CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE L

Measure L is the "Fairfield Business License Modernization and Simplification Measure." Measure L was placed on the ballot by a unanimous vote of the City Council. If approved by the voters, this Measure would amend the Fairfield Municipal Code to update the City's business license structure, and increase the rates of business license tax paid by businesses in the City.

The City of Fairfield, like many cities, requires businesses that operate in the City to obtain a business license, and pay an annual business license tax to help support the City's infrastructure, programs, and services. In a 2024 City Council study session on the issue, staff informed the City Council that the structure and tax rates have not been changed since 1984. The current business license tax ordinance includes a structure that determines business license tax rates based on multiple tiered rates for different types of businesses and levels of gross annual revenue. Measure L would reduce the number of tiers of businesses, and simplify administration of the ordinance. Business license tax rates would increase by various amounts specified in Measure L for businesses in each of the new tiers. The rates for smaller businesses would be less than for larger businesses.

The business license tax is a general tax, which means the tax revenue can be spent for all general governmental purposes. The City estimated that this Measure will raise approximately $1,000,000 per year in new local revenue for use in the City. The City Council's adopted ballot question states this new revenue could be used to protect essential City services, including fixing potholes and maintaining streets; maintaining 9-1-1 response times; city park maintenance; senior and youth programs; and other general government purposes.

Measure L would permit the City Council to make other adjustments to the business license ordinance that do not increase the tax rates above what is allowed by Measure L. In the future, tax rates would be adjusted annually to reflect CPI increases. Measure L would be in effect until ended by the voters. Revenue from Measure L is subject to the City's annual budget and audit requirements.

Article XIIIC of the California Constitution, commonly known as Proposition 218, requires that the proposed general tax be approved by a majority of the voters voting on the Measure. A "yes" vote on Measure L is to amend the business license ordinance and increase tax rates. A "no" vote on Measure L is to not amend the business license ordinance and keep the tax rates and structure the same.

David Lim
Fairfield City Attorney

The above statement is an impartial analysis of Measure M. If you desire a complete copy of the TOT Ordinance, please call the City Clerk at (707) 428-7384 and a copy will be sent to you at no cost.