%
Fuel and Service Stations	15	127,257	143,057	(15,800)	-11.0%
Food and Drugs	20	82,115	85,360	(3,245)	-3.8%
General Consumer Goods	325	69,291	74,827	(5,535)	-7.4%
Business and Industry	142	43,813	39,995	3,818	9.5%
Transfers & Unidentified	71	15,964	1,542	14,423	935.4%
Total	738	1,608,220	1,523,295	84,925	5.6%

3Q24 Compared To 3Q25

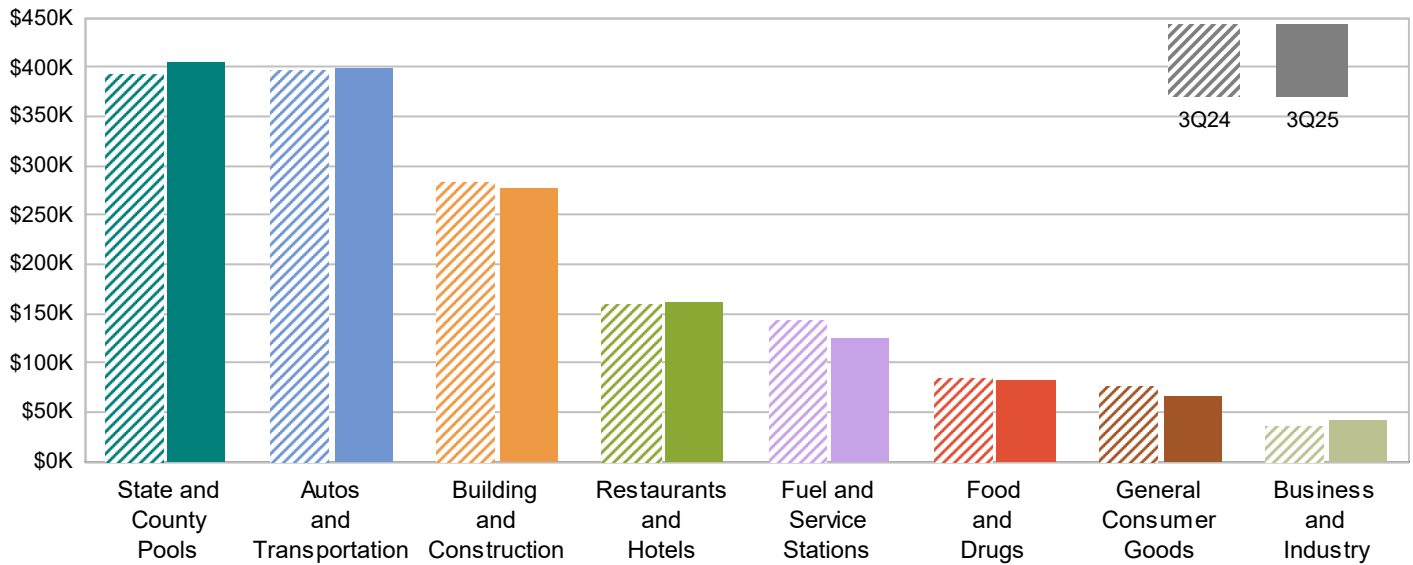


3Q25 Percent of Total

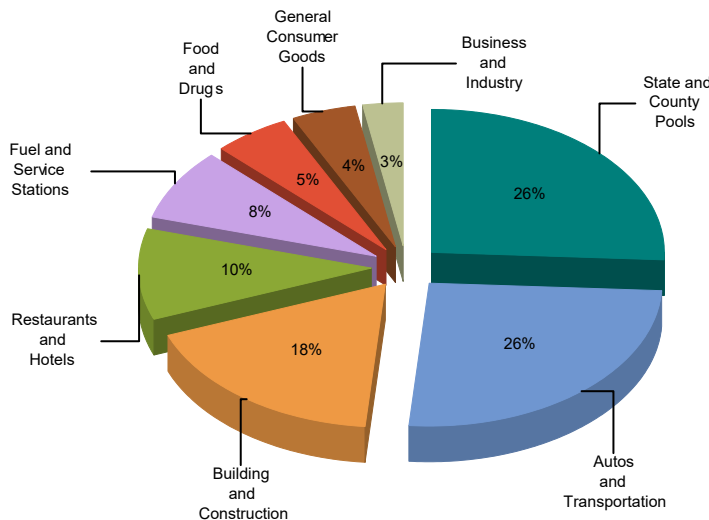


Major Industry Group	Count	3Q25	3Q24	\$ Change	% Change
State and County Pools	-	404,255	393,853	10,402	2.6%
Autos and Transportation	53	399,749	397,272	2,477	0.6%
Building and Construction	16	277,090	284,539	(7,449)	-2.6%
Restaurants and Hotels	96	161,623	160,647	976	0.6%
Fuel and Service Stations	15	127,193	144,307	(17,114)	-11.9%
Food and Drugs	20	83,257	85,070	(1,813)	-2.1%
General Consumer Goods	325	68,166	77,411	(9,245)	-11.9%
Business and Industry	142	44,313	38,334	5,980	15.6%
Transfers & Unidentified	71	2,429	1,522	907	59.6%
Total	738	1,568,075	1,582,956	(14,880)	-0.9%

