



# RULE-MAKING ORDER

**CR-103E (May 2009)**  
**(Implements RCW 34.05.360)**

**Agency:** Washington State Liquor and Cannabis Board

**Emergency Rule Only**

**Effective date of rule:**

**Emergency Rules**

- Immediately upon filing.
- Later (specify) \_\_\_\_\_

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

- Yes
  - No
- If Yes, explain:

**Purpose:** New rules are needed to create a process for electronic payment of the marijuana excise tax, alternatives to electronic payment requirement, and to provide a waiver option to the electronic payment requirement for good cause. This emergency rule is needed to implement a proviso relating to electronic payment of the marijuana excise tax included in the Legislature's 2016 Supplemental Budget.

**Citation of existing rules affected by this order:**

Repealed:  
Amended:  
Suspended:

**Statutory authority for adoption:** RCW 69.50.342, 69.50.345, 69.50.535, and SL 2016 c 36 (2ESHB 2376)

**Other authority :**

**EMERGENCY RULE**

Under RCW 34.05.350 the agency for good cause finds:

- That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.
- That in order to implement the requirements or reductions in appropriations enacted in any budget for fiscal years 2009, 2010, or 2011, which necessitates the need for the immediate adoption, amendment, or repeal of a rule, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the fiscal needs or requirements of the agency.

Reasons for this finding: See Attachment A.

**Date adopted:** September 7, 2016

**NAME (TYPE OR PRINT)**  
Jane Rushford

**SIGNATURE**

**TITLE**  
Chair

**CODE REVISER USE ONLY**

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE: September 07, 2016**

**TIME: 12:53 PM**

**WSR 16-19-004**

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

<b>Federal statute:</b>	New	_____	Amended	_____	Repealed	_____
<b>Federal rules or standards:</b>	New	_____	Amended	_____	Repealed	_____
<b>Recently enacted state statutes:</b>	New	_____	Amended	_____	Repealed	_____

**The number of sections adopted at the request of a nongovernmental entity:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted in the agency's own initiative:**

New	<u>1</u>	Amended	_____	Repealed	_____
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted using:**

<b>Negotiated rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Pilot rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Other alternative rule making:</b>	New	_____	Amended	_____	Repealed	_____

## **Attachment A**

### **Reasons for this finding:**

Emergency rules are needed to create guidelines and requirements for electronic payment of the marijuana excise tax and a process to apply for a waiver of that requirement to implement a 2016 Supplemental Budget proviso. The electronic payment requirement is in addition to other payment options, such as payment by check, cashier's check, or money order, and is necessary to reduce public safety risks associated with cash payments of the marijuana excise tax. Some licensees are traveling to WSLCB in Olympia with cash to pay the monthly marijuana excise tax due. This creates a large risk to licensees that transport large sums of cash to pay monthly marijuana excise taxes. In addition to alternatives to cash payment being safer than transporting cash to the WSLCB on a monthly basis, these requirements will also promote efficiency.

As more marijuana businesses become licensed prior to the absorption of medical marijuana into the regulated retail market on July 1, 2016, the public safety risks of cash transport and payment and risks to licensees paying in cash will only increase with the increase in licensees paying marijuana excise taxes. For these reasons, emergency rules are necessary to reduce risks to public safety and the safety of marijuana licensees by requiring electronic payment of the marijuana excise tax unless a suitable alternative payment form is submitted or the licensee is granted a waiver from the requirements for good cause. WSLCB used the similar requirements in Washington State Department of Revenue's statutes, policy and procedures in developing the rule and waiver requirements.

This emergency rule is a refiling of an emergency previously filed May 18, 2016, that was effective July 1, 2016, and is intended to keep the requirements in effect until permanent rules on the same topic are effective. Permanent rules on this topic were also adopted by the Board on September 7, 2016, and will become effective on October 8, 2016.

N E W S E C T I O N

**WAC 314-55-090 Marijuana excise tax payments - Waiver.**

The following provisions apply to marijuana excise tax payments in addition to the requirements in WAC 314-55-089.

(1) Marijuana excise tax payments are payable only by check, cashier's check, money order, or electronic payment or electronic funds transfer. Licensees must submit marijuana excise tax payments to the board by one of the following means:

(a) By mail to WSLCB, Attention: Accounts Receivable, PO Box 43085, Olympia, WA 98504;

(b) By paying through online access through the WSLCB Traceability System; or

(c) By paying using a money transmitter licensed pursuant to Title 19.230 RCW.

(2) Payments transmitted to the Board electronically under this section will be deemed received when received by the agency's receiving account. All other payments transmitted to the board under this section by United States mail will be deemed received on the date shown by the post office cancellation mark stamped on the envelope containing the payment.

(3) The board may waive the means of payment requirements as provided in subsection (1) of this section for any licensee for good cause shown. For the purposes of this section, "good cause" means the inability of a licensee to comply with the payment requirements of this section because:

(a) The licensee demonstrates it does not have and cannot obtain a bank or credit union account or another means by which to comply with the requirements of subsection (1) of this section and cannot obtain a cashier's check or money order; or

(b) Some other circumstance or condition exists that, in the board's judgment, prevents the licensee from complying with the requirements of subsection (1) of this section.

(4) If a licensee tenders payment of the marijuana excise tax in cash without applying for and receiving a waiver or after denial of a waiver, they may be assessed a ten percent penalty.

(5) If a licensee is denied a waiver and requests an adjudicative proceeding to contest the denial, a brief adjudicative proceeding will be conducted as provided under RCW 34.05.482 through 34.05.494.

(6) For the purposes of this section, "electronic payment" or "electronic funds transfer" means any transfer of funds, other than a transaction originated or accomplished by conventional check, drafts, or similar paper instrument, which is initiated through an electronic terminal, telephonic

instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit a checking or other deposit account. "Electronic funds transfer" includes payments made by electronic check (e-check).