CITY-SPONSORED INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The City Council for the City of Costa Mesa submits the following measure to the voters of the City for approval and enactment:

The People of Costa Mesa find:

(a) The City of Costa Mesa's business license tax was first adopted in 1985, and requires all business to obtain a business license to operate in the City.
(b) The purpose of the business license tax is to raise revenue for the City to provide for the public safety services, transportation network such as roads and sidewalks, and other services provided to the businesses within the City.
(c) The business license tax is based upon the gross receipts of each business.
(d) The maximum business license tax imposed by the City since 1985 is $200, regardless of how much revenue a business earns.
(e) Over time, the business license tax cap of $200 has shifted a larger and larger portion of the total business license tax onto smaller businesses, while companies earning millions pay no more than $200.
(f) Reform is needed to fairly set the business license tax to protect small businesses from increases, while requiring larger businesses to pay their fair share of taxes for the services they receive.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF COSTA MESA DO ORDAIN AS FOLLOWS:

SECTION 1. Code Amendment.

This ordinance amends the Costa Mesa Municipal Code as follows, and supersedes any provisions that are inconsistent with this ordinance, and shall be known as "The Costa Mesa Fair Business License Reform, Small Business Protection Measure," and shall be referred to herein as the "Measure."

SECTION 2. Purpose.

The purpose of the Measure is to revise the Costa Mesa Municipal Code to retain the current business license tax for businesses with annual gross receipts of $500,000 or less, and update the business license tax to fifty cents per one thousand dollars of gross receipts for businesses with annual gross receipt exceeding $500,000, subject to a maximum annual tax of fifteen thousand dollars for businesses earning $30 Million dollars or more annually.

SECTION 3.

Section 9-25 of the Costa Mesa Municipal Code is amended to read:

Every business not otherwise provided for in this article shall pay a business tax based upon the annual gross receipts of the business according to the following schedule:

Total Gross Receipts		
From	To	Rate
$0	$1,000	$0 [no change]
$1,001	$25,000	$25 [no change]
$25,001	$40,000	$35 [no change]
$40,001	$75,000	$45 [no change]
$75,001	$200,000	$60 [no change]
$200,001	$500,000	$100 [no change]
$500,001	$1,000,000	Rate of $0.50 per $1,000
$1,000,001	$5,000,000	
$5,000,001	$30,000,000	
Greater than $30,000,000		Maximum Rate $15,000

SECTION 4. Inconsistencies.

Any provision of the Costa Mesa Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to affect the provisions of this Ordinance.

SECTION 5. Severability.

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The People of the City of Costa Mesa hereby declare that they would have adopted this ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 6. Effective Date.

This ordinance shall take effect according to law ten days after certification of the election at which it is adopted.