

**RESOLUTION 2025-127**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING AND SETTING FORTH CANNABIS RETAIL TAX DELINQUENCY PENALTIES PURSUANT TO BANNING MUNICIPAL CODE CHAPTER 3.15.**

**WHEREAS**, Sections 37101 and 37100.5 of the California Government Code authorize the City of Banning to levy a license tax, for revenue purposes, upon business transacted in the City; and .

**WHEREAS**, on November 6, 2018, the voters of the City approved a ballot measure known as Banning, California, Measure O, Retail Marijuana Business Tax (Measure O); and

**WHEREAS**, Meaure O allowed the City to impose a City tax on commercial cannabis retail buseneses through the adoption of Ordinance 1528, which the City Council introduced at a regular meeting on June 26, 2018 and voted to adopt on December 11, 2018; and

**WHEREAS**, Ordinance 1528 is codified in Chapter 3.15 (Cannabis Retailer Tax) of Title 3 (Revenue and Finance) of the Banning Municipal Code (BMC); and

**WHEREAS**, the City currently imposes an annual cannabis retail tax in an amount equal to ten percent of the business' gross receipts, pursuant to BMC Section 3.15.030(B); and

**WHEREAS**, as authorized by BMC 3.15.060(D), the Tax Adminsitrator for the City amendmed subsection (A) of Section 3.15.060 by publishing Tax Adminstrator Regulation 2023-1 which revised and updated the cannabis retailer tax remittance requirements in BMC Chapter 3.15 and imposed quarterly cannabis tax remittance no later than forty-five (45) calendar days after each quarter end starting with the quarter of July 1, 2024; and

**WHEREAS**, on August 26, 2025, the City Council considered the current tax rate for cannabis retailers and requested staff return with a resolution establishing penalties for late tax remittance by cannabis retailers; and

**WHEREAS**, unless otherwise defined in this Resolution, the definitions contained in the Ordinance shall apply to the words and terms contained in this Resolution. For the purposes of this Resolution, the term " Tax" means the "Gross Receipts Tax" established in the Ordinance and codified in Banning Municipal Code Section 3.15.020.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Banning as follows:

**SECTION 1.** That the foregoing Recitals are true and correct and are incorporated herein by this reference.

**SECTION 2.** Pursuant to BMC Section 3.15.090, the City Council establishes and sets forth the following penalties and interest on cannabis retailers remitting delinquent taxes in accordance with Chapter 3.15:

- A. For any cannabis retail business that is delinquent in the payment of its Banning cannabis tax, the following rate shall apply to that business for so long as such business has not paid its Banning cannabis tax, including any penalties and interest thereon:

1. A penalty equal to twenty-five percent (25%) of the amount of tax in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at rate of one percent (1%); and
2. An additional penalty equal to fifty percent (50%) of the amount of the tax if the tax remains unpaid for a period exceeding thirty calendar days beyond the due date, plus interest on the unpaid tax and interest on the unpaid penalties calculated at the rate of one percent (1%); and
3. Interest shall be calculated at the rate of one percent per month, or a fraction thereof, on the total amount due, from the date on which the amount of tax required to be collected becomes due and payable to the city until the date of payment and shall not exceed twelve percent of the amount of tax due.

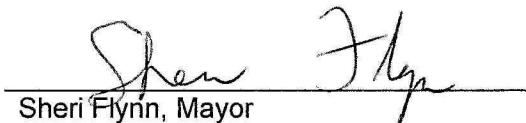
**SECTION 3.** Not Deemed a Special Tax. The adoption of this Resolution shall not be construed, and it is not the City Council's intent, to convert the City's cannabis tax into a "special tax", as that term is defined Article XIIIC § 1(d) of the California Constitution, or California Government Code sections 53721 and 53724, or any combination thereof.

**SECTION 4.** CEQA. This action is not subject to the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et. seq.) pursuant to Section 15060(c)(2) and 15060(c)(3) of the State Guidelines, because the resolution will not result in a direct or reasonably foreseeable indirect physical change in the environment and is not a "project," as that term is defined in Section 15378 of the State Guidelines.

**SECTION 5.** If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

**SECTION 6.** The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

**PASSED, APPROVED AND ADOPTED** this 9th day of September, 2025.



Sheri Flynn, Mayor  
City of Banning

**ATTEST:**



---

Sandra Calderon  
Acting Administrative City Clerk  
City of Banning

**APPROVED AS TO FORM:**

  
John Pinkney, Interim City Attorney  
Slovak, Baron, Empey, Murphy & Pinkney,  
LLP

**CERTIFICATION:**

I, Sandra Calderon, Acting Administrative City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2025-127, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 9th day of September, 2025 by the following vote, to wit:

AYES: Barrington, Flynn, Miller, Royce, Wallace

NOES: None

ABSENT: None

ABSTAIN: None

  
\_\_\_\_\_  
Sandra Calderon  
Acting Administrative City Clerk  
City of Banning, California