
HOUSE BILL 2234

State of Washington 60th Legislature 2007 Regular Session

By Representatives Conway, Condotta, Wood and Simpson

Read first time 02/14/2007. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to beer and wine warehousing and distribution by a
2 primary grocery distributor at the direction of an independent grocery
3 store customer; adding a new section to chapter 66.28 RCW; creating new
4 sections; and providing a contingent effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
7 assure that no segment of the grocery store industry, licensed to sell
8 beer and wine off the premises, is disadvantaged as the result of a
9 judgment by the court in regards to central warehousing in the case of
10 *Costco Wholesale Corporation v. Roger Hoen, et. al.*, No. C04-260P. The
11 legislature further intends that the liquor control board take timely
12 action to implement a storage and transportation system for the
13 independent grocery stores and their primary grocery distributors upon
14 receipt of any judgment that allows chain grocery retailers to store
15 in, and transport from, their own warehouses to their retail outlets.
16 The legislature intends that the system should accommodate the current
17 market place structure and relationships of the independent grocery
18 store and their primary grocery distributors and avoid any unnecessary
19 administrative barriers.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.28 RCW
2 to read as follows:

3 (1) An independent grocery store may take delivery and store beer
4 and wine at, and transport to its own independent grocery store from,
5 a primary grocery distributor that supplies at least thirty percent of
6 the independent grocery store's merchandise on a regular basis. The
7 independent grocery store must retain ownership of the beer and wine
8 until it is purchased by the consumer.

9 (2) For purposes of this section, the following definitions apply:

10 (a) "Primary grocery distributor" means a person that makes
11 wholesale sales of a broad mix of products to independent grocery
12 stores and supplies at least thirty percent of the total grocery
13 store's merchandise on a regular basis. A person sells a broad mix of
14 products if the person sells at least five of the following categories
15 of products: Canned food; frozen food; produce; meat; seafood;
16 poultry; dairy products; dry grocery items such as coffee, tea, flour,
17 sugar, salt and spices, snacks and candy, pasta, rice, baking mixes and
18 other baking goods, packaged soup, canned and powdered milk, cereals,
19 and desserts; pet foods; bakery goods; deli items; health and beauty
20 care items; and general household merchandise.

21 (b) "Independent grocery store" means a retailer that:

22 (i) Has a grocery store license under RCW 66.24.360;

23 (ii) Is in the business of making retail sales of commercially
24 prepared and prepackaged food and food ingredients that are customarily
25 sold for consumption off the premises;

26 (iii) Does not own a warehouse for purposes of serving as its own
27 primary grocery distributor; and

28 (iv) Is not primarily engaged in making retail sales of prepared
29 food or food and food ingredients through vending machines.

30 (3) The board may adopt rules to implement this section.

31 NEW SECTION. **Sec. 3.** Section 2 of this act only takes effect on
32 the date the liquor control board permits retailers to take delivery of
33 beer or wine at a central warehouse owned by the retailer as a result
34 of a judgment, which is not stayed, that is entered by a court of
35 competent jurisdiction in the case of *Costco Wholesale Corporation v.*
36 *Roger Hoen, et. al.*, No. C04-260P.

1 NEW SECTION. **Sec. 4.** The liquor control board must provide notice
2 of the effective date of this act to the appropriate committees of the
3 legislature, the office of the code reviser, and others as deemed
4 appropriate by the board, when the condition in section 3 of this act
5 has been met.

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