

RESOLUTION NO. 26-

RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS TERMINATING AGREEMENT 24-085 (THE MASTER TAX SHARING AGREEMENT) BETWEEN THE COUNTY AND THE CITIES OF UKIAH, WILLITS, FORT BRAGG, AND POINT ARENA DUE TO SIGNIFICANT FISCAL CONCERNS AND PUBLIC SERVICE OBLIGATIONS

WHEREAS, on June 5, 2024, the County of Mendocino adopted Resolution 24-093 and entered into Agreement 24-085, a Master Tax Sharing Agreement (MTSA) with the Cities of Ukiah, Willits, Fort Bragg, and Point Arena to govern the distribution of tax revenues upon annexation of unincorporated territory; and

WHEREAS, the MTSA was approved with the intent of promoting balanced annexations, supporting housing development, and facilitating an orderly, financially viable transition of municipal services while preserving the County's ability to fulfill its obligations to provide countywide services; and

WHEREAS, Mendocino County Policy #13 (Annexations), adopted June 17, 1986, states that annexations will not be favored by the County until a formula for distribution of public revenues generated by areas to be annexed is developed to pay for continuing County obligations; and

WHEREAS, subsequent to approval, the first annexation proposal known as the Valley Oka Map, and the second annexation proposal known as the Sapling Map by the City of Ukiah has revealed unforeseen implementation burdens, including significant workload, financial strain, and administrative overhead; and

WHEREAS, the projected loss of property tax revenue under the MTSA's formula, coupled with the magnitude of work needed to process and evaluate the annexation, threaten the County's ability to maintain adequate staffing for core public safety services including the Sheriff's Office, which is essential to fulfill the County's constitutional and statutory obligations to provide for the public welfare; and

WHEREAS, Article XI of the California Constitution and Government Code Sections 25300 et seq. assign counties a foundational role in providing law enforcement, public health, and other services to all residents, and such responsibilities must take precedence when fiscal conflict arises; and

WHEREAS, the County believes the purpose of the MTSA—namely, equitable, coordinated service delivery across jurisdictions—is jeopardized by the annexation's disproportionate financial impact; and

WHEREAS, the County desires to formally terminate the MTSA to preserve its fiscal integrity and ensure it can continue to fulfill mandated public service responsibilities.

NOW, THEREFORE, BE IT RESOLVED that the Mendocino County Board of Supervisors hereby terminates Agreement 24-085 (Master Tax Sharing Agreement), based on the County's legal and factual determination that performance under the current agreement would materially impair its ability to fulfill its constitutional and statutory obligations.

BE IT FURTHER RESOLVED that the Board directs the Clerk of the Board to notify the Cities of Ukiah, Willits, Fort Bragg, and Point Arena, and the Mendocino Local Agency Formation Commission (LAFCo), of the County's rescission of the MTSA;

BE IT FURTHER RESOLVED that this action shall not be construed to abrogate the County's obligation under Revenue and Taxation Code Section 99 to negotiate tax exchange

terms for annexation proposals on a case-by-case basis.

The foregoing Resolution introduced by Supervisor _____, seconded by Supervisor _____, and carried this _____ day of _____, 2026, by the following vote:

AYES:
NOES:
ABSENT:

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

ATTEST: DARCIE ANTLE
Clerk of the Board

BERNIE NORVELL, Chair
Mendocino County Board of Supervisors

Deputy

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

APPROVED AS TO FORM:
KATHARINE L. ELLIOTT
Interim County Counsel

BY: DARCIE ANTLE
Clerk of the Board

Deputy