

Listing of Legislative Records in Oregon State Archives pertaining to:  
**1985 HB 2284** relating to: Malt Beverages. (See also 1985 SB 813)

HOUSE CONSUMER AND BUSINESS AFFAIRS COMMITTEE MINUTES:

Feb 5: p. 4-5  
Also on tape: 31

Feb 7: p. 2  
Also on tapes: 33 & 34

EXHIBIT FILE CONTAINS:

1. EXH I of 2/5: Columbia River Brewery Information submitted by Dick Ponzi. 2 pages.
2. EXH J of 2/5: Proposed amendments submitted by Kurt Widmer. 1 page.
3. EXH K of 2/5: Written testimony submitted by Dean Smith. 2 pages.
4. EXH A of 2/7: Proposed amendments submitted by James Jones. 1 page.
5. EXH B of 2/7: Microbreweries article submitted by James Jones. 6 pages.

SENATE BUSINESS HOUSING AND FINANCE COMMITTEE MINUTES:

April 11: p. 1-2 & 4  
Also on tapes: 51, side A & 52, side B

May 9: p. 5  
Also on tape: 90, side A

EXHIBIT FILE CONTAINS:

1. EXH A of 4/11: California, Washington and Oregon brewery/winery licensing laws submitted by Dick Ponzi. 4 pages.
2. EXH B of 4/11: Written testimony submitted by Charles Kurtz of OLCC. 1 page.
3. EXH E of 5/9: Proposed amendments submitted by Paul Romain of Oregon Beer & Wine Distributors Association. 1 page.
4. EXH F of 5/9: Proposed amendments submitted by Rep. Tom Mason. 1 page.

Minutes: 7  
Exhibits: 19

**Total pages: 26**

Compiled September 19, 2016 by: Austin Schulz, Reference Archivist

- 148 REP. ANDERSON asked Mr. Crawford if the detection of drug related accidents has improved since the last Legislative Session.
- 167 REP. EACHUS asked Mr. Crawford if he was suggesting that the BAC level of .08 be raised. Mr. Crawford felt that the real problem was with the road blocks not with the .08. Rep. Eachus commented further on the .08 saying that the concentration should not be on it, but on the problems related to it.
- 225 REP. SCHOON and MR. CRAWFORD discussed the point at which most accidents occur.
- 241 BILL CROSS, Oregon Restaurant and Beverage Association, clarified points made by Dr. John Tongue in regards to why ORBA had opposed the Mandated Liquor Liability Insurance when 90 percent of their members had Liquor Liability Insurance. He presented the committee with information on BAC Levels (Exhibit H). He also talked about a recent Court of Appeals decision that affirmed a lower court decision that punitive awards could be awarded in a case where there was gross negligence.
- 375 REP. SCHOON made comments on liquor liability insurance.
- TAPE 31
- 001 MR. CROSS continued with his testimony on liquor liability.
- PUBLIC HEARING: HB 2284 - relating to malt beverages; creating new provisions; and amending ORS 471.290.
- 020 REP. TOM MASON, District 11, testified in support of HB 2284.
- 049 Committee questions to Rep. Mason on HB 2284.
- 079 REP. ANDERSON asked if striking pasturize in the bill would be friendly amendment.
- 089 REP. EACHUS asked what nonpasturized meant in the bill. REP. MASON responded.
- 116 MR. JONES read the Oregon Statute for nonpasturized liquor.
- 129 DICK PONSII, Columbia River Brewery, provided the committee with information on the brewery (Exhibit I). He testified in support of HB 2284.

- 207 REP. ANDERSON said that he felt history would be made in adopting HB 2284.
- 224 KURT WOODMAN, provided a proposed amendment to HB 2284 (Exhibit J) and he testified in support of HB 2284. Committee questions on the proposed amendments to HB 2284.
- 369 FRED BOWMAN, Portland Brewing Co., informed the committee about the fee for the license.
- 385 REP. ANDERSON clarified the intent of the bill.
- 426 DEAN SMITH, Administrator, OLCC, provided written testimony on HB 2284 (Exhibit K).
- TAPE 32
- 001 MR. SMITH continued with his testimony, making corrections on some of it.
- 035 REP. SCHOON asked Mr. Smith if a winery had to have a liscense and pay a fee also. MR. SMITH suggested a proposed amendment. He pointed out that HB 2284 is a legal, technical rule that seperates a manufacturer from a retailer.
- 091 REP. EACHUS was concerned about being able to come into an establishment with your own container. MR. SMITH responded. The committee discussed the issue further.
- 129 FRANK CONRAD, OLCC, talked about the law applicable to Micro Breweries.
- 148 Discussion on HB 2284 followed.
- 302 REP. ANDERSON asked that the Committee Administrator prepare the conceptual amendments discussed.
- 327 REP. RIJKEN adjourned the meeting at 4:36 p.m.

