

ORDINANCE NO. 2041

AN ORDINANCE ADOPTING A ONE-HALF OF ONE PERCENT
TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, TO
FUND PUBLIC SAFETY SERVICES

THE BOARD OF SUPERVISORS OF THE COUNTY OF MERCED ORDAINS AS
FOLLOWS:

SECTION I. A new Chapter 5.26 is hereby added to Title 5 of the Merced
County Code to read in full as follows:

Chapter 5.26

TRANSACTIONS AND USE TAX TO FUND PUBLIC SAFETY SERVICES

Sections:

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5.26.010 Title.

This Ordinance shall be known as the Merced County Public Safety Stabilization Act. The County of Merced hereinafter shall be called "County." This Ordinance shall be applicable in the incorporated and unincorporated territory of the County.

5.26.020 Operative Date.

This Ordinance shall become operative on April 1, 2025, or the start of the earliest quarter thereafter, on the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance, consistent with California Department of Tax and Fee Administration requirements ("Operative Date").

5.26.030 Purposes.

This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.5 of Part 1.7 of Division 2 which authorizes the County to adopt this tax Ordinance which shall be operative if a two-thirds (2/3) majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

E. To provide additional funding to stabilize the provision of public safety services in Merced County, subject to fiscal accountability requirements, such as an independent citizen oversight committee, annual independent financial audits, public disclosure of expenditures, and requirements that all funds remain in Merced County.

5.26.040 Contract With State.

Prior to the Operative Date, the County shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax Ordinance; provided, that if

the County shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

5.26.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one-half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this Ordinance.

5.26.060 Place of Sale.

For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or that person's agent to an out-of-State destination or to a common carrier for delivery to an out-of-State destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

5.26.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

5.26.080 Adoption of Provisions of State Law.

Except as otherwise provided in this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

5.26.090. Limitations On Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this County shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this County or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance;

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

5.26.100 Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

5.26.110 Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any State-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or that person's agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this section, delivery to a point outside the County shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, that person's principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Ordinance.

5. For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this County of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any State-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Ordinance.

5. For the purposes of subsection (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subsection (7), a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal

property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

7. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a county imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

5.26.120 Amendments.

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

5.26.130 Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

5.26.140 Use of the Taxes.

A. The tax imposed by this Ordinance is a special tax within the meaning of article XIII C, section 1(a), of the California Constitution. The proceeds of the taxes imposed by this Ordinance shall not be deposited in the County of Merced's General Fund and shall not be used for general governmental purposes. They shall, instead, be accounted for and paid into a special fund or account, designated the "Public Safety Fund," hereby created to administer the revenues generated under this section and shall be used solely for the projects and purposes set forth in Paragraph B hereof.

B. The funds placed into the Public Safety Fund shall be appropriated and expended only for:

1. The Public Safety Services set forth in the Public Safety Expenditure Plan attached as "Exhibit A" and for the administration thereof.

2. The collection, administration and expenditure of the tax revenue, including the cost of contracting with the California Department of Tax and Fee Administration.

3. Refunds of any overpayments of the tax imposed by this Chapter, including any related penalties, interest, and fees.

4. The administrative costs of operating the Citizen Oversight Committee created by Section 5.26.190 and conducting the audits required by Section 5.26.200(A).

C. For the purposes of this Chapter, "Public Safety Services" means:

1. Obtaining, furnishing, operating, and/or maintaining law enforcement protection equipment or apparatus, paying the salaries and benefits of law enforcement personnel, capital expenses, and such other law enforcement expenses as are deemed necessary by the Board of Supervisors for the benefit of the residents of the County or, with respect to funds directly allocated to cities in accordance with the Expenditure Plan, by the respective city councils of those cities;

2. Obtaining, furnishing, operating, and/or maintaining fire protection equipment or apparatus, paying the salaries and benefits of fire protection personnel, and such other fire protection service expenses, including capital expenses, as are deemed necessary by the Board of Supervisors for the benefit of the residents of the County or, with respect to funds directly allocated to cities in accordance with the Expenditure Plan, by the respective city councils of those cities.

3. No revenues collected pursuant to the tax levied hereby may be spent on department administrators' salaries or projects not a part of the Public Safety Expenditure Plan.

D. For purposes of this Section, "law enforcement" refers to the programs, functions and operations of the Merced County Sheriff's Department and the Merced County District Attorney's Office, except that when funds are appropriated to a city within Merced County that has its own police department, "law enforcement" refers to the programs, functions and operations of that city's police department.

