



AMERICAN CANYON FIRE PROTECTION DISTRICT
BOARD AGENDA
APRIL 28, 2026

STAFF REPORT
BUSINESS
ITEM NUMBER: 13.

TITLE

Property Tax Sharing Agreement between the County of Napa "(County)", City of American Canyon and American Canyon Fire Protection District ("ACFPD").

RECOMMENDATION

Adopt a Resolution approving the Hess-Laird Affected Territory Property Tax Sharing Agreement.

CONTACT

Cliff Campbell, Fire Chief

William D. Ross, District Counsel

BACKGROUND & ANALYSIS

Over a year ago communications commenced with the landowners of the Hess/Laird property concerning annexation to the ACFPD.

The reasons advanced by the landowners for annexation were different than past annexations to the ACFPD. First, the owner sought assurance of the extension of fire services to ensure the availability of fire insurance regardless of the eventual development of the property in view of the lack of fire insurance in some areas of the County and the limited applicability of the California Fair Plan for insurance. Second, the owners also sought to assure shorter response times which would be afforded by inclusion within the ACFPD.

Revenue and Taxation Code Section 99 requires that there be a property tax allocation agreement for a change of organization (annexation) to proceed before the County LAFCO.

Subsequently, the Hess/Laird landowners applied for approval by the County LAFCO to annex 281 acres of land (Hess/Laird Affected Territory or HLAT) into ACFPD (Attachment 2).

After the Application was filed, your Board appointed a subcommittee to negotiate the property tax percentage of the 1% allocation. Based on communications from the County, the matter was supplemented so that a series of other changes of organization, including annexation of the HLAT property to the City, could be accomplished in a combined reorganization before the County Local Agency Formation Commission ("LAFCO").

Property tax revenue from the affected territory are to be allocated according to the "Hess-Laird Affected Territory Property Tax Sharing Agreement" (Attachment 1, Ex. A). After negotiations, which provides that ACFPD will receive 5% of the County's share of the property allocation and will receive 100% of the existing County structural fire property tax revenue.

The agreement provides that if the future development activity exceeds ACFPD's financial ability to provide services, then the City and ACFPD, but not the County, will work to supplement revenue sources.

Staff recommends the Board approve the proposed property tax allocation agreement previously approved by the City and to be considered by the County at its meeting of May 1, 2026, prior to LAFCO review of the reorganization.

FISCAL IMPACT

The fiscal impact on ACFPD will be event oriented, that is, changed by changes of ownership and new construction. ACFPD, based on current roll value will receive 5% of the County's share of the 1% of the existing roll value and one hundred percent (100%) of the County's Structural Fire tax increment from the affected property.

BOARD PRIORITY PROGRAMS AND PROJECTS

Public Safety: "Ensure American Canyon remains a safe community"

ENVIRONMENTAL REVIEW

As the recommended action is not a "project" under the California Environmental Quality Act (CEQA), no environmental review is required.

ATTACHMENTS:

- [1. ACFPD Resolution 2026-15_HLAT_PTX](#)
- [2. Ex. A - HLAT Tax Sharing Agreement](#)
- [3. HLAT Map.pdf](#)