

QUANTITY DISCOUNTS

Law and Rules

State liquor laws explicitly prohibit both manufacturers and distributors from offering quantity discounts. The 2006 Three-Tier System Review noted that the ban on quantity discounts is intended to maintain a level playing field between retailers and to discourage lower prices.

Brief History

- 1985 RCW 66.28.180, the current day pricing statute, enacted. Original statute only prohibits modification of prices without prior notification to and approval of the LCB.
- 1995 Explicit language added to RCW 66.28.180 prohibiting quantity discounts. The stated intent of the statute was to “promote the public’s interest in fostering the orderly and responsible distribution of malt beverages and wine towards effective control of consumption; to promote the fair and efficient three-tier system of distribution of such beverages; and to confirm existing board rules as the clear expression of state policy to regulate the manner of selling and pricing of wine and malt beverages...”
- 2006 Three-Tier System Review Task Force recommends that volume discounts be allowed, with the same volume pricing available to all customers.
- 2008 In *Costco v. Hoen*, 9th Circuit Court of Appeals upholds ban on quantity discounts.

Federal Law/Laws of Other States

Seven of the nineteen control states prohibit quantity discounts (Oregon, Michigan, Montana, New Hampshire, Ohio, Pennsylvania, and Vermont).

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