

OREGON LIQUOR CONTROL COMMISSION
MINUTES
May 27, 2011

Friday May 27, 2011

10:00 A.M. The Commissioners attending via conference call were Ron Roome, and Cassandra SkinnerLopata. Commissioners presenting person were Alex Duarte and Chairman Phil Lang. Others present were Executive Director Steve Pharo, Deputy Directors Rudy Williams and Merle Lindsey and members of staff.

Special Meeting
ADMINISTRATION

Continuation of .50 surcharge on distilled spirits products

Executive Director Steve Pharo gave a brief overview of the need for the continuation of the surcharge and the place it holds in the Governor's Recommended Budget for the OLCC. Chairman Lang explained the need of the special meeting as the prior meeting's decision to delay the action has caused the subcommittee to hold OLCC's budget hostage until this item is adopted. He noted that he did not believe that any of the Commissioners were not planning to support the surcharge. He also pointed out that the current surcharge has a sunset of June 30, 2011 and he recommended that the new surcharge should also have a sunset clause.

Commissioner Roome moved to adopt the recommendation to continue the .50 cent surcharge per bottle from July 1, 2011 to June 30, 2013.

Commissioner Duarte commented before voting that he continues to be troubled by the no-win situation in regards to the surcharge, especially as it targets only one certain industry. He said it is unfortunate that we are given essentially a Hobson's choice in either having a big budget hole or putting it on the back of the distilled spirits industry and thousands of Oregon customers. He does not believe these costs are very logically connected. He agrees with the chair that in some ways OLCC is being held hostage and he thinks that is very unfortunate and we need a legislative solution to make these taxing mechanisms more fair to all stakeholders in Oregon.

Commissioner Roome commented before voting that he shares the concerns of Commissioner Duarte and is mystified as to why we have not had a beer tax increase in 30 years and yet one portion of the industry is going to be involved in this 50 cent surcharge. He said that this is a very difficult decision for him, but he ultimately concludes that we need to support the Governor and the Governor's budget.

Commissioner SkinnerLopata commented before voting that she agrees with Commissioners Duarte and Roome that the legislature does need to pursue a beer tax and that this is a Hobson's choice, but it is one that we need to move forward with.

Passed 4/0

Chairman Lang thanked Commissioners for making themselves available for this special meeting.

Adjourned: 10:08 AM

**NOTE: The next Commission Meeting is an in-person meeting on
June 16-17, 2011 in Portland.**

For more information, please telephone Toll Free 1-800-452-6522 or Portland 503-872-5006

_____/s/_____
Phil Lang, Chairman

_____/s/_____
Alex Duarte, Commissioner

_____/s/_____
Bob Rice, Commissioner

_____/s/_____
Ron Roome, Commissioner

_____/s/_____
Cassandra SkinnerLopata, Commissioner

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