

Attachment E

Ordinance No. 2026-XX

ORDINANCE NO. 2026-__

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
NEWPORT BEACH, CALIFORNIA, AMENDING SECTION
3.36.030 (COST RECOVERY PERCENTAGES) OF THE
NEWPORT BEACH MUNICIPAL CODE AND REPEALING
EXHIBIT A OF SECTION 3.36.030 (COST RECOVERY
PERCENTAGES) OF THE NEWPORT BEACH MUNICIPAL
CODE**

WHEREAS, Section 200 of the City Charter, of the City of Newport Beach ("City"), vests the City Council with the authority to make and enforce all laws, rules and regulations with respect to municipal affairs subject only to the restrictions and limitations contained in the City Charter and the State Constitution, and the power to exercise, or act pursuant to any and all rights, powers, and privileges or procedures granted or prescribed by any law of the State of California;

WHEREAS, the City funds certain municipal services, which are typically performed without request by the user, that benefit the public generally and are traditionally funded by tax revenue;

WHEREAS, the City performs other services which are funded, in whole or in part, by the person requesting the service;

WHEREAS, Subsection (A) of Section 3.36.030 (Cost Recovery Percentages) of the Newport Beach Municipal Code ("NBMC") provides that the cost recovery percentage appropriate for each user service shall be one hundred percent (100%), unless the amount is modified or reduced by Exhibit A to Section 3.36.030 ("Exhibit A");

WHEREAS, to streamline government regulation, reduce redundancy, and expedite updates to the City's user fees, the City Council desires to repeal Exhibit A of Section 3.36.030 and incorporate its provisions directly into the City's Schedule of Rents, Fines and Fees ("SRFF");

WHEREAS, in coordination with this ordinance, a resolution has been presented to the City Council to revise the SRFF to incorporate the provisions of Exhibit A into the SRFF; and

WHEREAS, City staff recommends that City Council adopt the proposed revisions to NBMC Section 3.36.030.

NOW THEREFORE, the City Council of the City of Newport Beach ordains as follows:

Section 1: Section 3.36.030 (Cost Recovery Percentages) of the NBMC is hereby amended to read as follows:

Section 3.36.030 Cost Recovery Percentages.

"A. The municipal functions the City Council has determined to be user services and for which the City Council has initially determined the actual costs and the appropriate cost recovery percentage are described in the fee resolution. The cost recovery percentage appropriate for each user service shall be one hundred (100%) percent, with the exception of the user services identified in the fee resolution as being subject to a lower cost recovery percentage and those services for which the fee is limited by statute. The City Council may include in the fee resolution a schedule to phase in specific fee increases as provided in the fee resolution.

B. The City Council shall establish, pursuant to the fee resolution, the actual fee or charge for each user service described in the fee resolution. The fee or charge shall be based upon the actual cost of providing the user service, multiplied by the relevant cost recovery percentage.

C. The City Council may, without amending this chapter, modify (increase or decrease) the fee resolution to amend the amount of any fee or charge for, and the actual cost of providing, any user service upon a determination that there has been an increase or decrease in one or more of the cost factors relevant to the calculation of the actual cost of providing that service.

D. The City Council may modify the municipal functions determined to be user services in the fee resolution and the cost recovery percentage for any service by amending the fee resolution.

E. Fees for service established in the fee resolution may be waived as provided by resolution of the City Council."

Section 2: Exhibit A of Section 3.36.030 (Cost Recovery Percentages) of the NBMC is hereby repealed.

Section 3: The recitals provided in this ordinance are true and correct and are incorporated into the operative portion of this ordinance.

Section 4: If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 5: The City Council finds the introduction and adoption of this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 6: Except as expressly modified in this ordinance, all other sections, subsections, terms, clauses and phrases set forth in the Newport Beach Municipal Code shall remain unchanged and shall be in full force and effect.

Section 7: The Mayor shall sign and the City Clerk shall attest to the passage of this ordinance. The City Clerk shall cause the ordinance, or a summary thereof, to be published pursuant to City Charter Section 414. This ordinance shall be effective thirty (30) calendar days after its adoption.

This ordinance was introduced at a regular meeting of the City Council of the City of Newport Beach held on the 28th day of July, 2026, and adopted on the 25th day of August, 2026, by the following vote, to-wit:

AYES: _____

NAYS: _____

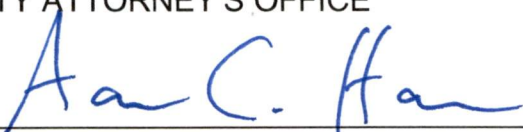
ABSENT: _____

Lauren Kleiman, Mayor

ATTEST:

Lena Shumway, City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



Aaron C. Harp, City Attorney