Respectfully Submitted,



Teresa Robinson  
Committee Assistant

Exhibit Log:

A) Small Business Development

152 MR. BESSONETTE continued with his testimony. He informed the committee that Oregon Mutual has its headquarters in McMinnville, Oregon and the number of employees they have. He also told them where they do business other than in Oregon.

WORK SESSION: HB 2284

230 JAMES JONES, Committee Administrator, explained the proposed amendments to HB 2284 (Exhibit A). Committee discussion followed on the proposed amendments.

344 MOTION: REP. ANDERSON moved the proposed amendments to HB 2284.

359 DEAN SMITH, Administrator, OLCC, answered questions on the amount of barrels of malt beverages to be on the premises, which was changed in the bill.

415 MR. JONES read from a magazine article on Microbrewies which cleared up some committee questions (Exhibit B).

TAPE 34

004 REP. SCHOON asked that it be indicated for the record that the transactions be arms length transactions.

008 MOTION: REP. ANDERSON moved HB 2284, as amended, to the floor with a 'do pass' recommendation. There was no objection from the committee. Rep. Mason was to carry the bill on the floor.

PUBLIC HEARING: HB 2303-relating to video games of chance; and appropriating money

022 TOM FENDER, Oregon Amusement and Music Operators Assn., introduced Fred Van Horn, President, OAMOA and Cheryl McGown, Vice President to background the committee on their regulatory needs and the purpose for HB 2303.

031 FRED VANHORN, Seaside, testified in support of HB 2303.

047 CHERYL MCGOWN, Eugene, spoke in support of HB 2303.

068 REP. SCHOON asked about the difference between "games of chance and amusement devise".

070 MR. FENDER responded to Rep. Schoon's question. He provided the committee with a statement of the problem and their recommendations (Exhibit C).

165 Committee questions to Mr. Fender on the problems which are now going on.



**A L E**



COLUMBIA RIVER BREWERY, INC.  
PORTLAND, OREGON 97209

EXHIBIT I - DICK PONZI  
TESTIMONY HB 2284 1 page  
Feb. 5, 1985 1:30 p.m.  
HOUSE COMMITTEE ON CONSUMER  
AND BUSINESS AFFAIRS HR "F"

**B**efore 1917, in any given year, the City of Portland supported at least six individual breweries! Since then, Prohibition, new packaging, preservation and distribution practices have taken their toll. In Oregon and throughout the country small, local breweries disappeared while mega-brewers grew and currently dominate the U.S. market. Columbia River Brewery is reviving the days of fresh, aromatic, full-flavored beer. Our modern brewery's home is in Portland's oldest industrial building, a brick and timber gem of 1886. Our techniques are university-developed and time honored. Our ingredients consist only of two-row malted barley, crystal malt, Washington Cluster and Cascade hops (for bitterness), Oregon Willamette hops (for aromatics), a single strain of English top-fermenting yeast, Bull Run water. Our first beer—and Portland's own—is Bridgeport Ale; a return to traditional Real Ale taste.

**COLUMBIA RIVER BREWERY**

1313 N.W. MARSHALL  
PORTLAND, OREGON 97209



1 PROPOSED AMENDMENTS TO HOUSE BILL 2284

2 On page 1 of the printed bill, line 6, delete "10,000" and  
3 insert "25,000".

4 In line 8, delete "no more than 50 percent of the".

5 In line 11, after the first "on" insert "or off".

6 After line 20, insert:

7 "(5) For purposes of ORS chapter 473, a brewery-public house  
8 licensee shall be considered to be a manufacturer."

