

CENTRAL WAREHOUSING BAN

Laws and Rules

Retailers are prohibited from storing or taking delivery of beer and wine at a central warehouse.

Beer and wine may only be delivered to the retail store where it will be sold to the consumer, or directly to the retailer at the distributor's licensed premises. RCW 66.28.180(2)(h)(ii). No state law authorizes warehousing of beer by retailers. A state law explicitly prohibits warehousing of wine by retailers. RCW 66.24.185(4) and WAC 314-24-220.

Brief History

- 1984 Legislature passes law explicitly prohibiting warehousing of wine by persons other than domestic wineries, bonded wine warehouses, wine wholesalers [distributors], wine importers, and the Liquor Control Board. Laws of 1984, Chapter 19.
- 1985 Board adopts rule relating to licensing and operation of bonded wine warehouses. Bonded wine warehouses may provide storage for domestic wineries and for United States wineries that hold a certificate of approval [certificate of approval holders]. WSR 85-10-029.
- 1995 Legislature passes law specifying that beer and wine must be delivered by a wholesaler [distributor] either to a retailer's licensed premises or directly to the retailer at the wholesaler's [distributor's] licensed premises. Laws of 1995, Chapter 232.
- 1997 Legislature adds provision authorizing warehousing of wine by wine certificate of approval holders. "Distributor" is substituted for "wholesaler." Laws of 1997, Chapter 321.
- 2008 The U.S. Court of Appeals upholds the central warehousing ban. The Court of Appeals concludes that the ban does not violate federal antitrust laws, and reverses the judgment of the U.S. District Court. *Costco v. Maleng*, 522 F.3d 874 (9th Cir. 2008), *aff'g in part and rev'g in part* *Costco v. Hoen*, 2006 U.S. Dist. LEXIS 27141 (W.D. Wash. 2006).

Laws of Other States

Central warehousing is permitted in at least five states. (Alaska, Arizona, California, Connecticut, and Massachusetts.) Texas permits central warehousing by package stores and wine-only package stores, but not by grocery stores and other retailers.

Central warehousing is not permitted in at least fourteen control states. (Alabama, Idaho, Iowa, Michigan, Mississippi, Montana, New Hampshire, North Carolina, Oregon, Pennsylvania, Vermont, Virginia, West Virginia, and Wyoming.) New York also does not allow central warehousing.

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