



TITLE

Sales Tax Measure

RECOMMENDATION

Adopt a Resolution calling an election on a one percent (1.0% or one-cent) general transactions and use tax (sales tax) ordinance measure, submitting the proposed ordinance to the voters, requesting consolidation with the November 3, 2026 General Election, directing the City Attorney to prepare an impartial analysis, authorizing one or more Council Members to submit ballot arguments, authorizing rebuttal arguments, and authorizing the Napa County Registrar of Voters to conduct the election on behalf of the City of American Canyon.

CONTACT

Jason Holley, City Manager

BACKGROUND & ANALYSIS

At Council's direction, Statewide polling firm Fairbank, Maslin, Maulin, Metz & Associates (FM3 Research) conducted a statistically valid opinion research regarding voter support for a sales tax measure and priorities for City services.

The research compiled a random sample of voters from American Canyon's local voter file. A total of 267 voters completed the poll. The sample did not include minors or adults who are not registered to vote. The demographic and geographical characteristics of survey respondents were carefully monitored during the data collection phase to ensure the final sample profile reflected the voters in American Canyon. Consequently, not all adults or voters were invited to participate in the survey. The margin of sampling error was +/- 6.2% at a 95% confidence level.

On May 5, 2026, the City Council received a presentation regarding the polling results (Attachment 2), including voter support levels for a potential sales tax measure, community priorities for maintaining and expanding City services, and testing of potential ballot language. Council also discussed distinctions between general and special taxes, voter approval thresholds, and potential next steps associated with a future ballot measure.

The polling efforts tested voter support for a general sales tax measure, including both a one percent (1.0% or one cent) and one-half percent (0.5% or one-half cent) options. Tax increases

require voter approval, and FM3 tested draft ballot language designed to reflect the community priorities identified through the survey process.

On June 2, 2026, the City Council reviewed potential ballot language for a potential one percent (1.0% or one cent) general transactions and use tax/sales tax measure. The language reflects voter priorities, including public safety, neighborhood concerns, parks and recreation, and quality of life services. The proposed measure is estimated to generate approximately \$3.7 million annually to support general governmental services and maintain community priorities.

The ballot language is:

American Canyon Public Safety, Parks, City Services Measure. Shall an ordinance funding American Canyon's general City services, such as maintaining 911 response/neighborhood police patrols; preventing crime; reducing wildfire risk by managing brush/other flammable vegetation; addressing speeding/unsafe driving; keeping public areas/parks safe/clean; maintaining and expanding safe places for children to play; maintaining parks, trails, youth/adult recreation, senior programming, among others; by establishing a 1% sales tax, providing approximately \$3,700,000 annually until ended by voters, requiring audits, spending disclosure, funds locally controlled, be adopted?

Next Steps

To place the proposed sales tax measure on the November 3, 2026 General Election ballot, the City Council must adopt the Resolution shown in Attachment 1 by a two-thirds vote to call an election submitting the proposed Ordinance shown in Attachment 1-A to the voters and requesting consolidation with Napa County. Tonight is the deadline to take this action for the November 2026 ballot.

If adopted, the proposed one percent (1.0% or one-cent) sales tax measure will be submitted to American Canyon voters. As a general tax, the measure would require majority voter approval (50% plus one). The resolution calls the election, submits the proposed measure to the voters, directs the City Attorney to prepare an impartial analysis, authorizes one or more Council Members to submit ballot arguments, authorizes rebuttal arguments, requests consolidation with the General Election, and authorizes the Napa County Registrar of Voters to conduct the election on behalf of the City.

In addition, should the City Council approval moving forward with the proposed measure, staff will continue coordinating with Tripepi Smith & Associates to implement neutral public outreach and education efforts as outlined in Attachment 3.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Organizational Effectiveness: "Deliver exemplary government services."

FISCAL IMPACT

Costs associated with Tripepi Smith & Associates are included in the FY 25-26 and FY 26-27 adopted budgets. The cost for the November 2026 election will be included in FY 26-27 budget.

Staff estimates a one percent (1%) sales tax would generate approximately \$3.7M per year in new revenue. Over a 30-year time period this revenue could service approximately \$62M in new debt, if lawfully approved (given current municipal bond rates of 4.25%). A one-half percent (0.5%) sales tax could generate half of this amount - or approximately \$31M.

ENVIRONMENTAL REVIEW

The adoption of the proposed Resolution submitting the proposed General Transactions and Use Tax/Sales Tax Ordinance to the voters is exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. and California Code of Regulations, title 14, section 15000 et seq. (CEQA Guidelines). The calling of a municipal election is not a project within the meaning of CEQA Guidelines section 15378. Further, the general tax proposed by this Resolution does not “involve any commitment to any specific project which may result in a potentially significant physical impact on the environment,” and adopting it is therefore not a project under CEQA Guidelines section 15378(b)(4).

COMMUNICATION

Level 4: Robust Communication & Engagement

Staff has conducted outreach to City commissions and local media to provide awareness of this item. The agenda, staff report, and associated materials also serve as a form of communication to inform the public of the City’s evaluation of a potential sales tax measure.

Should the City Council provide direction to proceed with a sales tax measure for this general election, additional outreach and education efforts will be conducted in accordance with the attached communications plan. The plan provides a high-level approach and maybe refined to accommodate additional ideas, consistent with the approved budget.

ATTACHMENTS:

1. [Resolution - TUT](#)
- 1a. [Exhibit A - TUT Ordinance](#)
2. [Polling Results Presentation](#)
- 3.. [Outreach and Education Communications Plan](#)