

**OREGON LIQUOR CONTROL COMMISSION
MINUTES**

June 3, 2009

Wednesday, June 3, 2009

3:00 P.M. The Commissioners present by phone were Alex Duarte, Christine Lewandowski, and Ron Roome. Chairman Phil Lang was present in person. Others present were Executive Director Steve Pharo and members of staff.

Chairman Lang welcomed new Commissioners Alex Duarte and Ron Roome to the Commission and commented on the purpose of considering the 50 cent surcharge into the next biennium. Executive Director Pharo provided more details on the budget consideration.

Commissioner Lewandowski moved to adopt the recommendation to continue the temporary .50 cent surcharge per bottle from July 1, 2009 to June 30, 2011. Passed 4/0.

Commissioner Lewandowski asked if there was anyone in the audience besides staff. Greg Sellers answered and asked if he could read a statement into the record.

Chairman Lang approved.

Mr. Sellers said that he feels that Oregon distillers are being discriminated against by the legislature. Oregon distillers account for 18.6% of the spirits sold in Oregon, down from 22%. On the other hand Oregon brewers account for only 12% of the total beer sold in Oregon. Often there have been statements made that (the legislature) is trying to protect the craft distillers. There is more business with the craft distillers than there is with the craft brewers. Oregon currently has the highest mark-up rate on distilled spirits, in comparison, the beer tax has not been raised in over 30 years. Oregon has either the 4th or 2nd (depending on the source you use) lowest tax in the nation on beer. Spirits have the most controlled retail sales environment with very few violations for underage purchase. As business partners with the OLCC, distillers need to keep the market place competitive, but this is clearly not the case.

Chairman Lang thanked Mr. Sellers for his comments and added that OLCC has taken a position on the need for the legislature to address the beer tax, but so far the votes aren't there to make it happen. He noted that the Commissioners, staff and agents all agree that something needs to be done to make the taxation of all alcoholic beverages more equal.

Adjourned:3:15 p.m.

_____/s/_____
Phil Lang, Chairman

_____/s/_____
Alex Duarte, Commissioner

_____/s/_____
Christine Lewandowski, Commissioner

_____/s/_____
Bob Rice, Commissioner

_____/s/_____
Ron Roome, Commissioner

_____/s/_____
Stephen A. Pharo, Executive Director
and Secretary to the Commissioners