

CITY OF FAIRFIELD

ORDINANCE NO. 2024-04

AN ORDINANCE OF THE VOTERS OF THE CITY OF FAIRFIELD AMENDING SECTION 10B OF THE FAIRFIELD MUNICIPAL CODE TO MODERNIZE AND ADJUST THE RATES OF THE EXISTING CITY OF FAIRFIELD BUSINESS LICENSE TAX FOR VARIOUS CATEGORIES OF BUSINESSES

THE VOTERS OF THE CITY OF FAIRFIELD DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 10B.41 of Chapter 10B of the Fairfield Municipal Code is hereby amended by deleting the existing Tables labeled “Annual Gross Receipts Categories” under each of Classifications “A,” “B,” and “C,” to be replaced by the table set forth in Section 2 of this Ordinance.

Section 2. The first paragraph of Section 10B.41 of Chapter 10B of the Fairfield Municipal Code is hereby amended to read as follows: (additional text underlined, deleted text ~~struck through~~):

“Every person who engages in the ~~following~~ business activities described in classifications “A,” “B,” and “C,” of this Section within the City of Fairfield shall pay a business license tax based upon gross receipts category at the rate listed for each category and in the gross receipts classifications set forth below:

Fairfield Business License Tax 2024 – Proposed Tax Table

Index	From (Greater Than Equal To)	To (Less Than)	Class A	Class B	Class C
			Rate	Rate	Rate
1	\$0	\$50,000	\$55	\$111	\$55
2	\$50,000	\$100,000	\$105	\$131	\$63
3	\$100,000	\$200,000	\$242	\$365	\$96
4	\$200,000	\$300,000	\$374	\$563	\$154
5	\$300,000	\$400,000	\$462	\$695	\$206
6	\$400,000	\$500,000	\$575	\$864	\$271
7	\$500,000	\$600,000	\$667	\$1,002	\$326
8	\$600,000	\$700,000	\$759	\$1,485	\$395
9	\$700,000	\$800,000	\$840	\$1,838	\$470
10	\$800,000	\$900,000	\$888	\$1,982	\$528
11	\$900,000	\$1,000,000	\$936	\$2,126	\$585
12	\$1,000,000 and greater (Gross Receipts)		\$936 + \$0.165/ \$1,000	\$2,126+ \$0.165/ \$1,000	\$585 + \$0.115/ \$1,000

As of January 01, 2026, and annually thereafter, the tax rates and tiers in this table shall be adjusted by a percentage equal to the average of each of the percent change in the Consumer Price Index (CPI) for **Urban Wage Earners and Clerical Workers (CPI-W)** in the following three areas: 1) San Francisco-Oakland-Hayward, CA, 2) West, and 3) U.S. city average. This CPI data will be obtained from the Bureau of Labor Statistics, or its successor agency and the comparison will be made between the CPI values for October of the current fiscal year and the preceding October. The new tax rates and tiers shall be rounded to the nearest one (1.00) dollar; for the additional tax on Gross Receipts per every \$1,000 above \$1,000,000 in tier 12 the tax rate amount shall be rounded to the nearest whole cent (0.01).

Section 3. Section 10B.41(a)(1) of the Fairfield Municipal Code is hereby amended to read as follows (additional text underlined, deleted text ~~struck through~~):

~~“(1) Every person conducting, managing, or carrying on the business consisting mainly of selling at retail, or manufacturing and selling at retail any goods, wares, or merchandise or other things of value and not enumerated elsewhere in this chapter being conducted, managed, or carried out by a person in the City shall be classified in this category.”~~

Section 4. Sections 10B.41(a) and 10B.42 of Chapter 10B of the Fairfield Municipal Code are hereby amended by removing subsections (a) through (e), inclusive and (f) from Section 10B.42 and moving those subsections to existing Section 10B.41(a) as subsections (6) through (11):

Section 5. Any business license tax rate change imposed as a result of this Ordinance shall take effect with the new or renewed business license issued on or after January 1, 2025.

Section 6. Intended Amendment. It is the intent of the voters to amend Sections 10B.41 and 10B.42 of the Fairfield Municipal Code only as specified in this ordinance to adjust the rates and classifications for the existing Fairfield business license tax in Chapter 10B of the Fairfield Municipal Code. Pursuant to Elections Code Section 9217, the City Council may amend the provisions of this Ordinance or any other provision of Chapter 10B, and may add new types of businesses to a classification, without voter approval, except that no such amendment that has the effect of increasing the rate of the business license tax above the rates approved in this ordinance for any category or classification of business shall be effective without voter approval. Except as specifically amended in this ordinance, the remaining provisions of Chapter 10B shall remain in full force and effect.

Section 7. SEVERABILITY. If any word, term, sentence or provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, the remainder of Chapter 10B and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 8. EFFECTIVE DATE AND TERMINATION. This ordinance shall take effect ten days following approval by the voters and shall remain in effect until repealed or amended by the voters of the City of Fairfield.

APPROVED at a regular meeting of the City Council of the City of Fairfield on this 16th day of July 2024 and

PASSED AND ADOPTED by the voters of the City of Fairfield, State of California, at the General Municipal Election held on November 5, 2024.

Catherine Moy, Mayor

Attest:

Karen Rees, City Clerk

Approved as to Form:

David Lim, City Attorney