9 On page 3, line 7, delete "50" and insert "250" and delete  
10 "None" and insert "\$1,000".

11 After line 7, insert:

12 "The fee shall  
13 allow manufacture,  
14 wholesale and retail  
15 sales (including  
16 certificate of approval)".

\*\*\*\*\*

HOUSE OF REPRESENTATIVES

CONSUMER AND BUSINESS AFFAIRS COMMITTEE

MY NAME IS C. DEAN SMITH. I AM THE ADMINISTRATOR OF  
THE OREGON LIQUOR CONTROL COMMISSION AND I AM APPEARING  
TODAY TO MAKE COMMENTS REGARDING HB 2284

WE HAVE NO ARGUMENT WITH THE INTENT OF THIS PROPOSAL,  
I.E. TO ESTABLISH A NEW LICENSE WHICH WOULD PROVIDE  
FOR A BREWERY--PUBLIC HOUSE FACILITY. WE DO HAVE  
SEVERAL SPECIFIC CONCERNS.

FIRST, THIS LEGISLATION IGNORES THE REQUIREMENT OF  
ORS 473.010 (4) WHICH WOULD QUALIFY THIS LICENSE AS  
A "MANUFACTURER" OF ALCOHOLIC MALT BEVERAGES AND THUS  
REQUIRES PAYMENT OF THE PRIVILEGE TAX OF \$2.60 PER  
31 GALLONS. ADDITIONALLY, AS SUCH A TAXPAYER, THE MANU-  
FACTURER SHOULD POST THE MINIMUM \$1,000 BOND TO ASSURE  
SUCH PAYMENT.

ADDITIONALLY, SETTING THE VERY LOW FEE OF \$50 FOR THIS  
ANNUAL LICENSE APPEARS IMPROPER AND UNFAIR IN THAT THEIR  
PRINCIPAL COMPETITORS WILL BE OBLIGED TO PAY A \$200  
LICENSE FEE. WE BELIVE THIS LICENSE SHOULD ALSO BE  
\$200. ADDITIONALLY, I CAN SEE NO REASON FOR THE 50  
PERCENT LIMITATION ON SALES FOR CONSUMPTION OFF THE  
PREMISES. THIS WILL ADD UNNECESSARY BOOKKEEPING AND  
ACCOUNTABILITY TO THE BUSINESS.



HOUSE OF REPRESENTATIVES

CONSUMER AND BUSINESS AFFAIRS COMMITTEE

PAGE 2

PAGE 1, LINE 10, STIPULATES THAT THE CONSUMER MAY SUPPLY THEIR OWN CONTAINER. THIS MAY HAVE SOME IMPLICATIONS THAT SHOULD BE CHECKED WITH THE DEPARTMENT OF AGRICULTURE AND THE HEALTH DEPARTMENT FOR SANITATION REQUIREMENTS. FINALLY, THE LEGISLATURE SHOULD CLEARLY UNDERSTAND THAT THIS PROPOSAL CREATES AN EXEMPTION TO THE HERETOFORE PROHIBITION AGAINST A SINGLE PERSON OR COMPANY OWNING OR CONTROLLING BOTH THE ALCOHOLIC BEVERAGE MANUFACTURE AND RETAIL SALES. THIS PROHIBITION WAS CREATED WITH THE ORIGINAL LIQUOR CONTROL ACT TO ATTEMPT TO AVOID PROBLEMS OCCURING IN THE INDUSTRY PRIOR TO PROHIBITION. THIS CAN BE EXPLAINED IN GREATER DETAIL IF DESIRED.

IN CLOSING, I RESPECTFULLY ASK THAT THE FEES BE INCREASED AS STATED AND THAT THE LICENSEE BE CLEARLY REQUIRED TO MAKE PRIVILEGE TAX PAYMENTS AS ANY OTHER SUCH MANUFACTURER.

