



Board Agenda Item 43

DATE: March 25, 2025

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Fresno County Ordinance Code Section 4.16.090 - Sales and Use Tax Ordinance

RECOMMENDED ACTION(S):

Conduct second hearing and adopt amendments to Fresno County Ordinance Code Section 4.16.090 relating to the allocation of sales and use tax revenues; and waive reading of the Ordinance in its entirety.

This item comes before your Board pursuant to the Memorandum of Understanding (MOU) between the County and the City of Fresno recently approved by the Board of Supervisors on December 20, 2024. The MOU includes a modification to the methodology for the distribution of sales tax and use revenues which reduced the County's share from 5.35% to 5% of the 1% local sales tax revenue generated in the City. The resulting 5% is the same percentage contained in the MOU's of the other 14 cities in Fresno County.

The proposed amendments to Fresno County Ordinance Code Section 4.16.090 were considered in a first hearing and passed by the Board of Supervisors on March 11, 2025, and set for this second hearing for final adoption.

ALTERNATIVE ACTION(S):

Not approving the proposed sales and use tax rate changes would result in the County not complying with the terms of the County/City MOU.

FISCAL IMPACT:

The proposed adjustment to the sales and use tax rate will result in the County receiving continued revenue from the City of Fresno consistent with the terms of the County/City MOU.

DISCUSSION:

On December 20, 2024, the Board of Supervisors approved a new MOU between the County and City of Fresno to address growth issues in the region and property and sales tax revenue sharing. As provided in the MOU, and in exchange for concessions by the City, a modification to the methodology for the distribution of sales tax and use revenues is included which reduced the County's share from 5.35% to 5% of the 1% local sales tax revenue generated in the City. The resulting 5% is the same percentage contained in the MOU's of the other 14 cities in Fresno County. Approval of the recommended action would adjust the amounts of sales tax distributed to the City of Fresno and County according to the terms negotiated in the MOU. Once approved by both the City of Fresno and County, the Ordinance amendments will be provided to the State Department of Tax and Fee Administration to assure that the adjusted apportionments can be

made beginning July 1, 2025.

OTHER REVIEWING AGENCIES:

A copy of this Agenda item will be sent to the City of Fresno.

REFERENCE MATERIAL:

BAI #12, March 11, 2025
BAI #1, December 20, 2024
BAI #17, June 6, 2017
BAI #62, May 24, 2016
BAI #46, May 19, 2015
BAI #38, May 20, 2014
BAI #32, May 21, 2013

ATTACHMENTS INCLUDED AND/OR ON FILE:

Sales and Use Tax Ordinance
Ordinance Redline
Ordinance Summary

CAO ANALYST:

Salvador Espino