

RESOLUTION NO. 2021-R____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF CULVER CITY, CALIFORNIA, ESTABLISHING
PENALTIES AND INTEREST FOR NON-PAYMENT OF
REQUIRED CANNABIS BUSINESS TAX UNDER CULVER
CITY MUNICIPAL CODE CHAPTER 11.32.**

WHEREAS, on April 10, 2018, the voters of the City of Culver City approved a ballot measure imposing a Cannabis Business Tax on commercial cannabis businesses operating in the City, codified in the Culver City Municipal Code (CCMC) as Chapter 11.32; and

WHEREAS, CCMC Section 11.32.025 imposes an annual Cannabis Business Tax on any person or entity engaged in cannabis business in the City; and

WHEREAS, CCMC Section 11.32.050 provides that any person who fails or refuses to pay any Cannabis Business Tax required to be paid on or before the due date shall pay penalties and interest established by resolution of the City Council; and

WHEREAS, Section 11.32.050 also provides that whenever a check or electronic payment is submitted in payment of a Cannabis Business Tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest, and any other amount allowed under state law; and

WHEREAS, on September 27, 2021, at a duly noticed public meeting, the City Council considered establishment of penalties and interest for the non-payment of the City's required Cannabis Business Tax; and

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WHEREAS, after giving the public an opportunity to be heard and considering all information before it, the City Council approved the adoption of said penalties and interest, attached hereto as Exhibit "A."

NOW, THEREFORE, the City Council of the City of Culver City, California, DOES HEREBY RESOLVE as follows:

The penalties and interest established in Exhibit "A," attached hereto, are hereby adopted and shall be due accordance with the provisions set forth in CCMC Chapter 11.32.

APPROVED and ADOPTED this _____ day of _____ 2021.

ALEX FISCH, MAYOR
City of Culver City, California

ATTEST:

APPROVED AS TO FORM:

JEREMY GREEN, City Clerk



CAROL A. SCHWAB, City Attorney

1 **EXHIBIT "A"**

2 **A. Cannabis Business Tax Late Payment Fee**

3 Any person who fails or refuses to pay any Cannabis Business Tax required to be paid
4 pursuant to Culver City Municipal Code Chapter 11.32 on or before the due date shall pay
5 the following penalties and interest:

6 Penalty: 20% added on the first day of each month following the due date, up to a
7 maximum of 100%

<u>Months Late with Payment</u>	<u>Penalty</u>
Less than 1 month	No penalty
Greater than 1 but less than 2 months	20% of amount due
Greater than 2 but less than 3 months	40% of amount due
Greater than 3 but less than 4 months	60% of amount due
Greater than 4 but less than 5 months	80% of amount due
Greater than 5 months	100% of amount due

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18 Interest: One-half of one percent (0.5%) per month or fraction thereof on the
19 amount of the tax, exclusive of penalties, from the date on which the remittance first
20 became delinquent until paid.

21 **B. Cannabis Business Tax Returned Unpaid Fee**

22 Whenever a check or electronic payment is submitted in payment of a Cannabis Business
23 Tax and the payment is subsequently returned unpaid by the bank for any reason, the
24 taxpayer will be liable for the tax amount due plus the following fees, penalties and interest:

25 Fee: The City's most recently approved returned check fee or credit card payment rejection
26 fee. (Currently each \$35.00 as approved by Resolution No. 2013-R034).

1 Penalty: 20% added on the first day of each month following the due date, up to a
2 maximum of 100%, until the tax is successfully paid.

3 <u>Months Late with Payment</u>	4 <u>Penalty</u>
5 Less than 1 month	6 No penalty
7 Greater than 1 but less than 2 months	8 20% of amount due
9 Greater than 2 but less than 3 months	10 40% of amount due
11 Greater than 3 but less than 4 months	12 60% of amount due
13 Greater than 4 but less than 5 months	14 80% of amount due
15 Greater than 5 months	16 100% of amount due

17 Interest: One-half of one percent (0.5%) per month or fraction thereof on the amount of the
18 tax, exclusive of penalties, from the date on which the remittance first became delinquent
19 until paid.

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