3Q24 Compared To 3Q25



3Q25 Percent of Total



Sales Tax by Major Industry Group

State & County Pools

Autos And Transportation

Count: 53

Building And Construction

Count: 16

Restaurants And Hotels

Count: 96

Fuel And Service Stations

Count: 15

Food And Drugs

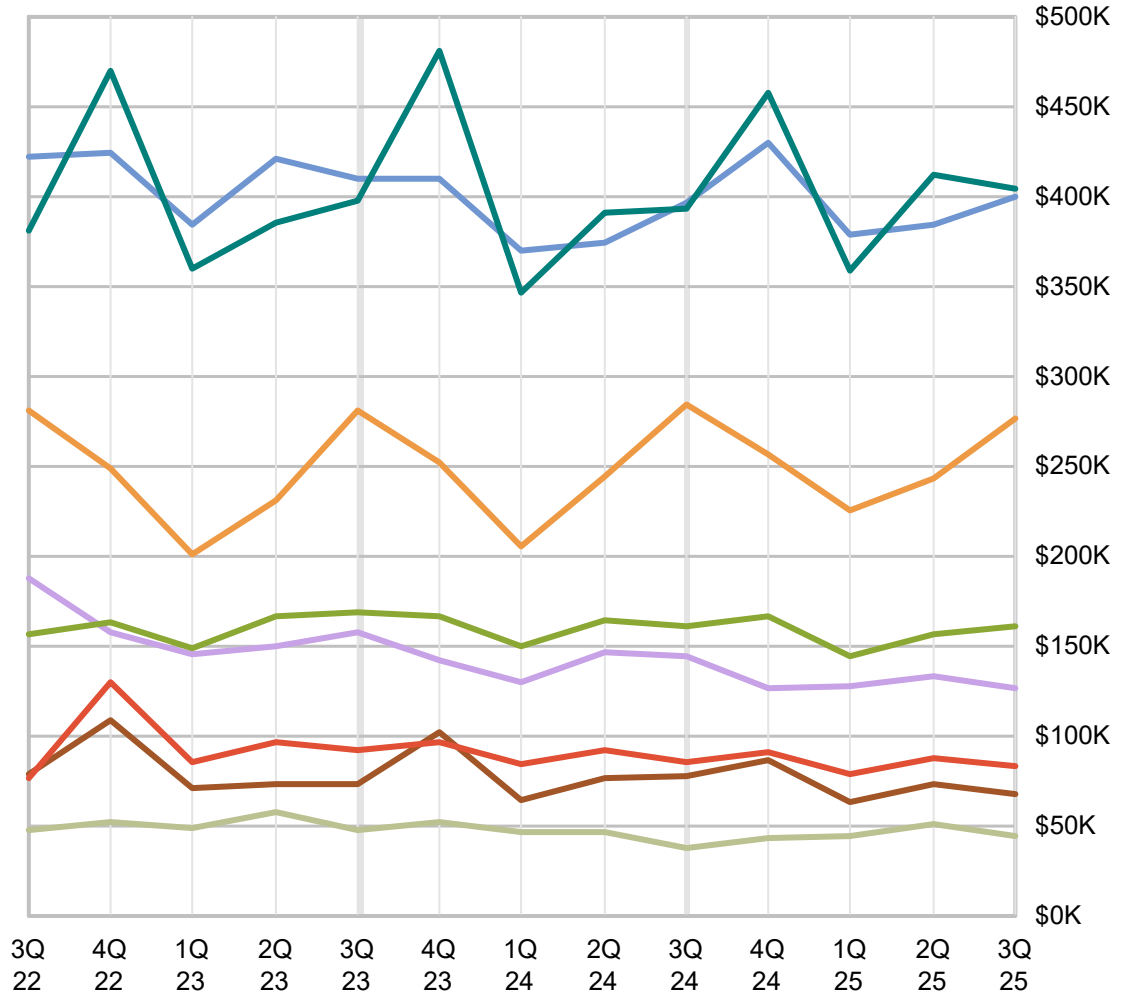
Count: 20

General Consumer Goods

Count: 325

Business And Industry

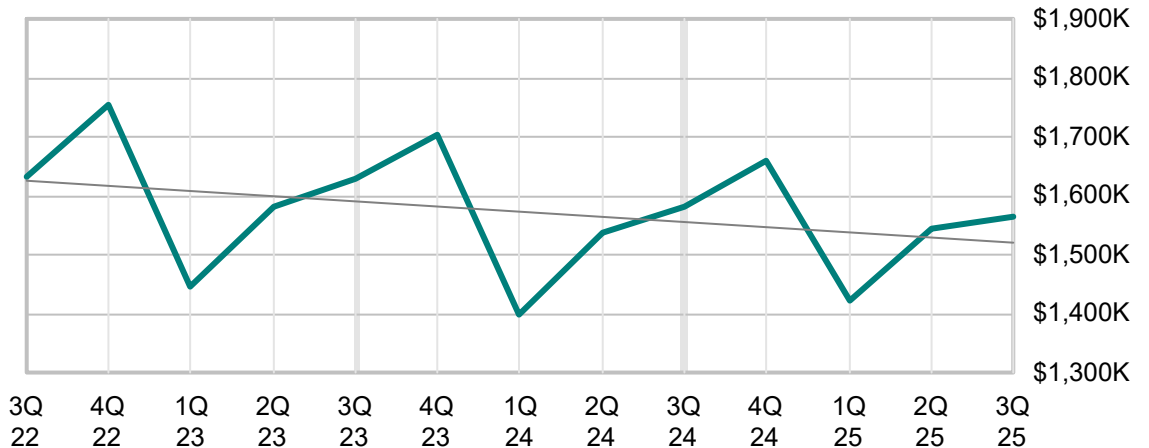
Count: 142



Agency Trend

Placerville

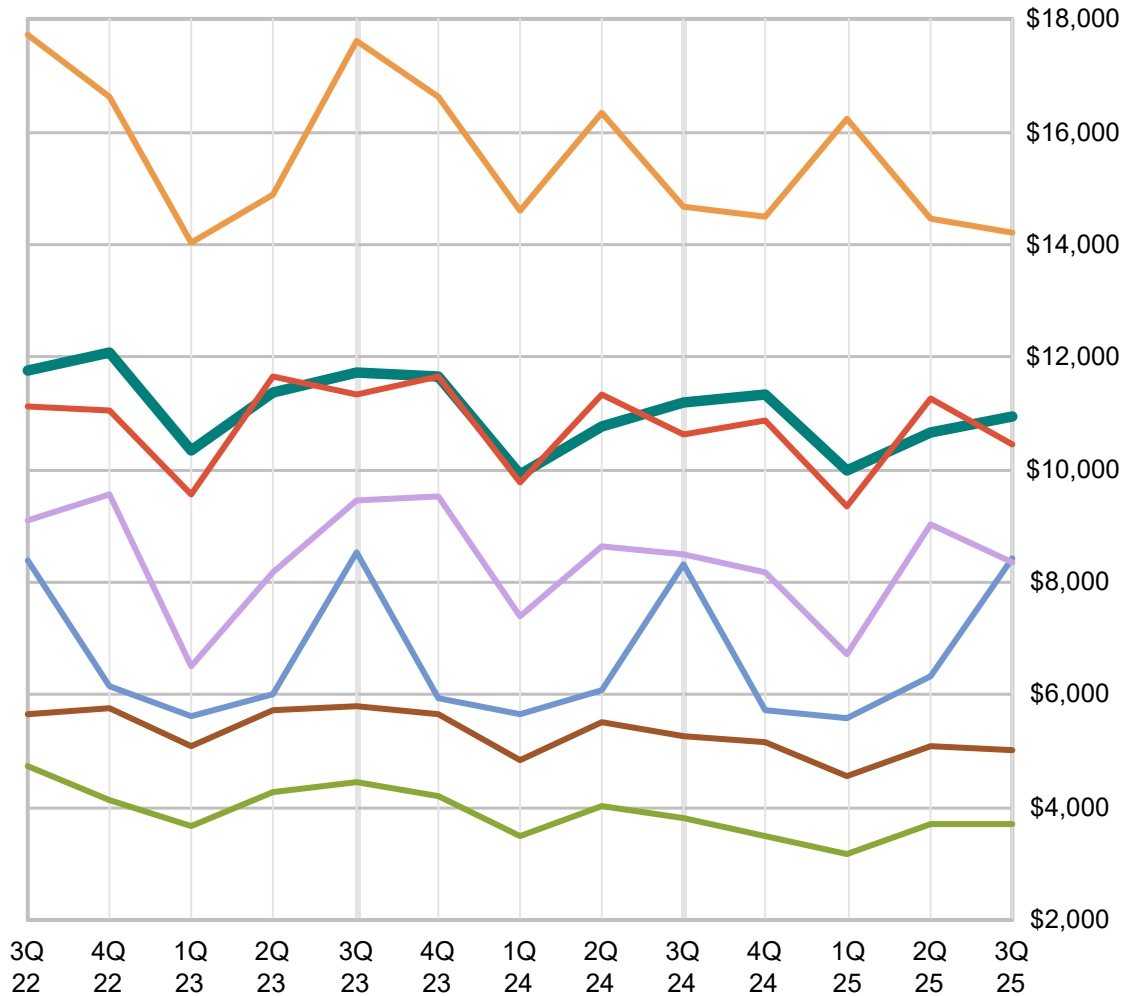
13 Quarter Trend: -6.4%



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

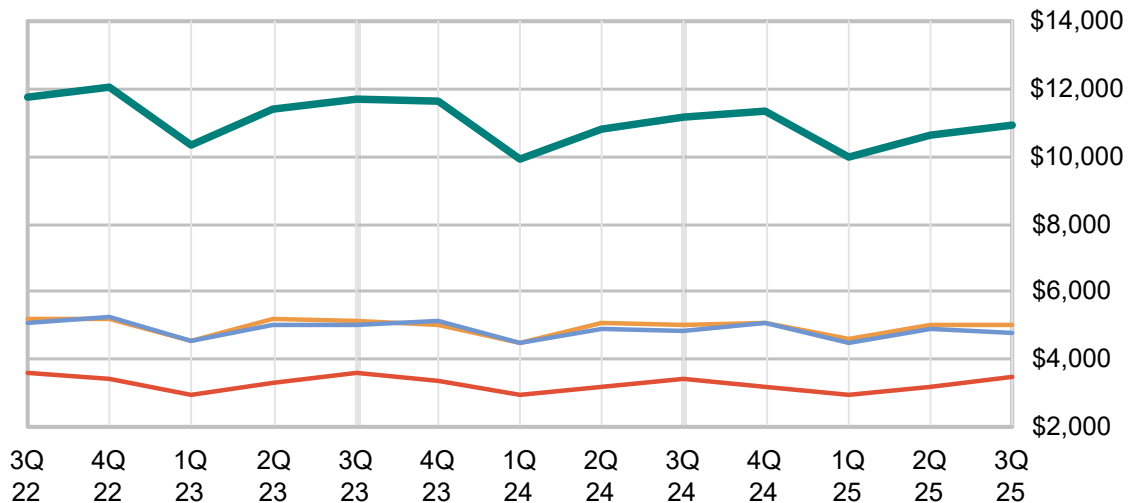
Per Capita Sales

- Placerville**
Count: 738
- South Lake Tahoe**
Count: 1,067
- Auburn**
Count: 989
- Marysville**
Count: 367
- Nevada City**
Count: 471
- Grass Valley**
Count: 995
- Yuba City**
Count: 2,000



