



Board Agenda Item 12

DATE: March 11, 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):

- 1. Conduct first hearing to adopt ordinance amending Fresno County Ordinance Code Section 4.16.090 relating to the allocation of sales and use tax revenues, amending it as to the City of Fresno as to its respective tax rate, and amending the dates to which the City of Fresno shall adhere to the stated rate, changing the effective date of the adjusted rate to July 1, 2025, waive the reading of the ordinance in its entirety, and set a second hearing for March 25, 2025;**
- 2. Designate County Counsel to prepare a fair and adequate summary of the proposed ordinance; and**
- 3. Direct the Clerk to the Board to post and publish the required summary in accordance with Government Code Section 25124(b)(1).**

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.

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 #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

On file with Clerk - Ordinance Summary

CAO ANALYST:

Salvador Espino