

**RCW 69.50.334 Denial of application—Opportunity for hearing.**

(1) The action, order, or decision of the board as to any denial of an application for the reissuance of a license to produce, process, or sell cannabis, or as to any revocation, suspension, or modification of any license to produce, process, or sell cannabis, or as to the administrative review of a notice of unpaid trust fund taxes under RCW 69.50.565, must be an adjudicative proceeding and subject to the applicable provisions of chapter 34.05 RCW.

(2) An opportunity for a hearing may be provided to an applicant for the reissuance of a license prior to the disposition of the application, and if no opportunity for a prior hearing is provided then an opportunity for a hearing to reconsider the application must be provided the applicant.

(3) An opportunity for a hearing must be provided to a licensee prior to a revocation or modification of any license and, except as provided in subsection (6) of this section, prior to the suspension of any license.

(4) An opportunity for a hearing must be provided to any person issued a notice of unpaid trust fund taxes under RCW 69.50.565.

(5) No hearing may be required under this section until demanded by the applicant, licensee, or person issued a notice of unpaid trust fund taxes under RCW 69.50.565.

(6) The board may summarily suspend a license for a period of up to one hundred eighty days without a prior hearing if it finds that public health, safety, or welfare imperatively require emergency action, and it incorporates a finding to that effect in its order. Proceedings for revocation or other action must be promptly instituted and determined. An administrative law judge may extend the summary suspension period for up to one calendar year from the first day of the initial summary suspension in the event the proceedings for revocation or other action cannot be completed during the initial one hundred eighty-day period due to actions by the licensee. The board's enforcement division shall complete a preliminary staff investigation of the violation before requesting an emergency suspension by the board. [2022 c 16 s 59; 2015 2nd sp.s. c 4 s 201; 2013 c 3 s 7 (Initiative Measure No. 502, approved November 6, 2012).]

**Intent—Finding—2022 c 16:** See note following RCW 69.50.101.

**Findings—Intent—2015 2nd sp.s. c 4:** "(1) (a) The legislature finds the implementation of Initiative Measure No. 502 has established a clearly disadvantaged regulated legal market with respect to prices and the ability to compete with the unregulated medical dispensary market and the illicit market. The legislature further finds that it is crucial that the state continues to ensure a safe, highly regulated system in Washington that protects valuable state revenues while continuing efforts towards disbanding the unregulated marijuana [cannabis] markets. The legislature further finds that ongoing evaluation on the impact of meaningful marijuana [cannabis] tax reform for the purpose of stabilizing revenues is crucial to the overall effort of protecting the citizens and resources of this state. The legislature further finds that a partnership with local jurisdictions in this effort is imperative to the success of the legislature's policy objective. The legislature further finds that sharing revenues to promote a successful partnership in achieving the legislature's intent should be transparent and hold local jurisdictions accountable

for their use of state shared revenues. Therefore, the legislature intends to reform the current tax structure for the regulated legal marijuana [cannabis] system to create price parity with the large medical and illicit markets with the specific objective of increasing the market share of the legal and highly regulated marijuana [cannabis] market. The legislature further intends to share marijuana [cannabis] tax revenues with local jurisdictions for public safety purposes and to facilitate the ongoing process of ensuring a safe regulated marijuana [cannabis] market in all communities across the state.

(b) The legislature further finds marijuana [cannabis] use for qualifying patients is a valid and necessary option health care professionals may recommend for their patients. The legislature further finds that while recognizing the difference between recreational and medical use of marijuana [cannabis], it is also imperative to distinguish that the authorization for medical use of marijuana [cannabis] is different from a valid prescription provided by a doctor to a patient. The legislature further finds the authorization for medical use of marijuana [cannabis] is unlike over-the-counter medications that require no oversight by a health care professional. The legislature further finds that due to the unique characterization of authorizations for the medical use of marijuana [cannabis], the policy of providing a tax preference benefit for patients using an authorization should in no way be construed as precedent for changes in the treatment of prescription medications or over-the-counter medications. Therefore, the legislature intends to provide qualifying patients and their designated providers a retail sales and use tax exemption on marijuana [cannabis] purchased or obtained for medical use when authorized by a health care professional.

(2) (a) This subsection is the tax preference performance statement for the retail sales and use tax exemption for marijuana [cannabis] purchased or obtained by qualifying patients or their designated providers provided in RCW 82.08.9998(1) and 82.12.9998(1). The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes the tax preference as one intended to accomplish the general purposes indicated in RCW 82.32.808(2) (e).

(c) It is the legislature's specific public policy objective to provide qualifying patients and their designated providers a retail sales and use tax exemption on marijuana [cannabis] purchased or obtained for medical use when authorized by a health care professional.

(d) To measure the effectiveness of the exemption provided in chapter 4, Laws of 2015 2nd sp. sess. in achieving the specific public policy objective described in (c) of this subsection, the department of revenue must provide the necessary data and assistance to the state liquor and cannabis board for the report required in RCW 69.50.535." [2015 2nd sp.s. c 4 s 101.]

**Effective dates—2015 2nd sp.s. c 4:** "(1) Except as provided otherwise in this section, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the

state government and its existing public institutions, and takes effect July 1, 2015.

(2) Except for section 503 of this act, part V of this act takes effect October 1, 2015.

(3) Sections 203 and 1001 of this act take effect July 1, 2016.

(4) Sections 302, 503, 901, 1204, and 1601 of this act and part XV of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 24, 2015." [2015 2nd sp.s. c 4 s 1605.]

**Intent—2013 c 3 (Initiative Measure No. 502):** See note following RCW 69.50.101.