Per Capita Sales

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

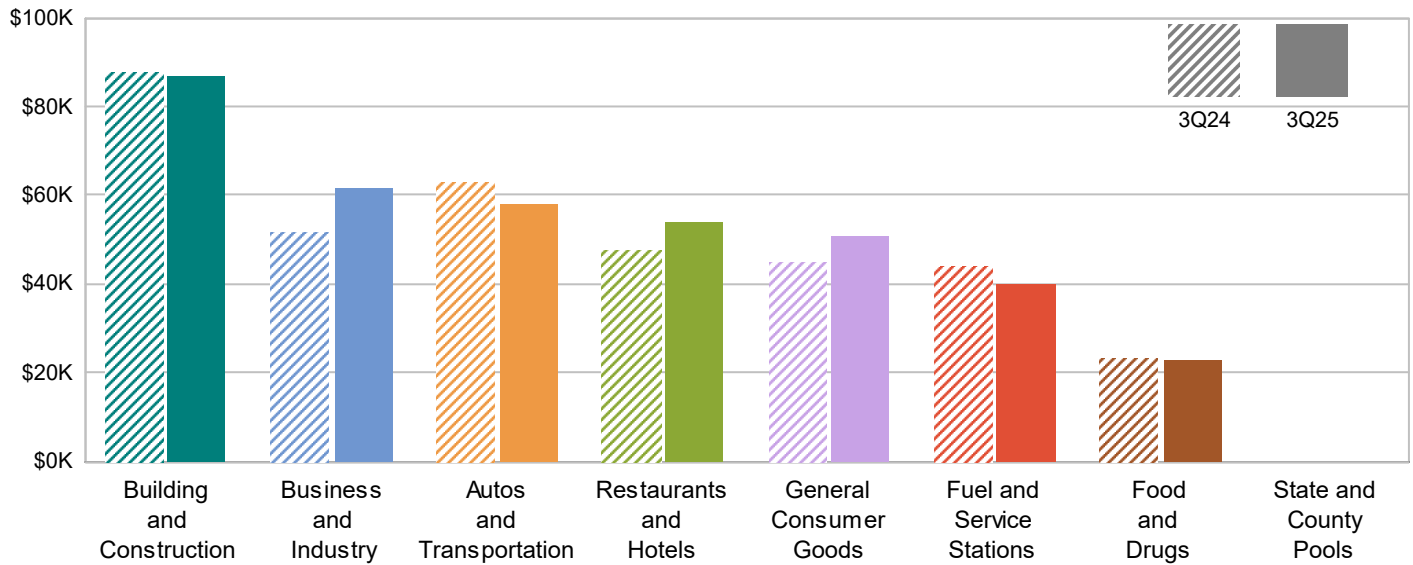


Periods shown reflect the period in which the sales occurred - Point of Sale

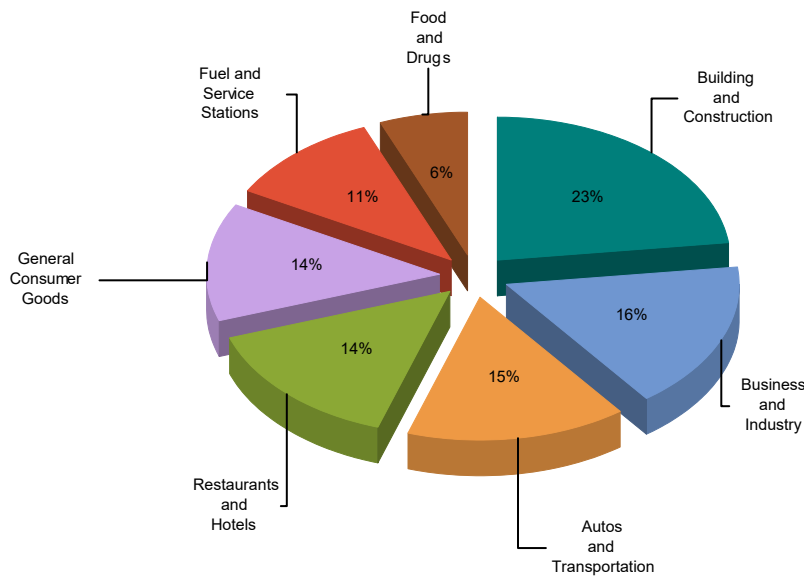


<u>Major Industry Group</u>	<u>Count</u>	<u>3Q25</u>	<u>3Q24</u>	<u>\$ Change</u>	<u>% Change</u>
Building and Construction	460	86,694	87,748	(1,054)	-1.2%
Business and Industry	3,708	61,702	51,929	9,773	18.8%
Autos and Transportation	745	58,081	62,893	(4,812)	-7.7%
Restaurants and Hotels	201	54,306	47,962	6,344	13.2%
General Consumer Goods	2,005	50,931	45,110	5,821	12.9%
Fuel and Service Stations	49	39,999	44,268	(4,269)	-9.6%
Food and Drugs	97	23,041	23,525	(485)	-2.1%
Transfers & Unidentified	1,538	11,164	5,247	5,917	112.8%
State and County Pools	-	0	0	0	-N/A-
Total	8,803	385,918	368,683	17,235	4.7%