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EXHIBIT A - Proposed Amendments  
HB 2284 1 page 1:30 p.m.  
FEBRUARY 7, 1985 HR "F"  
HOUSE COMMITTEE ON CONSUMER &  
BUSINESS AFFAIRS

BUSINESS

# The Comeback of Local Microbreweries

The alarmingly bland similarity between the products of the big brewers, be they Strohs, Millers or Bud, really puts a damper on those of us who like a little diversity in our suds.

by Robin Willis

## Prelude

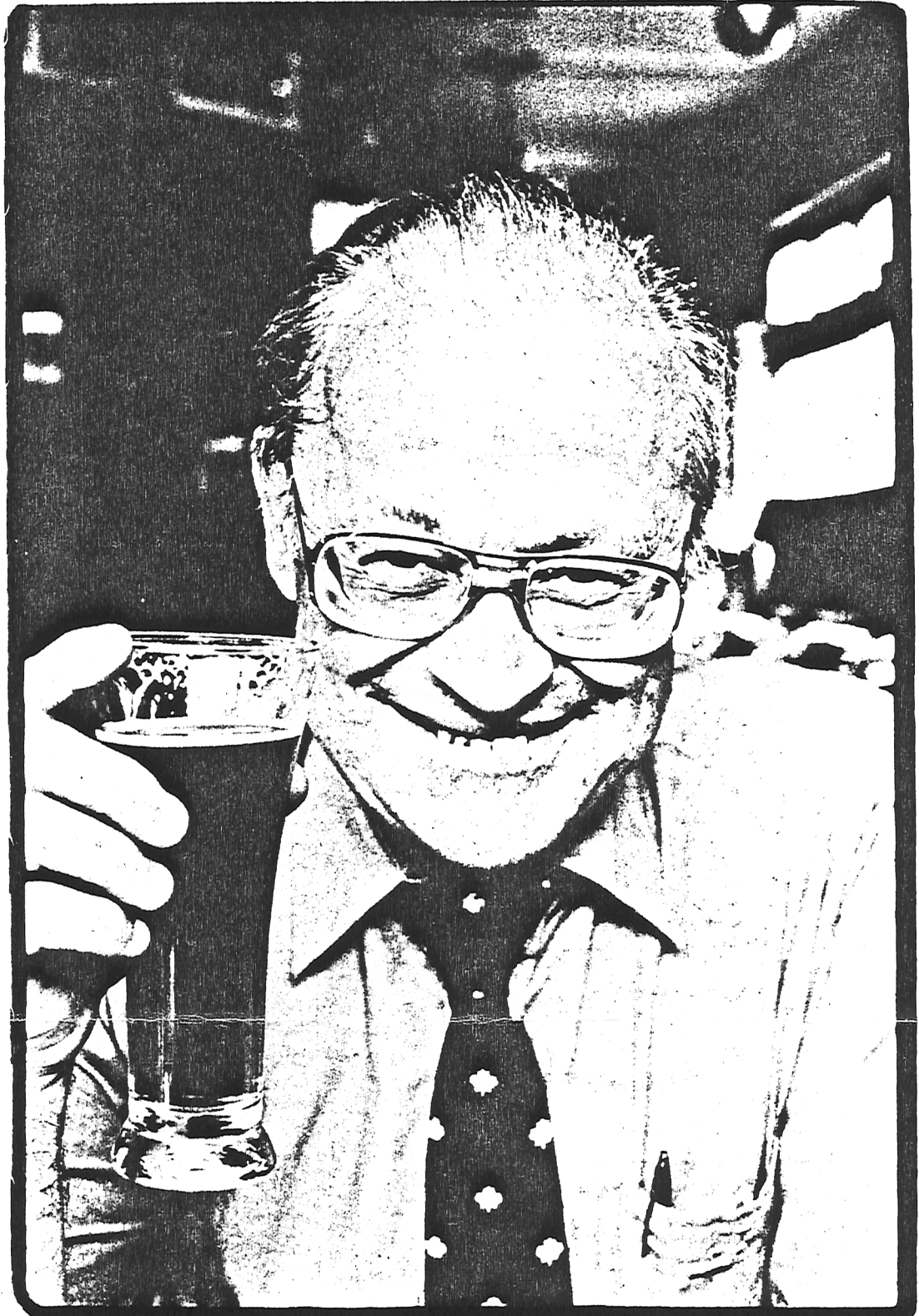
*I HAVE BEEN DRINKING IMPORTED beer since my illegal introduction to Watney's Red Barrel at the tender age of 17. Having purchased bogus identification from an honor student connection, my friends and I maturely swaggered into Produce Row one Spring evening. A couple of delicatessens, like Pierie's on 39th and Powell, had a good selection of imports but at that time the Row was Portland's only tavern specializing in exotic beers.*