E. For purposes of this Section, "fire protection" refers to the programs, functions and operations of the Merced County Fire Department, except that when funds are appropriated to a city within Merced County that has its own fire department, "fire protection" refers to the programs, functions and operations of that city's fire department.

5.26.150 Increase of Appropriations Limit.

Pursuant to Article XIII B of the Constitution of the State of California and applicable laws, the appropriations limit for the County is hereby increased by the aggregate sum authorized to be levied by this tax for fiscal year 2024-25 and each year thereafter.

5.26.160 Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

5.26.170 Effective Date.

In accordance with Article XIII C, section 2, of the California Constitution, Government Code section 53722, Revenue & Taxation Code section 7285.5, and Elections Code section 9122, this Ordinance shall be submitted to the voters of the County on November 5, 2024, and shall take effect 10 days after the Merced County Board of Supervisors declares the results of that election, provided that this two-thirds of the votes cast on the measure are in favor of its adoption.

5.26.180 Non-Supplantation Element.

The tax proceeds collected pursuant to this Chapter should be used to supplement, rather than to supplant, an agency's historical General Fund contribution in support of the operating budget for that agency used for the purposes listed in Section 5.26.140.

5.26.190 Citizen Oversight Committee.

A. There is hereby established a five-member Citizen Oversight Committee to annually review expenditures and appropriations of the tax revenues to ensure that all revenues collected and expended pursuant to this Chapter are spent or appropriated for the purposes and uses set forth in Sections 5.26.030 and 5.26.140. The auditors' annual report(s) required by Section 5.26.200 shall be provided to the committee. By March 31st of each year, the Committee shall:

1. Review the auditors' report(s), evaluate the projects and services provided with revenue from the tax to ensure that they are consistent with the purposes and uses set forth in Sections 5.26.030 and 5.26.140; and

2. With respect to the Program Costs identified in Section 3(a) of the Expenditure Plan, make recommendations to the officer designated under Government Code § 29060 regarding priorities for expenditures of revenue from the tax authorized by this Chapter for the following budget year. The committee's recommendations shall not be binding. However, if the Board of Supervisors does not accept the committee's recommendations, it may only adopt alternative expenditure priorities following a duly-noticed public hearing.

B. No later than March 31, 2025, the Board of Supervisors shall appoint the members of the Committee, who shall be residents of the County and who shall remain a resident of the County while serving on the Committee. One of the members shall be appointed from a list of no fewer than two nominees to be submitted by the County Sheriff, and one of the members shall be appointed from a list of no fewer than two nominees to be submitted by the District Attorney. In the event that the Sheriff and/or District Attorney fails to submit a list of nominees by January 31, 2025, the Board may appoint any resident of the County to fill the position. One additional member appointed by the Board shall represent the incorporated cities within the County. The terms of the initial members shall commence on April 1, 2025.

C. Members of the Citizen Oversight Committee shall not be current County of Merced employees, officials, contractors, or vendors of the County. Past employees, officials, contractors, and vendors shall be eligible to serve on the Committee, provided that there are no conflicts of interest as determined by County Counsel.

D. When the Committee is first established two of its members shall be selected by lot to serve a one-year term. The remaining three members and all subsequent appointees to the Committee shall serve a term of two years and until their successors are appointed and sworn into office. No member may serve more than three consecutive two-year terms. No later than three months prior to the expiration of the term of a committee-member who was appointed from the list of nominees provided by the Sheriff and District Attorney, that nominating authority shall provide a list of two nominees for the succeeding term. In the event that the Sheriff and/or District Attorney fails to submit a list of nominees by the deadline specified herein, the Board may appoint any resident of the County to fill the position.

E. Committee members may be removed from the Committee only by the Board of Supervisors for repeated absences at committee meetings, malfeasance, failure to meet the qualifications set forth in this section, or for inability or unwillingness to fulfill the duties of a Committee member. In the event of removal, resignation, or death, the Supervisors shall appoint a person to fill the vacant seat.

F. The chairperson of the Committee shall be selected by the members of the Citizen Oversight Committee. Each January at its first meeting, the commission members shall elect from its membership a chair and vice chair. The Committee shall receive the assistance of County staff and shall issue an annual public report on the expenditures and appropriations of the tax revenues, which shall be a public record. The Committee shall undertake such additional duties as the Board of Supervisors may designate.