3Q24 Compared To 3Q25

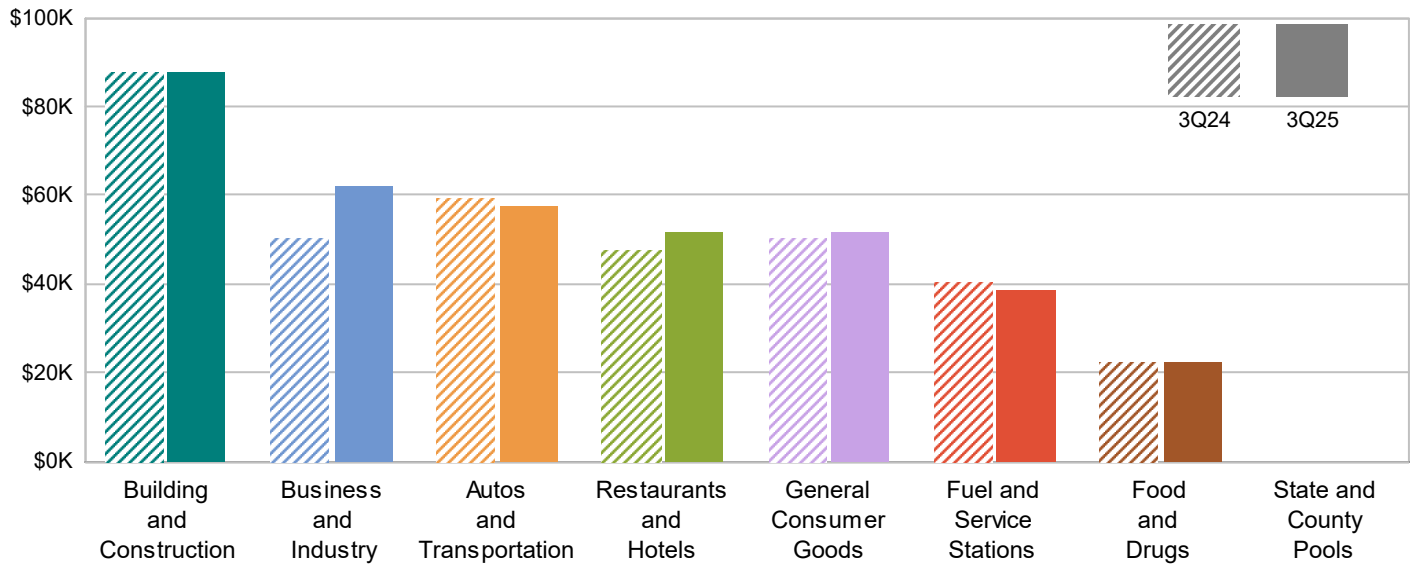


3Q25 Percent of Total

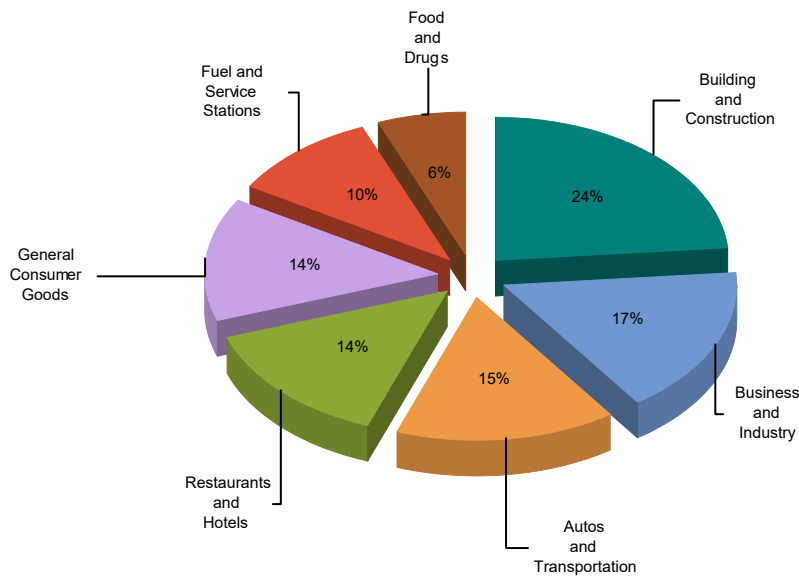


Major Industry Group	Count	3Q25	3Q24	\$ Change	% Change
Building and Construction	460	87,699	87,861	(162)	-0.2%
Business and Industry	3,708	61,991	50,531	11,460	22.7%
Autos and Transportation	745	57,516	59,622	(2,106)	-3.5%
Restaurants and Hotels	201	52,036	47,849	4,187	8.7%
General Consumer Goods	2,005	51,639	50,356	1,283	2.5%
Fuel and Service Stations	49	38,662	40,451	(1,788)	-4.4%
Food and Drugs	97	22,503	22,552	(49)	-0.2%
Transfers & Unidentified	1,538	5,573	3,699	1,874	50.7%
State and County Pools	-	0	0	0	-N/A-
Total	8,803	377,619	362,921	14,698	4.0%

3Q24 Compared To 3Q25

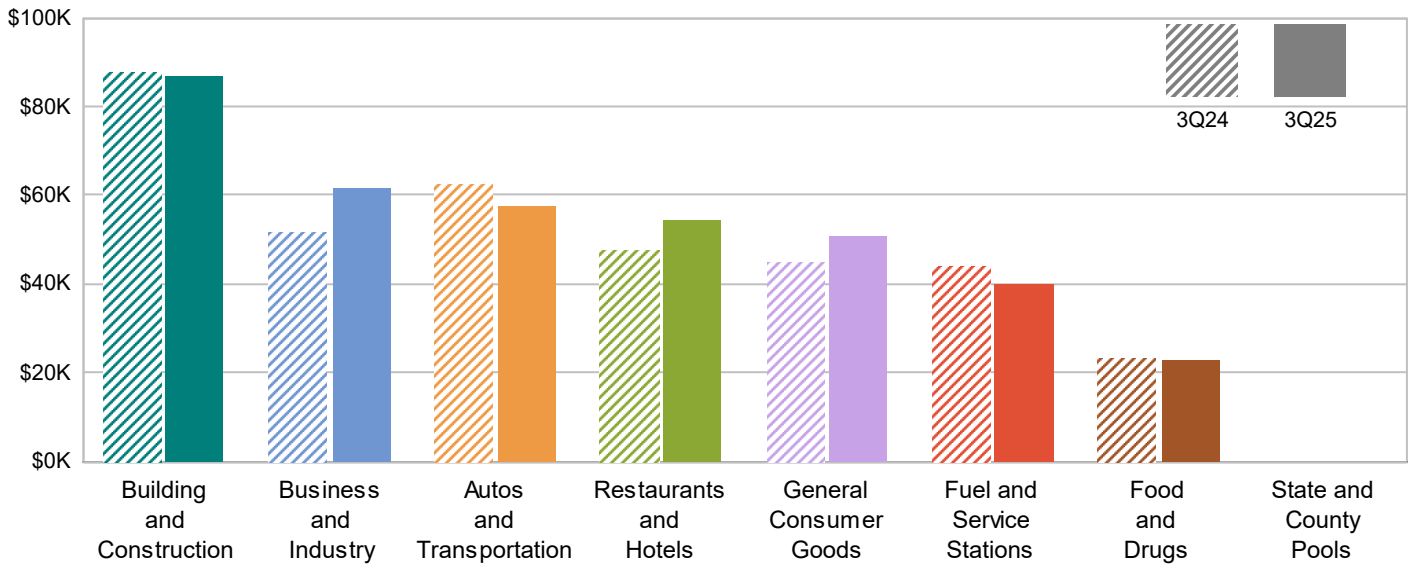


3Q25 Percent of Total

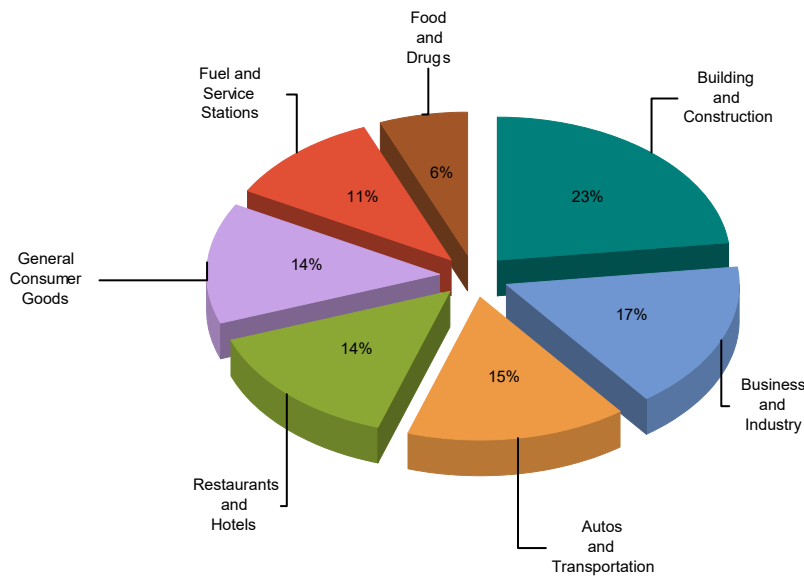


Major Industry Group	Count	3Q25	3Q24	\$ Change	% Change
Building and Construction	459	86,656	87,719	(1,063)	-1.2%
Business and Industry	3,696	61,908	52,059	9,849	18.9%
Autos and Transportation	743	57,882	62,691	(4,809)	-7.7%
Restaurants and Hotels	200	54,319	47,979	6,340	13.2%
General Consumer Goods	2,009	50,949	45,135	5,813	12.9%
Fuel and Service Stations	49	39,994	44,265	(4,270)	-9.6%
Food and Drugs	98	23,062	23,545	(484)	-2.1%
Transfers & Unidentified	1,540	11,164	5,247	5,917	112.8%
State and County Pools	-	0	0	0	-N/A-
Total	8,794	385,934	368,640	17,294	4.7%