*Looking all of 14 years old, it should have come as no surprise that it would be necessary to surrender both pieces of counterfeit i.d. for the perusal of the suspicious barkeep. As the bartender scanned that poor imitation, complete with erratic attempts at regulation perforation made with my first grade pair of "lefty" snubnose safety scissors, I was convinced that at any moment a Thompson-toting Elliot Ness would bust through the kitchen door, brandish an OLCC shield, loudly proclaim: "Freeze minor, you're under arrest," throw me down on the beer-sticky carpet, cuff me and take me to the slammer. Thankfully I got my bottle of Watney's and I've been addicted to imports and specialty beers ever since....*

## Some Historical Perspective

After 1863 and until Prohibition in 1920, Portland always had at least six breweries operating at any one time. They included names like Gambrianus, Humbolt, East Portland, Philadelphia, The United States Brewery (formerly the Eagle Brewery), Wilhelm's (also known as the Sellwood Brewery and later, as the Mt. Hood Brewery), the Star Brewery and the Oregon Steam Brewing Company, not to mention two exclusive brewers of Wiess beer (a beer brewed with a large portion of malted wheat in addition to the usual barley). Most breweries found it difficult to remain in business once federal, county and state laws made the entire industry illegal. Pro-

Continued on next page.



Bert Grant, creator and brewer of Grant's Ale, Imperial Stout and Celtic Ale, enjoys a glass at Bogart's.

LISA STONE

# PORTLAND OPERA

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Comic Opera

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(In English)

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October 3, 6  
8 pm

Portland Civic Auditorium



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Continued from last page.

hibition, all told, shut down more than 900 saloons and 18 breweries in Oregon alone.

Henry Weinhard, born in 1830 in Worttemberg, Germany, came to the Portland area in 1856. Working at Muench's Brewery in Vancouver, he eventually bought the joint, sold it and after a long string of mergers, buyouts and partnerships (this type of thing seems to be standard operating procedure in the pre-Prohibition brewing industry) and eventually became the proprietor of the City Brewery in Portland, under the directorship of his son-in-law, Paul Wessinger (the grandfather of the current President, Fred Wessinger). After merging with Arnold Blitz's Portland Brewing Company, the firm would ride out the long dry spell bottling 7-Up and Coca Cola, concocting Luxo Near Beer and producing crushed fruit drinks. A few other breweries mortally wounded by Prohibition would try to hang on through the Depression but eventually the Blitz Weinhard Company would remain the sole survivor from Portland's pre-Prohibition brewing industry.

Meanwhile in St. Louis, Adolphus Busch, a brewer's supplier who like Weinhard and most other 19th century American brewers, was a German expatriot, would marry Eberhard Anheuser's daughter. Busch, as president of Anheuser-Busch, wanted his "Budweiser," named for a Czechoslovakian brew "Budvar" or in German "Budweis", to be a beer to transcend regional tastes. Unfortunately, he succeeded.

Don't get me wrong, I like an ice cold Bud, a Miller or a Coors on a really hot day just like everyone else (to be honest, I'd rather have a slightly warmer Tsing Tao or a Pilsner Urquell, but hey...) however, the alarmingly bland similarity between the products of the big brewers, be they Strohs, Miller or Bud, really puts a damper on those of us who like a little diversity in our suds. In the American brewing industry the McDonald's syndrome was in full swing until just a few years ago.

### Enter The Micros

The old adage "the best revenge is a well-lived life" applies to the baby boom generation's current fascination with the finer things. Most of us don't regularly march in the streets anymore, but we have been known to hoof it on down to La Panier for baguettes and camembert, or to the Yamhill Market for \$3.75-per-pound Belgian endive or fresh pasta. Personally I haven't torched many flags or draft cards lately, but I did burn the cream sauce last Saturday night.

Whatever the socio-political reasons, the interest in the products of international and domestic speciality brewers has been increasing at an incredible rate over the last few years. Locally, places like the aforementioned Produce Row and Bogart's Joint currently offer 150 different beers. Taverns owned by the McMenamins, such as the Greenway Pub out in Beaverton or the Barley Mill over on Hawthorne, have 25 different beers on tap at each of their locations.

