



City of Culver City

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Staff Report

File #: 22-280, **Version:** 1

Item #: C-8.

CC - Adoption of a Resolution Establishing Penalties and Interest for Non-payment of the Required Cannabis Business Tax under Culver City Municipal Code Chapter 11.32.

Meeting Date: September 27, 2021

Contact Person/Dept: Jesse Mays / City Manager's Office

Phone Number: (310) 253-6000

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (09/22/2021); GovDelivery e-mail lists: Cannabis (09/22/2021)

Department Approval: John Nachbar, City Manager (09/21/2021)

RECOMMENDATION

Staff recommends the City Council adopt a resolution establishing penalties and interest for the non-payment of the required Cannabis Business Tax under Culver City Municipal Code (CCMC) Chapter 11.32.

BACKGROUND/DISCUSSION

In the April 10, 2018 general municipal election, the voters of the City of Culver City ("City") approved a ballot measure imposing a Cannabis Business Tax on commercial cannabis businesses operating in the City. That voter-approved measure was codified into the CCMC as Chapter 11.32. CCMC Section 11.32.025 imposes an annual Cannabis Business Tax on any person or entity engaged in a cannabis business, at varying rates, depending on the type of business (i.e., retail, manufacturing, distribution, testing, cultivation).

CCMC Section 11.32.050 establishes that "any person who fails or refuses to pay any Cannabis Business Tax required to be paid pursuant to this Chapter on or before the due date shall pay penalties and interest established by resolution of the City Council." Additionally, 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 as provided for in this Chapter, and any other amount allowed under state law.”

Accordingly, staff proposes the City Council adopt the attached Proposed Resolution establishing penalties and interest in accordance with the provisions of Chapter 11.32.

FISCAL ANALYSIS

Adoption of the proposed Resolution may result in an unknown amount of additional general fund revenue via the penalties and interest paid by cannabis businesses.

ATTACHMENTS

1. 2021-09-27 ATT Proposed Resolution Penalties and Interest

MOTION

That the City Council:

Adopt a Resolution establishing penalties and interest for non-payment of the required Cannabis Business Tax.