3Q24 Compared To 3Q25

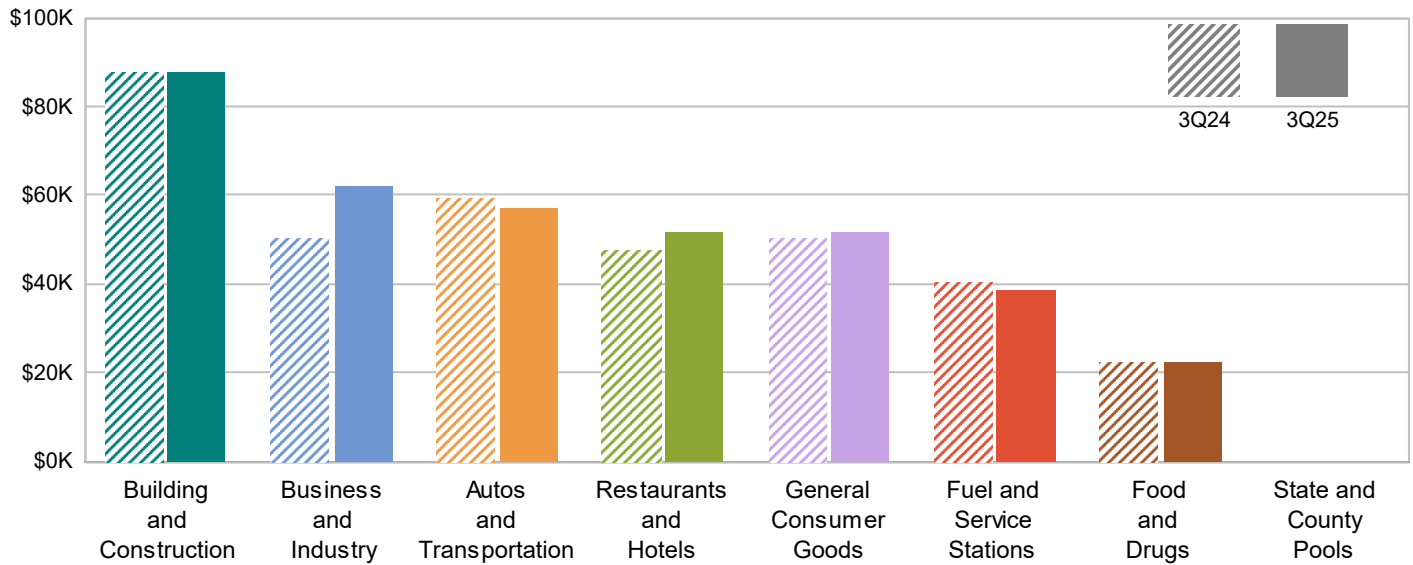


3Q25 Percent of Total

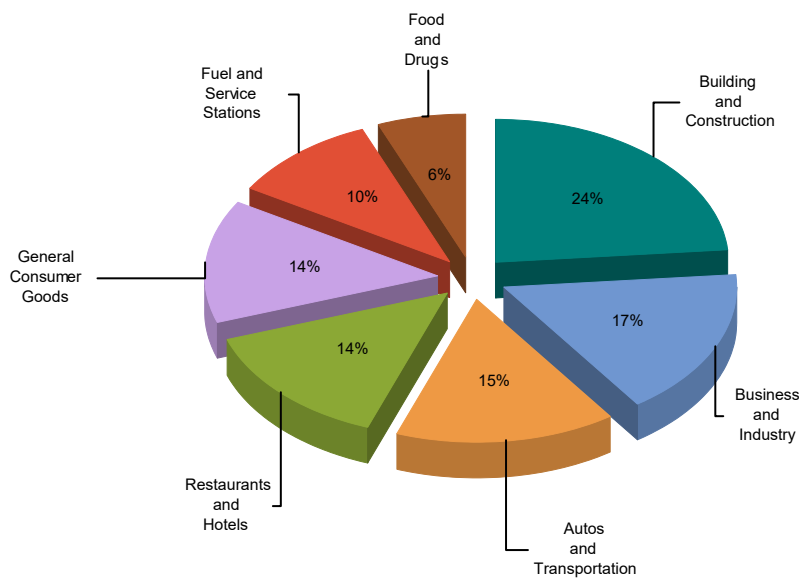


Major Industry Group	Count	3Q25	3Q24	\$ Change	% Change
Building and Construction	459	87,631	87,838	(207)	-0.2%
Business and Industry	3,696	62,225	50,714	11,511	22.7%
Autos and Transportation	743	57,315	59,418	(2,103)	-3.5%
Restaurants and Hotels	200	52,036	47,849	4,187	8.7%
General Consumer Goods	2,009	51,657	50,384	1,272	2.5%
Fuel and Service Stations	49	38,658	40,447	(1,789)	-4.4%
Food and Drugs	98	22,524	22,572	(48)	-0.2%
Transfers & Unidentified	1,540	5,573	3,699	1,874	50.7%
State and County Pools	-	0	0	0	-N/A-
Total	8,794	377,619	362,922	14,697	4.0%

3Q24 Compared To 3Q25



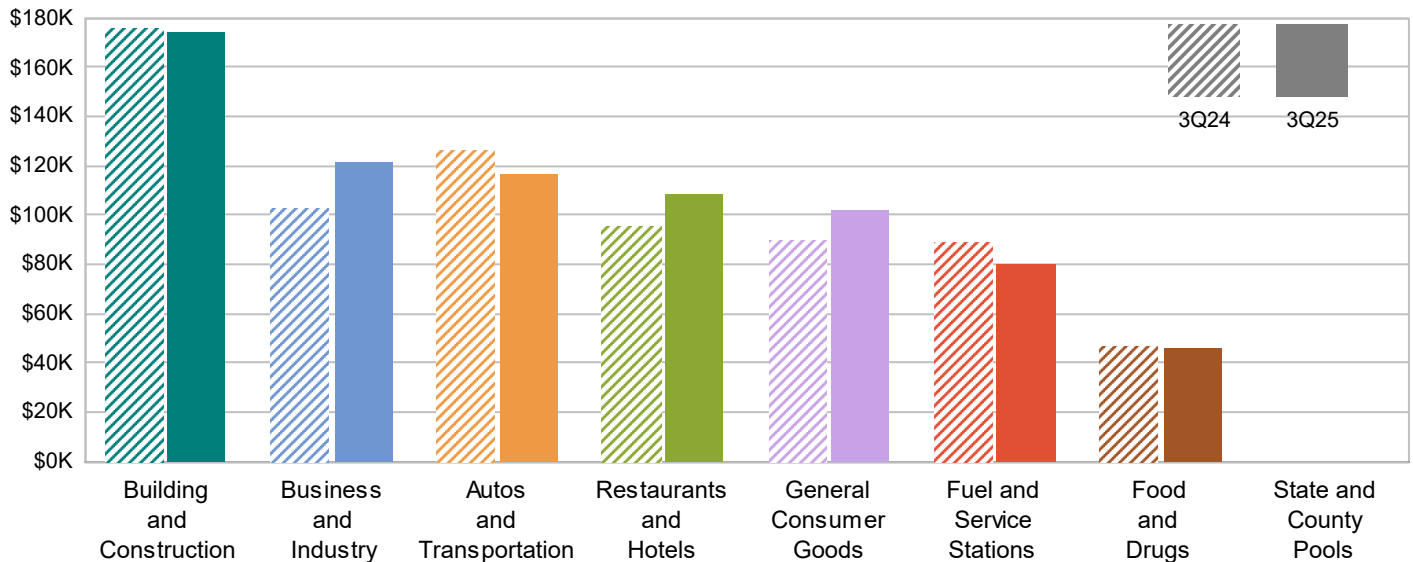
3Q25 Percent of Total



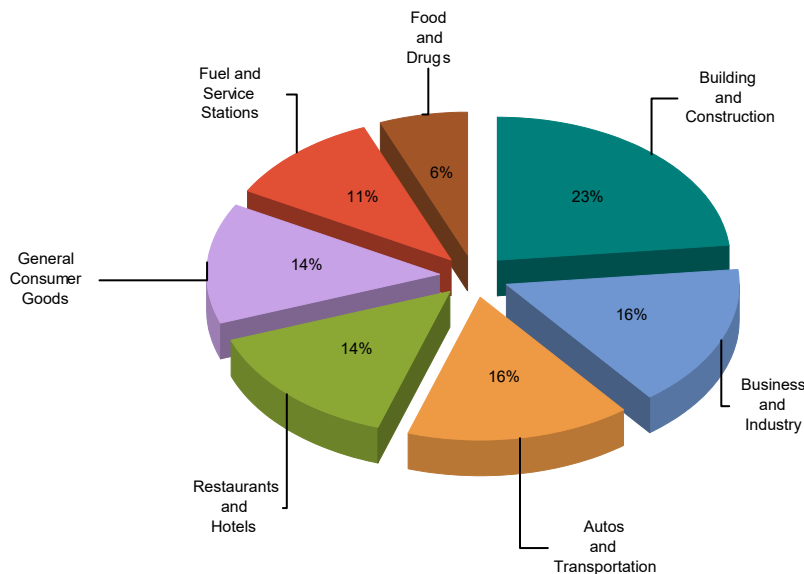


<u>Major Industry Group</u>	<u>Count</u>	<u>3Q25</u>	<u>3Q24</u>	<u>\$ Change</u>	<u>% Change</u>
Building and Construction	487	173,927	176,026	(2,099)	-1.2%
Business and Industry	3,779	121,942	103,039	18,903	18.3%
Autos and Transportation	759	116,654	126,395	(9,740)	-7.7%
Restaurants and Hotels	200	108,607	95,924	12,683	13.2%
General Consumer Goods	1,993	102,035	89,851	12,183	13.6%
Fuel and Service Stations	50	79,997	89,071	(9,073)	-10.2%
Food and Drugs	97	46,127	47,064	(938)	-2.0%
Transfers & Unidentified	1,544	22,331	10,498	11,833	112.7%
State and County Pools	-	0	0	0	-N/A-
Total	8,909	771,620	737,869	33,751	4.6%