The Northwesterners have always been draught beer drinkers and this, in conjunction with a swing away from the "Bud" clones, has laid the ground work for a revolution in brewing.

Microbreweries, so dubbed by beer

authority Michael Jackson are sprouting in the Northwest faster than barley on a malting floor. At this moment there are five operating micros in British Columbia and Washington state: Bert Grant's Yakima Brewing and Malting Company; Michael Hale's Hale's Ale in Eastern Washington; Gordon Bowker and Paul Shipman's Red Hook, Black Hook and Ballard Bitter from their Independent Ale Brewing Company in Seattle; Mountain Ale from Ralph Berezan in Surrey, B.C. and John Mitchells' Spinnaker Ale in Victoria and Horseshoe Bay Ale at his Brewpub on Horseshoe Bay, just north of Vancouver, B.C.

The Portland area has not been left behind in this micro brew-off. Across the river in Vancouver, employees of Great Western Malting and the Falstaff General Brewery, plus a few thirsty businessmen, got together and contracted General to brew a beer to their specifications. With a recipe by Great Western's Terry O'Brien, their Smith and Reilly's differs from all the other local microbrews in that it is a lager, all the rest are ales. Vintner Richard Ponzi and his Columbia River Brewery under the brewmanship of young Karl Ockert, a graduate of Dr. Michael Lewis' famed brewing department at U.C. Davis will soon (perhaps as you read this) be in production of a yet unnamed amber ale. A few blocks away, the Portland Brewing Company, under the direction of Fred Bowman and Art Larrance, will begin brewing Grant's products as well as their own distinctive Portland Ale through a licensing agreement with the Yakima Brewing And Malting Company.

### What Is A Microbrewery

A microbrewery is a tiny operation, producing anywhere from 1,000 to 6,000 36-gallon barrels annually. The micro/major cutoff is an arbitrary figure but if you compare this with the current yearly output of Anheuser-Busch of 50 million barrels, it's easy to see just how much of a threat Bert Grant and the rest of these pioneer proponents of real beer are to the national brands.

Nonetheless, Grant's operation is thriving, cranking out three batches a day of Scottish Ale, Imperial Stout, India Pale Ale, and the recently introduced, low alcohol Celtic Ale, not to mention a host of unfortunately limited production brews, like the much missed Light American Stout.

Not all micros have fared as well as Grant's. Two of the first, Charles Corry's Cartwright Brewery in Portland and Jack McAuliffe's New Albion in Sonoma, California, succumbed to inconsistent quality and to the incredible complexity and expense of bottling. All of the current crop of Northwest micros are draught-only operations, producing only in kegs, which as an added benefit, sneaks around the Oregon law that requires all bottled beers to be submitted to pasteurization. This is a terrible process that cooks away a good portion of beer's freshness and character.

Nationally 2.26 percent of all beer consumed is imported. Some industry sources predict that this figure could rise as high as 15 percent in the near future. With demographics like this it's no wonder that the national and larger regional brewers have caught on to this