G. The Citizen Oversight Committee shall meet at least annually with specific meeting dates to be determined by Committee members. Citizen Oversight Committee meetings are subject to the Brown Act. Meetings must be noticed and open to the public. Committee minutes and reports are a matter of public record and must be posted on a web site provided by the County. Additional meetings may be scheduled by the Committee as necessary. Committee members are expected to attend all regular meetings. Failure to attend two consecutive meetings may result in removal from the Committee at the discretion of the Board of Supervisors.

5.26.200 Required Audits.

A. The revenue generated pursuant to this Chapter, and how it was used, shall be included in the annual audit of the County's financial operations by an independent certified public accountant, which the Oversight Committee shall review.

B. Any city who receives an appropriation of funds collected pursuant to this Chapter shall agree, as a condition of the receipt of said appropriation, to have the city's expenditures reviewed by the County's independent auditors, who shall complete a report reviewing the collection, management and expenditure of revenue from the tax authorized by this Chapter, which the Oversight Committee shall review.

C. The auditors' reports produced pursuant to this Section shall be public documents and shall be posted on the County's website.

5.26.210 Penalties.

Any person violating any of the provisions of this Chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not

more than five hundred dollars (\$500) or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

5.26.220 Establishment of Bonding Authority.

The County of Merced is authorized to issue bonds for the purposes of advancing the commencement of or expediting the delivery of programs or projects in accordance with the Expenditure Plan. Pursuant to Government Code Sections 55800 et seq., or any successor statute, the County may issue limited tax bonds, from time to time, secured by and payable from all or any portion of the transactions and use tax imposed by this Ordinance to finance any program or project in the Expenditure Plan. The maximum bonded indebtedness, including issuance costs, interest, reserve requirements, and bond insurance, if any, shall not exceed the total amount of the proceeds anticipated to be collected by the imposition of this transactions and use tax. All costs associated with the issuance of such bonds shall be accounted for within the program category in which the bond proceeds are used. The bonds may be issued any time throughout the duration of this tax. Nothing herein shall limit or restrict in any way the power and authority of the County to issue bonds, notes or other obligations, to enter into loan agreements, leases, reimbursement agreements, standby bond purchase agreements or derivative contracts or to engage in any other transaction under the Government Code or any other law.

5.26.230 Termination Date.

The authority to levy the tax imposed by this ordinance shall expire March 31, 2055, or, if for any reason the Operative Date set forth in Section 5.26.020 is other than April 1, 2025, it shall expire 30 years after that Operative Date.

SECTION II. Pursuant to the requirements of Government Code § 50075.1, (1) Section 5.26.140 and the Public Safety Expenditure Plan constitute the statement of the specific purposes for which the revenue generated by this Ordinance may be expended, (2) the expenditure of the revenue generated by this Ordinance shall be restricted to the purposes stated in Section 5.26.140 and the Public Safety Expenditure Plan, (3) the revenue generated by this Ordinance shall be deposited into the "Public Safety Fund," and (4) the County Auditor-Controller shall prepare and file with the Board of Supervisors reports meeting the requirements of Government Code § 50075.3.

The foregoing ordinance was passed and adopted by the Board of Supervisors of the County of Merced, State of California, at a regular meeting thereof held on the 6th day of August, 2024, by the following vote:

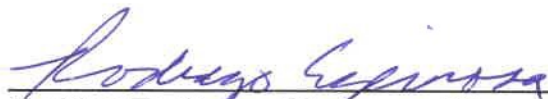
SUPERVISORS

AYES: Rodrigo Espinosa, Josh Pedrozo, Daron McDaniel, Lloyd Pareira, Jr.,
Scott M. Silveira

NOES: None

ABSTAIN: None

ABSENT: None



Rodrigo Espinosa, Chairman of the
Board of Supervisors

ATTEST:

Raul Lomeli Mendez
Clerk of the Board of Supervisors
County of Merced



By: 

Deputy

APPROVED AS TO FORM AND LEGAL EFFECT
MERCED COUNTY COUNSEL

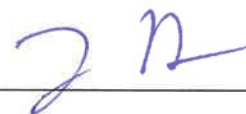
By: 

Exhibit A

PUBLIC SAFETY EXPENDITURE PLAN

A. Summary

It is proposed that the voters in Merced County be presented, at the November 5, 2024 General Election, with the opportunity to vote to implement a special tax that provides additional funds for public safety purposes. The Merced County Public Safety Stabilization Act ("Measure") would impose a one-half cent (1/2 cent) transactions and use tax, which is estimated to generate approximately \$25 million per year. This level of revenue may change during the life of the Measure due to the variability in annual receipts. All revenue projections described below are approximate and will be subject to changes in annual receipts. This Expenditure Plan ("Plan") outlines the main categories for spending the sales tax proceeds.

