

CITY OF PASO ROBLES SALES TAX UPDATE 3Q 2024 (JULY - SEPTEMBER)



PASO ROBLES

TOTAL: \$ 3,363,274

-7.6%

3Q2024



-5.3%

COUNTY



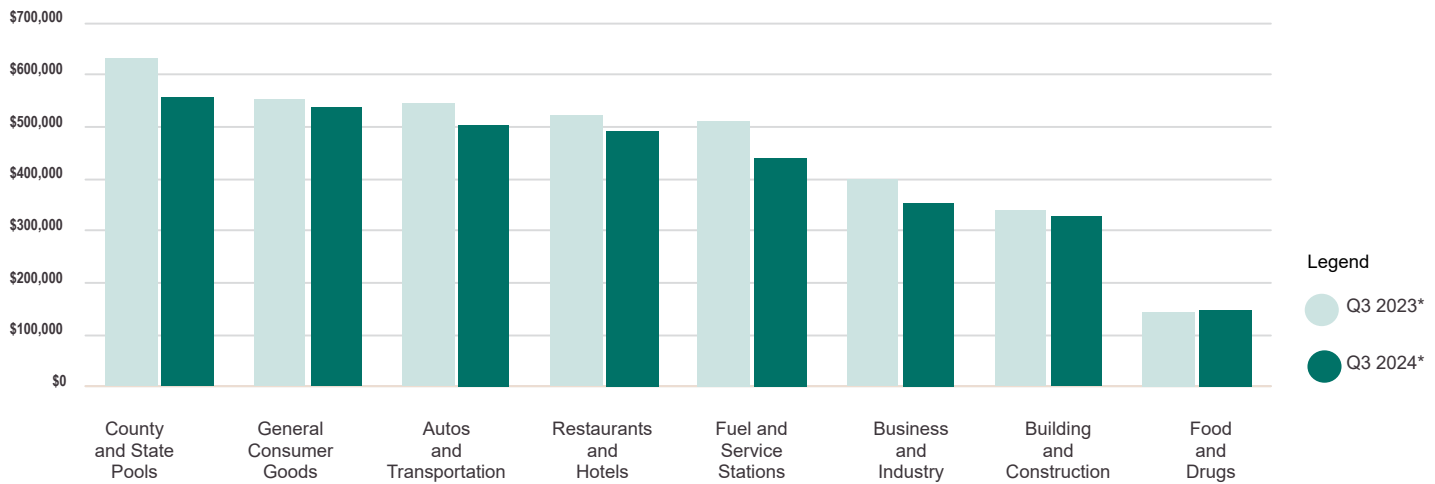
-2.3%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure E-12
TOTAL: \$1,720,577

↓ -1.9%

Measure J-20
TOTAL: \$3,441,770

↓ -1.9%



CITY OF PASO ROBLES HIGHLIGHTS

Paso Robles' receipts from July through September were 10.5% below the third sales period in 2023. Excluding reporting aberrations, actual sales were down 7.6%.

Consumers continue to be cautious in spending on non-essential products and projects. The Feds have now begun to slowly reduce the fed rate.

The slow economy pushed all sectors, with the exception of food-drugs, into a negative position. Fuel-service stations were down 13.5%, following the statewide reduction of 14.0%, as fuel and oil pricing dropped during the quarter. Business-industry fell 11.4% as business services and heavy industrial

were down significantly. Autos-transportation fell during the quarter as car buyers continue to be impacted by the high pricing and financing costs for new cars.

Food-drugs posted small gains due in part to new business openings.

Transaction and Use Tax Measures E-12 and J-20 generated 154.0% of the Bradley Burns amount, led by the strongest percentage growth from business-industry.

Net of aberrations, taxable sales for all of San Luis Obispo County declined 5.3% over the comparable time period; the Central Coast region was down 2.8%.



TOP 25 PRODUCERS

1 Stop
ABC Supply Co
Albertsons
All State Utility Supply
Arco AM PM
Big Creek Lumber
Borjon Auto Center
Buick GMC
Eagle Energy 76
Firestone Walker Brewery
Golden Hill Mobil
JB Dewar
Kia Of Paso Robles
Lowe's
McDonald's

Mullahey Chrysler
Dodge Jeep Ram
Paso Robles Chevrolet
Paso Robles Ford
Pellenc America
Ross
Sky River RV
Smart & Final
Target
TJ Maxx
VP Racing Fuels
Walmart



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.

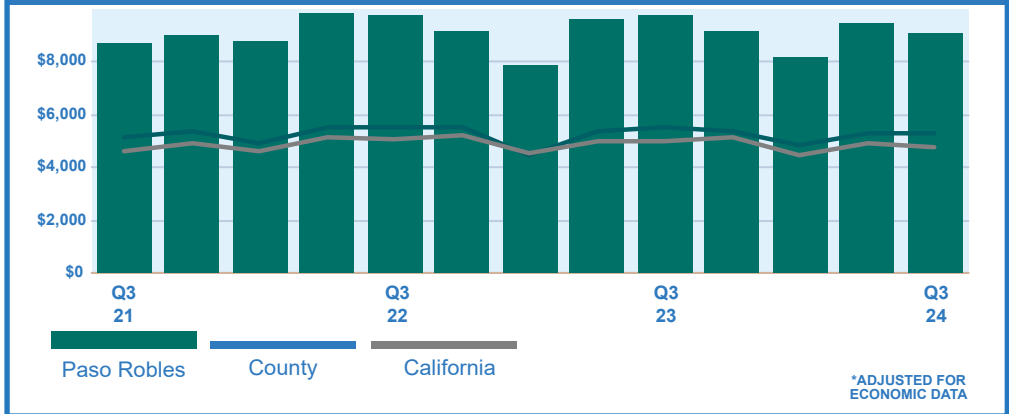
Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the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

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Paso Robles Business Type	Q3 '24*	Change	County Change	HdL State Change
Service Stations	385.1	-14.1% ↓	-9.2% ↓	-12.8% ↓
New Motor Vehicle Dealers	320.0	-6.9% ↓	3.9% ↑	-8.0% ↓
Casual Dining	224.3	-5.2% ↓	-2.7% ↓	1.1% ↑
Building Materials	205.6	-8.0% ↓	-8.3% ↓	-4.2% ↓
Quick-Service Restaurants	136.1	-6.2% ↓	-1.6% ↓	1.1% ↑
Grocery Stores	92.3	2.5% ↑	3.6% ↑	1.3% ↑
Family Apparel	71.3	1.2% ↑	-2.9% ↓	-0.2% ↓
Garden/Agricultural Supplies	70.7	-10.3% ↓	-7.8% ↓	-7.8% ↓
Automotive Supply Stores	66.8	-3.9% ↓	-1.7% ↓	-0.7% ↓
Contractors	64.7	21.3% ↑	6.2% ↑	-1.9% ↓

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*In thousands of dollars