



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 9, 2026**
FROM: FINANCE DEPARTMENT **WARDS: ALL**
SUBJECT: ANNUAL LOCAL AGENCY BRADLEY-BURNS LOCAL SALES TAX REVENUE SHARING AGREEMENT REPORT FOR FISCAL YEAR 2024/2025

ISSUE:

Receive the Annual Local Agency Bradley-Burns Local Sales Tax Revenue Sharing Agreement Report for Fiscal Year 2024/2025 to fulfill the annual reporting requirements of Assembly Bill 2854 (2024).

RECOMMENDATION:

That the City Council receive the Annual Local Agency Bradley-Burns Local Sales Tax Revenue Sharing Agreement Report for Fiscal Year 2024/2025 to fulfill the annual reporting requirements of Assembly Bill 2854 (2024).

BACKGROUND:

The Local Agency Bradley-Burns Local Sales Tax Revenue Sharing Agreement Report, established by California Assembly Bill 2854 (2024), and codified in Revenue and Taxation Code Section 7213, requires local agencies to prepare, file and publish an annual report detailing their tax revenue sharing agreements.

These reports must identify any agreements involving any direct or indirect payment, transfer, diversion or rebate of Bradley-Burns local sales tax revenues including arrangements with consultants related to tax redistribution efforts.

Implemented beginning in 2025, the reporting requirement mandates annual submission by April 30 for the preceding fiscal year, with the first report due April 30, 2025. In addition to filing electronically with the California Department of Tax and Fee Administration (CDTFA), agencies are also required to publicly post specified information related to these agreements on their websites to ensure transparency and public accessibility.

Failure to file and timely publish can result in fines of \$1,000 per day for the first 179 days. After which fines increase to \$4,000 per day with a maximum penalty of \$876,000 as of 2026.

DISCUSSION:

In compliance with Assembly Bill 2854, the attached annual report includes:

- The name or names of any parties to the agreement
- The date the agreement was executed
- The date the agreement terminated or will terminate, absent any renewal
- The total amount of rebated sales and use tax revenues received by each party to the agreement on or after the date of the execution through and including June 30 of the fiscal year for which the information is being reported
- The total dollar amount of rebated sales and use tax revenues received by each party to the agreement during the fiscal year for which information is being reported
- The percentage of a retailer’s sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by each party to the agreement
- The percentage of a retailer’s sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by any other person that is not a party to the agreement

The FY 2024/25 report was filed with the state before the April 30 deadline.

FISCAL IMPACT:

There is no fiscal impact associated with the review and approval of this report.

Prepared by: Meline Carranza, Debt and Treasury Manager
Approved by: Sergio Aguilar, Deputy Finance Director
Certified as to
availability of funds: Julie Nemes, Interim Finance Director
Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City
Treasurer
Approved as to form: Rebecca McKee-Reibold, Interim City Attorney

Attachments:

1. Bradley-Burns Local Sales Tax Revenue Sharing Agreement Report for Fiscal Year 2024/2025