B. Expenditure Categories

1. **Refunds of Overpayments.**

Any overpayment of the tax imposed by the Measure, including any associated interest, penalties, and fees, that is required to be refunded shall be paid from the proceeds of the tax.

2. **Administrative Costs.**

The costs of administering the tax imposed by the measure, including but not limited to those incurred by the County Auditor-Controller, the costs of contracting with the California Department of Tax and Fee Administration, the costs of conducting the audits required by the measure, and the cost of supporting the activities of the Citizen Oversight Committee shall be paid from the proceeds of the tax.

3. **Program Costs.**

Once the costs identified in Sections B.1 and B.2 are accounted for, the remaining funds shall be appropriated to the following programs:

a. **County Public Safety Expenses (80%).**

The purpose of this element is to supplement existing law enforcement and fire protection services currently provided by the County. Eighty percent (**80%**) of the Measure's annual receipts, exclusive of the costs identified in B.1 and B.2, shall be used to supplement existing County public safety expenditures as follows:

i. Merced County Sheriff's Department (52%).

The purpose of this element is to supplement existing law enforcement services provided by the Sheriff's Department, which has faced, among other issues, recent staffing shortfalls, impacting response times. Fifty-two percent (**52%**) of the allocation for County public safety expenditures, as provided in this Section B.3.a, shall be used to supplement existing expenditures for the operations of this Department, including but not limited to:

1. Hiring additional law enforcement personnel;
2. Recruitment and retention of law enforcement officers;
3. Creating and enhancing anti-gang and anti-drug programs;
4. Improving law enforcement training;
5. Purchasing law enforcement equipment;
6. Enhancing graffiti abatement and code enforcement;
7. Supporting infrastructure and capital outlays;
8. Obtaining, furnishing, operating, and/or maintaining law enforcement protection equipment or apparatus; and
9. Increasing law enforcement presence in Merced County's neighborhoods, parks, and schools.

ii. Merced District Attorney's Office (15%).

The purpose of this element is to supplement existing law enforcement and prosecution services provided by the District Attorney's Office, as a complement to the enhanced law enforcement functions of the Sheriff's Department. Fifteen percent (**15%**) of the allocation for County public safety expenditures, as provided in this Section B.3.a, shall be used to supplement existing expenditures for the operations of this Office, including but not limited to:

1. Recruitment and retention of prosecutorial staff;
2. Increasing staffing for victim services;
3. Expanding intelligence units;

4. Supporting youth services and crime prevention programs; and
5. Supporting infrastructure and capital outlays.

iii. Merced County Fire Department (33%).

The purpose of this element is to supplement existing fire protection services provided by the Fire Department, which has faced, among other issues, the closure of two fire stations, which could lead to a significant increase in the average response time, potentially by 20 minutes, thereby escalating the risk of fire damage and potentially leading to higher fire insurance rates for Merced County residents. Thirty-three percent (**33%**) of the allocation for County public safety expenditures, as provided in this Section B.3.a, shall be used to supplement existing expenditures for the operations of this Department, including but not limited to:

1. Maintaining minimum staffing levels;
2. Recruitment and retention of firefighters and support staff;
3. Support necessary infrastructure and capital outlays;
4. Obtaining, furnishing, operating, and/or maintaining fire protection equipment or apparatus; and
5. Supporting fire safety services to underserved areas of county.

b. City and Town Program (20%).

The purpose of this Program is to assist Merced County's municipalities in providing law enforcement and fire protection services within their borders, and to better facilitate cooperation among County and city agencies as they seek to address cross-jurisdictional challenges. Twenty percent (**20%**) of the revenues generated annually by this Measure, exclusive of the costs identified in B.1 and B.2, shall be made available for the following uses:

1. Provide a direct allocation to cities and towns that operate their own police departments for law enforcement purposes.
2. Provide a direct allocation to cities and towns that operate their own fire departments for fire protection purposes.

The funds shall be distributed in proportion to each City's share of the total population living in the County's incorporated areas, except that no city shall receive less than \$250,000 per year. This program's annual amount, or its

balance, may be accumulated, carried over, and accrued for expenditure in future years.