3Q24 Compared To 3Q25

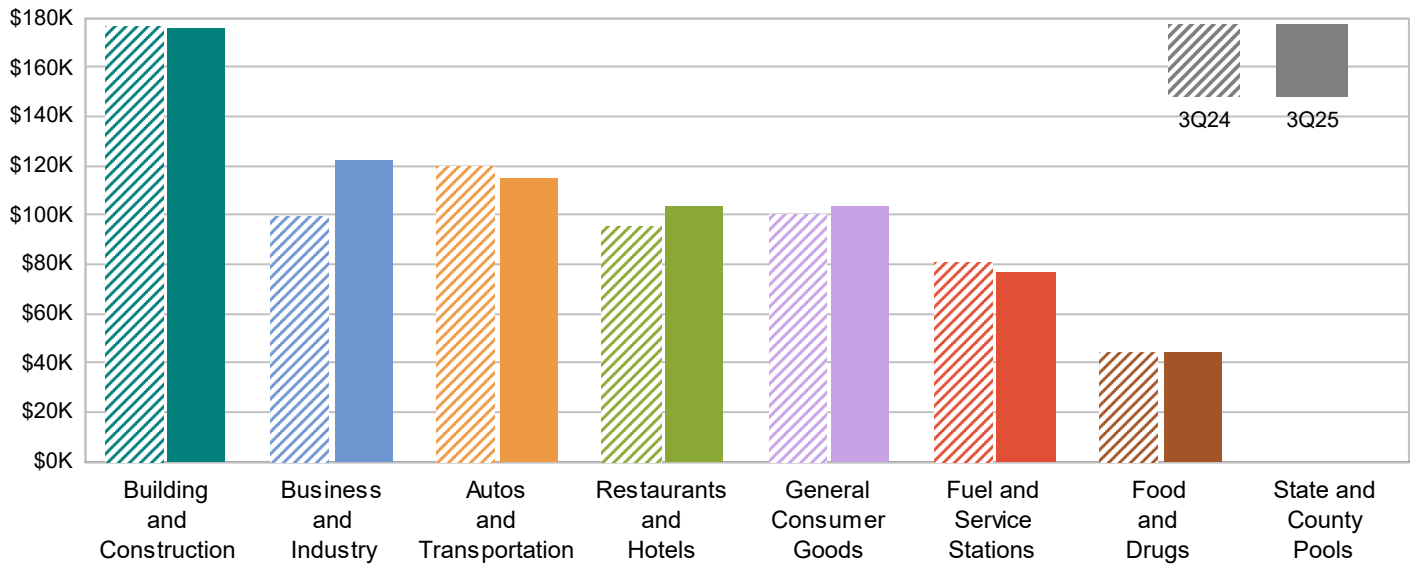


3Q25 Percent of Total

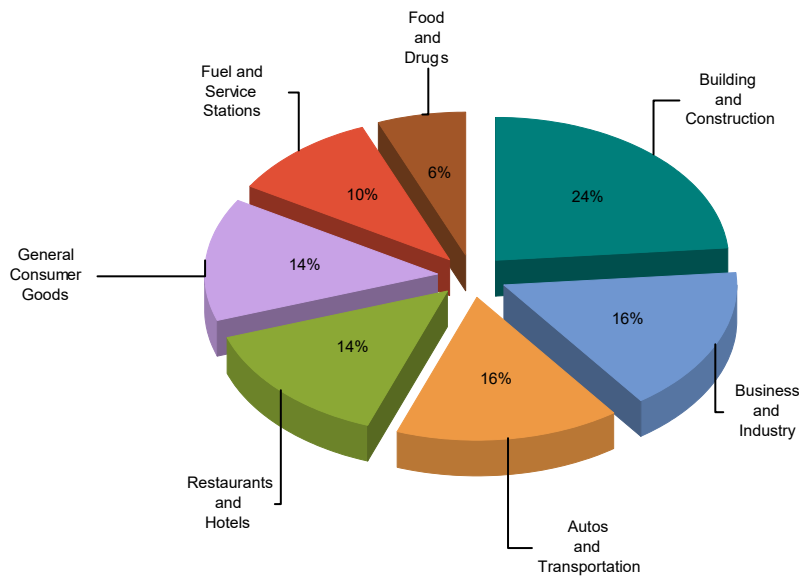


Major Industry Group	Count	3Q25	3Q24	\$ Change	% Change
Building and Construction	487	175,759	176,208	(450)	-0.3%
Business and Industry	3,779	122,553	100,196	22,358	22.3%
Autos and Transportation	759	115,547	119,837	(4,290)	-3.6%
Restaurants and Hotels	200	104,081	95,699	8,382	8.8%
General Consumer Goods	1,993	103,584	100,370	3,214	3.2%
Fuel and Service Stations	50	77,345	80,902	(3,557)	-4.4%
Food and Drugs	97	45,041	45,119	(79)	-0.2%
Transfers & Unidentified	1,544	11,203	7,395	3,808	51.5%
State and County Pools	-	0	0	0	-N/A-
Total	8,909	755,112	725,725	29,387	4.0%

3Q24 Compared To 3Q25



3Q25 Percent of Total



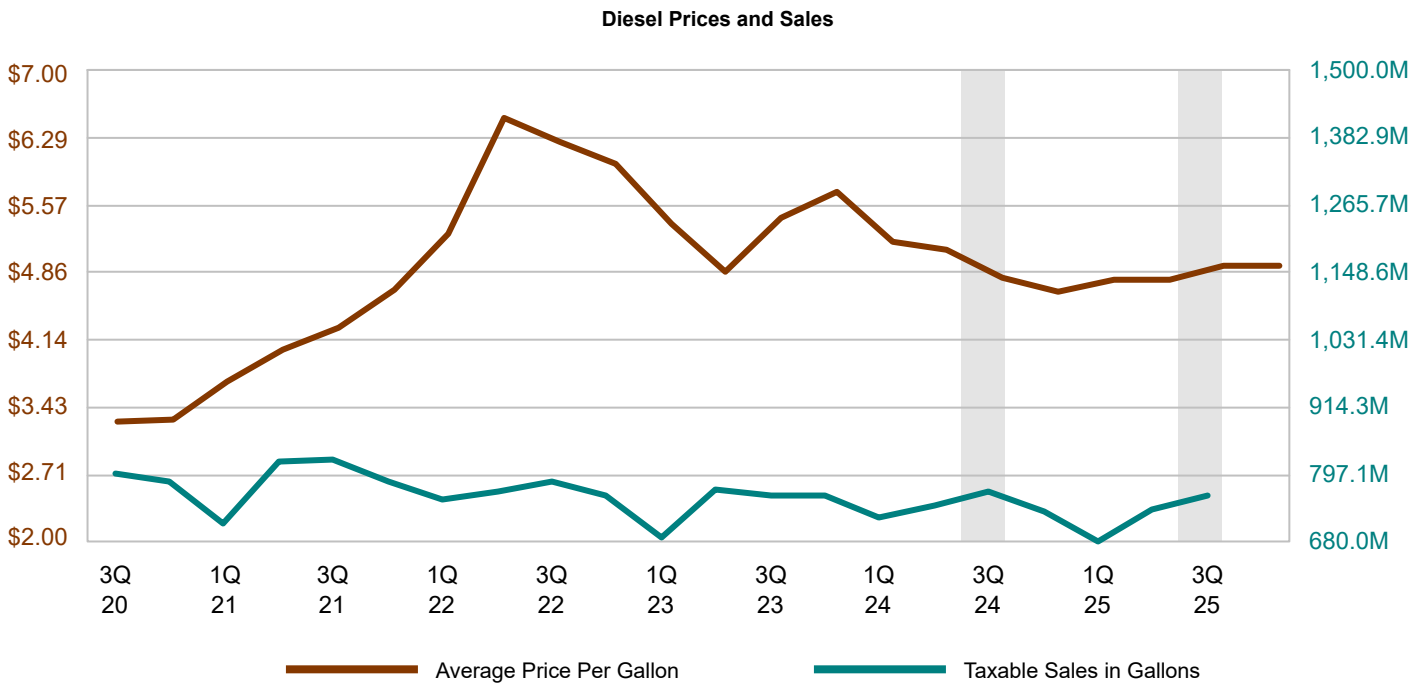
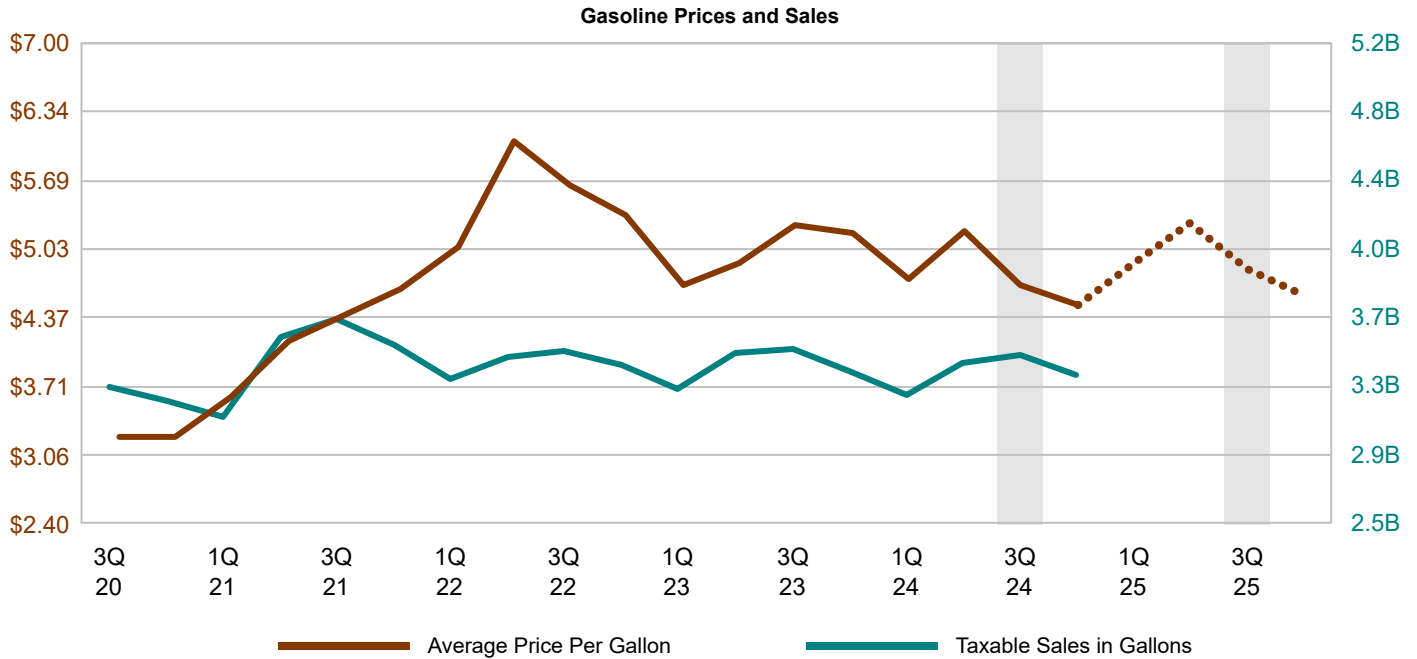


