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## Costco Is Barring Non-Members From Buying Its Discounted Gas In New Jersey, Report Says

By: Áine Cain, June 9, 2022

Costco reportedly is getting ready to bar non-members from purchasing its discounted gas in New Jersey.

NJ Advance Media reported that drivers in the state were alerted of this development through signs posted at Costco gas stations, which announced the change will take place on July 5. After that, only Costco members will be able to purchase gas at the warehouse chain's stations. The retailer has an exemption nationwide for Costco Shop Card holders.

Nearly two decades ago, Costco reportedly caved to New Jersey's demands that it open up its pumps to all members of the public. The Associated Press wrote in 2004 that, "Costco's membership requirement violated New Jersey laws regarding fuel sales, according to state consumer officials." But insiders say New Jersey may have overstated its case 18 years ago.

**"The rules have not changed," Sal Risalvato, executive director of the New Jersey Gasoline, C-Store, Automotive Association, told Insider in a statement. "NJ law never had anything in it that prohibited Costco from selling gas to 'Members Only.'"**

**Risalvato said he believes that in 2004, New Jersey's Department of Consumer Affairs "balked at the notion of Costco only selling gas to their members" and that the chain "acquiesced and permitted the gas pumps to serve all motorists" to avoid a controversy.**

**"Apparently, officials at consumer affairs then made comments at that time to the media to the effect that they were enforcing state law," Risalvato said.**

**Risalvato said that news reports about Costco's decision have prompted "current consumer affairs officials" to scramble to figure out what happened in 2004.**

**"Obviously I am very familiar with the NJ statutes that govern motor fuels, and I know of nothing that prohibits Costco from selling to their members only," he said. "Since I am as prone to mistakes as any other person, I reviewed the laws again and had several of my staff double check me. The result is the same. I find nothing in NJ law that prohibits Costco from selling gas to their members only."**

**Risalvato said that it's possible that certain Costco locations made specific agreements with local governments, as a quid pro quo for building permits.**

Costco and New Jersey's Department of Transportation did not immediately respond to Insider's request for comment.

Cheap gas has long drawn consumers to Costco. With prices at the pump exploding in 2022, long lines have become commonplace at gas stations run by Costco and its Walmart-owned competitor, Sam's Club.

Costco gas stations require customers to insert a membership card in the card reader to confirm their membership is active before they can pump gas.

This isn't the first recent shift in the New Jersey gas-station landscape. The Garden State has weighed removing its long-standing ban on self-service at gas stations. New Jersey and Oregon were previously the only two states in the United States where self-service is barred.

In January of 2018, Oregon dropped the rule. The state then reinstated it in 2020 due to COVID-19 concerns, although self-service remains available in certain rural areas.

Now some lawmakers in New Jersey are also considering their state's ban on self-service at gas stations, which has been in place since 1949. The new gas industry-backed "Motorist Fueling Choice and Convenience Act" has been touted as a response to the labor crunch and rising fuel costs.