

RESOLUTION NO. 2026-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING THE FIRST AMENDMENT TO
THE PROPERTY TAX SHARING AGREEMENT
WITH THE COUNTY OF MERCED, DATED
AUGUST 16, 2016**

WHEREAS, annexation results in the reallocation of certain local revenues between the City of Merced ("City") and the County of Merced ("County"), including property taxes and other revenues authorized by law; and

WHEREAS, California Revenue and Taxation Code section 99 authorizes counties and local agencies to enter into agreements establishing the allocation of property tax revenues for future jurisdictional changes, including annexations; and

WHEREAS, the City and County entered into a ten (10) year Property Tax Sharing Agreement approved on August 16, 2016, which expires on August 16, 2026; and

WHEREAS, the City and County desire to approve the First Amendment to the Property Tax Sharing Agreement to extend the Agreement through August 16, 2029, while allowing either party to terminate the Agreement at the end of any fiscal year upon at least six (6) months' prior notice, thereby providing an opportunity to reevaluate the property tax sharing formula before committing to a longer-term agreement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES
HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:**

SECTION 1. That the City Council finds that approving the First Amendment to the Property Tax Sharing Agreement serves the public interest by preserving a long-standing arrangement between the City and County, providing continuity in the allocation of property tax revenues and supporting the orderly consideration of future annexations.

SECTION 2. That the City of Merced is authorized to execute the First Amendment to the Property Tax Sharing Agreement, attached hereto as Exhibit A, and to take all actions necessary to carry out this Resolution.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of August 2026, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

 7-24-2026
City Attorney Date

**FIRST AMENDMENT TO
PROPERTY TAX SHARING AGREEMENT
BETWEEN THE CITY OF MERCED AND COUNTY OF MERCED**

THIS First Amendment is entered into this _____ day of August, 2026 by and between the County of Merced, a political subdivision of the State of California, (hereinafter referred to as "County"), and the City of Merced, a Municipal Corporation incorporated under the laws of the State of California (hereinafter referred to as "City").

This Amendment is hereby annexed to and made a part of that certain Property Tax Sharing Agreement Between the City of Merced and County of Merced, dated August 16th, 2016. In each instance in which the provisions of this Amendment shall contradict or be inconsistent with the provisions of the printed portion of the original Agreement and any previous amendments, the provision of this Amendment shall prevail and govern, and the contradicted or inconsistent provisions shall be deemed amended accordingly. Both parties agree that there is new and adequate consideration for this Amendment.

This Amendment shall be deemed to have been duly approved when executed by both parties to the original Agreement. Once duly approved, this Amendment shall become effective as of the date signed by the Chairman of the Merced County Board of Supervisors.

MODIFICATIONS:

1. Section 8, entitled "Term of this Agreement", is amended as follows:

This Agreement shall continue for a period of three (3) additional years, to August 16th, 2029, provided that either party may terminate this Agreement at the end of any fiscal year, by providing at least six months' notice to the other party prior the end of any fiscal year (June 30).

Except as herein modified, all terms and conditions in said Agreement as heretofore approved remain unchanged and in full force and effect.

Signature page to follow

County of Merced

By _____
Daron McDaniel
Chair of the Board

Dated

APPROVED AS TO LEGAL FORM
MERCED COUNTY COUNSEL

By _____
Forrest Hansen
County Counsel

Dated

City of Merced

By _____
Matthew Serato
Mayor

Dated

APPROVED AS TO LEGAL FORM
MERCED CITY ATTORNEY

By Craig Cornwell
Craig Cornwell
City Attorney

7-24-2026
Dated