STATE OF CALIFORNIA

GASOLINE AND DIESEL TRENDS

Gasoline Data	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25*	2Q25*	3Q25*	4Q25*
Average Price Per Gallon	\$5.19	\$4.74	\$5.20	\$4.69	\$4.51	\$4.91	\$5.29	\$4.84	\$4.59
% Change from Prior Quarter	-1.39%	-8.65%	9.69%	-9.84%	-3.90%	8.90%	7.74%	-8.51%	-5.17%
% Change from Same Qtr Prior Year	-2.98%	1.08%	6.24%	-10.91%	-13.18%	3.50%	1.66%	3.16%	1.80%

* - Estimate

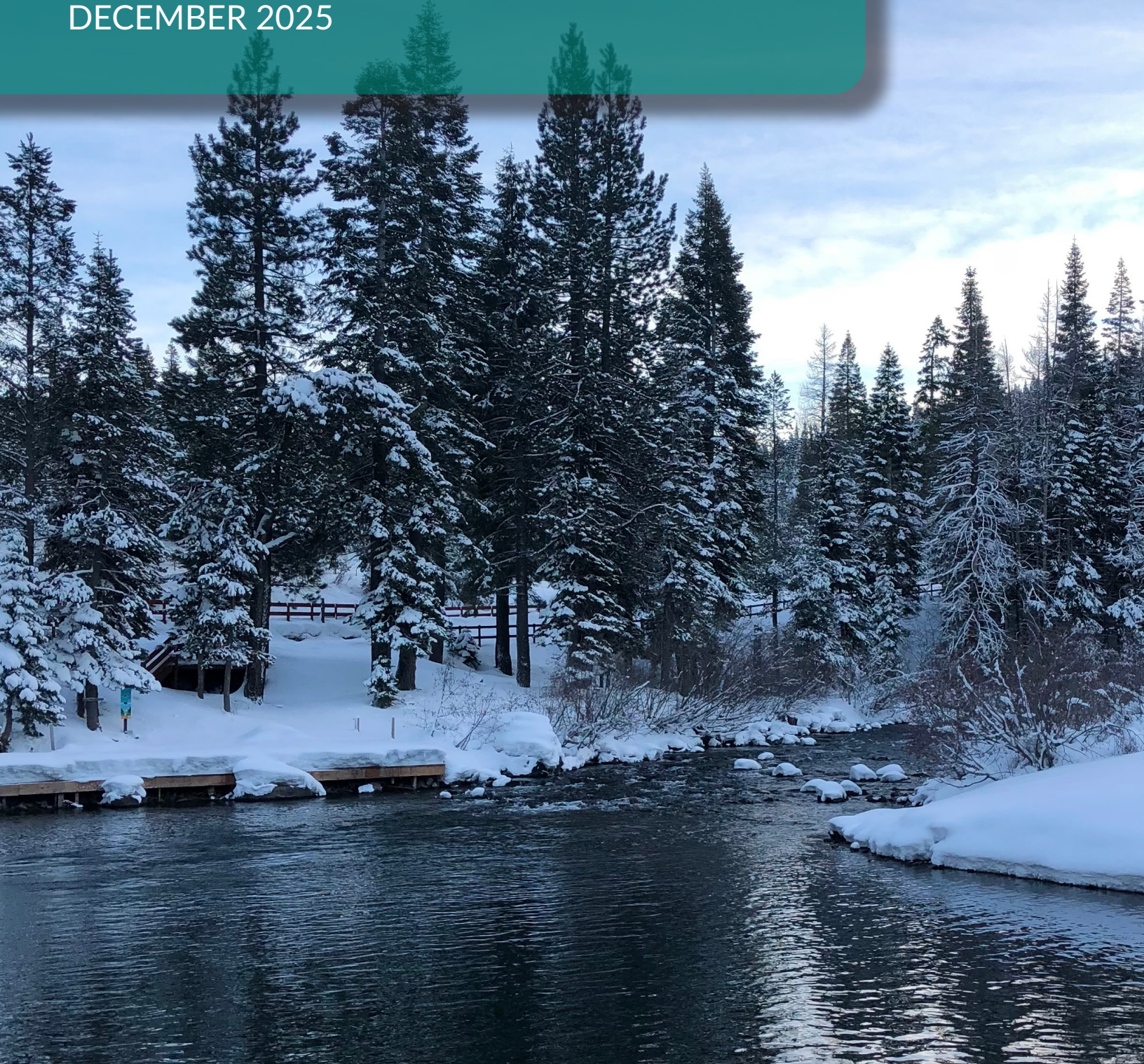


Sources: Board of Equalization, California Department of Tax and Fee Administration, Energy Information Administration, The HdL Companies

CALIFORNIA FORECAST

SALES TAX TRENDS & ECONOMIC DRIVERS

DECEMBER 2025



Truckee, CA



Hdl Companies

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Overview: The outlook for the U.S. and California economy is anchored to various policies and economic indicators, all of which add up to a limited anticipated improvement in sales tax revenues. Inflation has been mostly tamed as the Federal Reserve reduced the target interest rates three times in the latter part of this year. Consumers are constantly nervous about price increases, tied to ever-evolving tariff policies. Recent data shows state housing and labor markets have cooled. In summary, uncertainty leads customers to continue spending, albeit with an eye focused on essentials and value while awaiting a more stable, predictable economy.

Autos/Transportation 2025/26 | 2026/27
0.3% | 3.0%

National automobile sales have declined following the expiration of federal electric vehicle tax credits on September 30, 2025. In October, the California New Car Dealers Association projected that sales will remain under pressure through 2026, as higher prices—driven in part by tariffs filtering through the supply chain—and prolonged elevated costs contribute to buyer fatigue. Nevertheless, recent reductions in the Federal Funds rate, combined with strong pent-up demand and a record-high average vehicle age, are expected to support modest revenue growth in 2026. Beyond 2026, the market is anticipated to stabilize as consumers adapt to new pricing levels while taking advantage of lower financing costs and ongoing vehicle replacement needs.

Building/Construction -2.0% | 1.8%

Summer 2025 saw the continued decline in the value of materials purchased for infrastructure and roofing projects. A dwindling number of commercial and utility construction projects generated one-time tax allocations. Consistent demand for commercial and residential solar energy components ahead of the December 31, 2025 expiration of the 30% federal tax credit provided a positive offset. This forecast anticipates the Fed maintains its cautious approach to adjusting interest rates, prompting developers to gradually initiate new developments while existing homeowners find remodeling more affordable. In the near term, more infrastructure projects are expected to break ground plus data center and health care facilities stay on as steady contributors to the tax base.

Business/Industry 3.2% | 4.0%

Ecommerce and energy-related spending buoyed this group during third quarter 2025, expanding 5.1%. Shoppers favored online purchasing, so CA-based fulfillment centers once again boosted revenues. Results also grew from energy project outlays, medical-biotech equipment and support services companies. Yet, many sectors held flat or declined, tempered by variables such as lending rates and tariffs. Agricultural and farm/construction equipment struggled, facing numerous headwinds ranging from water scarcity to limited capital funding. The statewide outlook anticipates continued ecommerce growth, driving moderate gains for the current fiscal year and modest improvement thereafter; varying by the size and character of local businesses.

Food/Drugs -2.0 | -0.1%

Grocery stores' payments fell 2.4% in 3Q25 as consumers actively searched for bargains and rethought their grocery buying habits. Store-brand purchases increased, and 35% of all purchases are now conducted on ecommerce platforms. Convenience/liquor markets experienced a mix of economic impacts from inflation to reductions in alcohol consumption. Cannabis enjoyed modest increases as unit sales rose while the State Excise Tax declined. Drug stores focused on cost cutting measures and withdrawals from underperforming markets; one major chain shuttered all remaining stores. AI technologies are being deployed more fully to better serve customers and address employee retention challenges.

Fuel/Service Stations 2025/26 | 2026/27
1.9% | 3.7%

Revenues declined 3.8% in 3Q25, reflecting lower average fuel prices relative to 3Q24 and a sharper-than-anticipated price correction at the pumps. From FY 2018-19 to FY 2024-25, consumption of motor vehicle gallons decreased by 13% while average fuel prices increased roughly 14%. Over the same period, taxable sales rose nearly 9%, confirming that local station operators successfully adjusted pricing and margins to offset weaker consumption. The short-term forecast is modestly tempered, while the long-term outlook remains supported by structurally elevated pricing tied to California-specific supply constraints, including confirmed refinery closures scheduled for late 2025 and April 2026, which remain on track.

General Consumer Goods 1.0% | 1.2%

General retail sales were robust, expanding 4.1%. The strength persisted from online sales where tax flows either indirectly to local jurisdictions by way of their pool share or concentrated to agencies with fulfillment centers. Brick-and-mortar storefronts (direct allocations) grew a moderate 0.8%. While big box retailers were flat, tax from apparel, furnishings, and jewelry categories thrived. As consumers held fast to pessimism, retail spending was supported by wage increases and a pullback in other discretionary areas. Affluent households have not hit the brakes while lower income shoppers remain focused on value. Even as rising prices may be adding pressure to reduce consumption, taxable spending is still gradually increasing. The outlook for this group anticipates mild growth.

Restaurants/Hotels 1.7% | 2.8%

Restaurants posted modest growth in the first quarter of the new fiscal year. Dining frequency continues to weaken, and when dining out, consumers increasingly favor value-oriented menu options. Tourism—responsible for 30% of combined restaurant-hotel expenditures—is a bright spot, with sustained gains forecast. Quick-service restaurants face the most pronounced impact from reduced dining activity, as elevated menu prices drive customers toward alternatives. Households with constrained disposable income are cutting back significantly on fast-food purchases. Despite these challenges, the industry remains cautiously optimistic, strategically closing underperforming locations while investing in new outlets in high-potential markets.

State and County Pools 4.3% | 2.8%

Taxes generated by online transactions posted higher numbers for the sixth consecutive quarter. The makeup of these revenues has been steady over time; 50% coming from household purchases, one third from business-based activity, and the remainder from other segments. Shoppers are increasingly drawn to ecommerce buying as companies invest in technologies like AI agents, and expand social media platforms as sales channels. Early reports from multiple outlets show Black Friday through Cyber Monday spending hit record levels and this outcome is factored into the current year's projection. Recent ecommerce YoY trends taking up a larger percentage of overall retail sales is presumed to keep expanding, supporting our forecast for this category.



NATIONAL AND STATEWIDE ECONOMIC DRIVERS

2025/26 | 2026/27

2025/26 | 2026/27



U.S. Real GDP Growth

2.3% | 2.3%

The U.S. economy remains resilient, with real GDP up 2.1% year-over-year in Q2 2025, reflecting continued expansion despite elevated uncertainty. Growth has moderated and job creation softened, showing signs of jobless expansion, with employment gains lagging output. This is due to productivity gains and AI-driven automation, as well as trade and policy uncertainty prompting firms to pause hiring. Inflation has moved past its peak but remains above the Federal Reserve's 2% target, with core PCE inflation at 2.6%. The decline in the 10-year Treasury yield from about 4.8% to roughly 4.15% implies stable inflation and interest-rate expectations, giving the Fed some flexibility in addressing labor-market conditions.



U.S. Unemployment Rate

4.4% | 4.3%

The unemployment rate has continued to edge up, though maintaining historically low levels below 5%; reaching 4.6% in November 2025 compared to 4.2% in 2024, and 3.7% in 2023. Unemployment has increased due to slower job creation as firms scale back hiring amid AI adoption and uncertainty around trade policy. Layoffs and quits remain subdued, pointing to limited job loss but weaker labor market dynamism. Labor force participation hovers pre-pandemic levels near 62%, largely unchanged in recent years, indicating limited expansion in the available workforce. As a result, economic growth may translate less directly into broad-based employment gains. Total nonfarm employment momentum has slowed, with YoY growth falling to 0.6% in November 2025, the weakest pace in over four years.



CA Unemployment Rate

5.7% | 5.5%

California's unemployment rate has remained stable, reaching 5.6% in September 2025 and staying within a narrow 5.4% to 5.6% range over the past year. The consistency of the rate indicates that the labor market has settled into a new equilibrium. Labor market flows have slowed, with hiring no longer keeping pace with worker separations, limiting net job growth. Increases in unemployment have been concentrated among labor force re-entrants and longer-duration job seekers, while job losses have remained stable. Together, these patterns point to slower job switching and longer job searches, rather than an increase in layoffs, keeping unemployment elevated even as the labor market avoids broader deterioration.



CA Residential Building Permits

94,175 | 102,021

Residential permitting in California remains weak through Q3 2025, continuing to limit growth in the state's housing supply. After peaking in early 2022 at more than 30,000 permits per quarter, activity declined to 23,532 permits in Q3 2025, down 6.4% year-over-year and among the lowest quarterly totals in four years. The slowdown is evident even as the state enacted major reforms in 2025 to exempt many infill projects from routine environmental review to shorten approval times. Despite these reforms, projects in major metros continue to encounter entitlement delays and plan check backlogs due to staff shortages. Without more consistent acceleration in approvals, housing production is unlikely to expand enough to ease affordability pressures.



CA Total Nonfarm Employment Growth

0.1% | 0.6%

California's labor market has remained largely flat, with year-over-year nonfarm employment growth slowing to just 0.3% as of September 2025, which translates to an increase of roughly 62,000 jobs statewide. Job gains have decelerated steadily from the post-pandemic rebound, leaving employment growth well below national and peer-state trends. At the same time, the labor force expanded by about 174,000 people between September 2024 and September 2025; however, the labor force participation rate has remained near 62%, roughly in line with pre-pandemic trends, as growth in the working-age population has kept pace with labor market absorption.



CA Median Existing Home Price

\$736,709 | \$739,652

California's housing market has cooled, with weaker demand and limited housing supply. As of the third quarter of 2025, median home prices were \$735,401, up 1.13% YoY, while home sales declined 4.2%, reflecting affordability constraints and elevated borrowing costs. As of November 2025, inventory remains tight, with 92,930 homes for sale, down 1.9% from a year earlier, and months of supply holding at three, well below levels associated with a balanced market. Median days on market increased to 49, indicating slower transactions. Together, these conditions point to a market adjusting through reduced activity rather than broad-based price declines.

Proposition 172

Fiscal year 2024-25 statewide Proposition 172 (P-172) revenues declined 0.3%, which follows the 0.9% drop in fiscal year 2023-24. The current forecast expects modest growth of .85% and 2.3% for fiscal years 2025-26 and 2026-27, respectively. Current county projections include pro-rata factors published by the State Controller's Office in July 2025 (based on updated calendar year 2024 actual sales tax performance). As the calendar year Bradley-Burns results fluctuate due to taxpayer modifications, audits, economic impacts, etc., pro-rata growth factors and resultant P-172 revenues will vary for many counties.

Watch our webinar for more details!