### TRADITIONAL ENGLISH ALE

Ingredients: Barley Malt, Hops, Yeast and Water

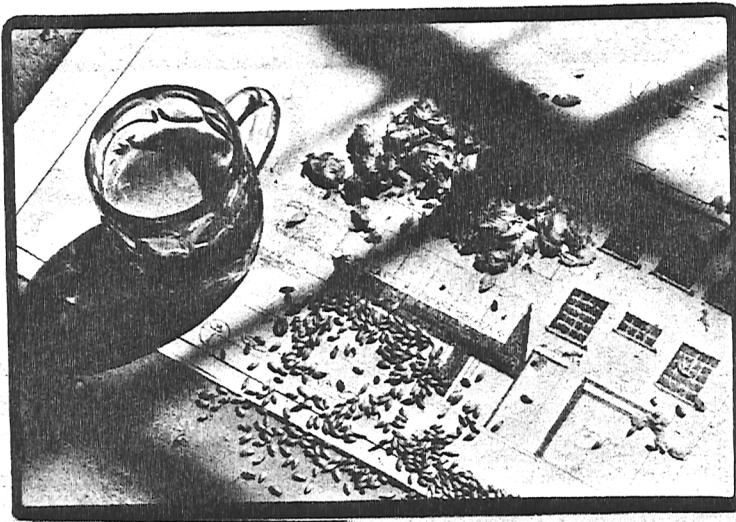


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ROBIN WILLIS

## Several examples of microbrewing occur at our very doorsteps.

potential market. Blitz-Weinhard, which was purchased by Papst, who in turn was bought by the giant Heileman's of LaCrosse, Wisconsin is one of these. With Henry Wienhard's great-grandson as President, Blitz was one of the first domestic brewers to attempt to break into the burgeoning import and specialty market. Its product, Henry Wienhard's Private Reserve, has spawned a number of imitators, most notable, Miller's Special Reserve and Coors' Herman Joseph's. With Wienhard's Ireland Style Light Ale being test-marketed in Sacramento, Blitz is once again trying to deepen its niche in the specialty market. Columbia's Carl Ockert, who shares

what I perceive as an industry wide brewers esprit de corp, does not fear increased competition for tap space but worries that with this boom in microbrewing and with the inherent complexity and relative delicacy of brewing beer, future brewers might not share his concern for quality. Ockert's anxiety over the future may be justified but as it stands now all of the microbrewers are producing very good to excellent products. Some like Bert Grant are turning out definitive examples of their chosen style.

### Ales and Lagers

THERE ARE TWO BASIC TYPES

of beers; ales and lagers. The difference between the two is primarily in how they are fermented, the process by which yeast converts the sugars of germinated grains, barley for the most part, into alcohol.

In the 15th century German monks discovered that if they chilled the fermenting beer (they had ice caves handy) the yeast would tend to stay at the bottom of the vat. This excited the monks because they could now spend more time on crossword puzzles and their bi-weekly football tournaments and less time skimming icky bieve goo off their beer. Bottom fermenting yeasts enjoy working at around 40 to 47

degrees.

After a week or two the "green" beer is racked into a secondary fermentation vessel where it is "lagered" (lager means to store in German) at near freezing temperatures for up to five months, although some American brewers have been known to crank out the stuff in as little as two weeks.

The vast majority of beers made internationally are lagers.

Ales are made with wild and unpredictable yeasts known for their propensity for mutating into new life forms at the drop of a hydrometer. These unruly strains work at the top of the vessel, slugging it out at higher temperatures, around 59 to 68 degrees.

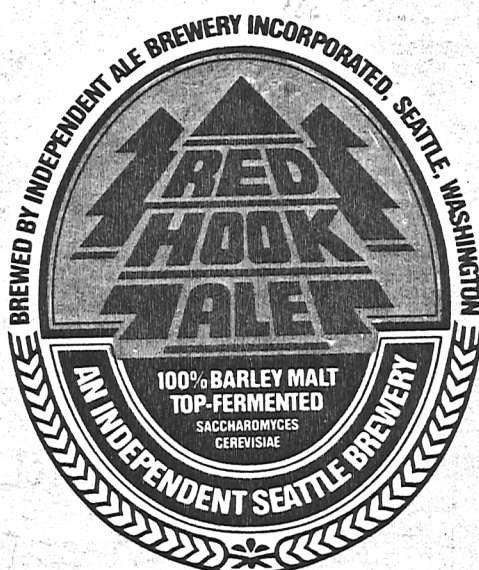
After the primary fermentation is complete, the ale is conditioned for a whopping three or four days and then hurried to either kegs or bottles. Most ales are at their best when drunk as soon as possible, others take kindly to being stored in a cellar like good red wines.

The occasional ales of the larger regional and national brewers can be anything from blends of lager and traditional top-fermented ale (like the Eastern cream ales) to standard lagers with a dash of caramel for color.

Bottom fermented American ales like Blitz's new Weinhard's Ale and Killian's from Coors, although tasty enough, are really not ales in the traditional sense. Rainier Ale, brewed at ale temperature but with a lager yeast, is a strange hybrid. Some believe it is this very process that causes one of the "Green

See Ales & Lager, page 17

**BLACKHOOK**  
**PORTER**



PORTLAND  
DISTRIBUTING  
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The Independent Ale Brewery, Seattle, Washington  
in recognition of its beautiful world class brews.

For more information call 283-2471.

# An Interview With Bert Grant

It appears the beer industry is undergoing a phenomenon quite unlike most other industries—Some are opting instead for smaller, because it means more taste.

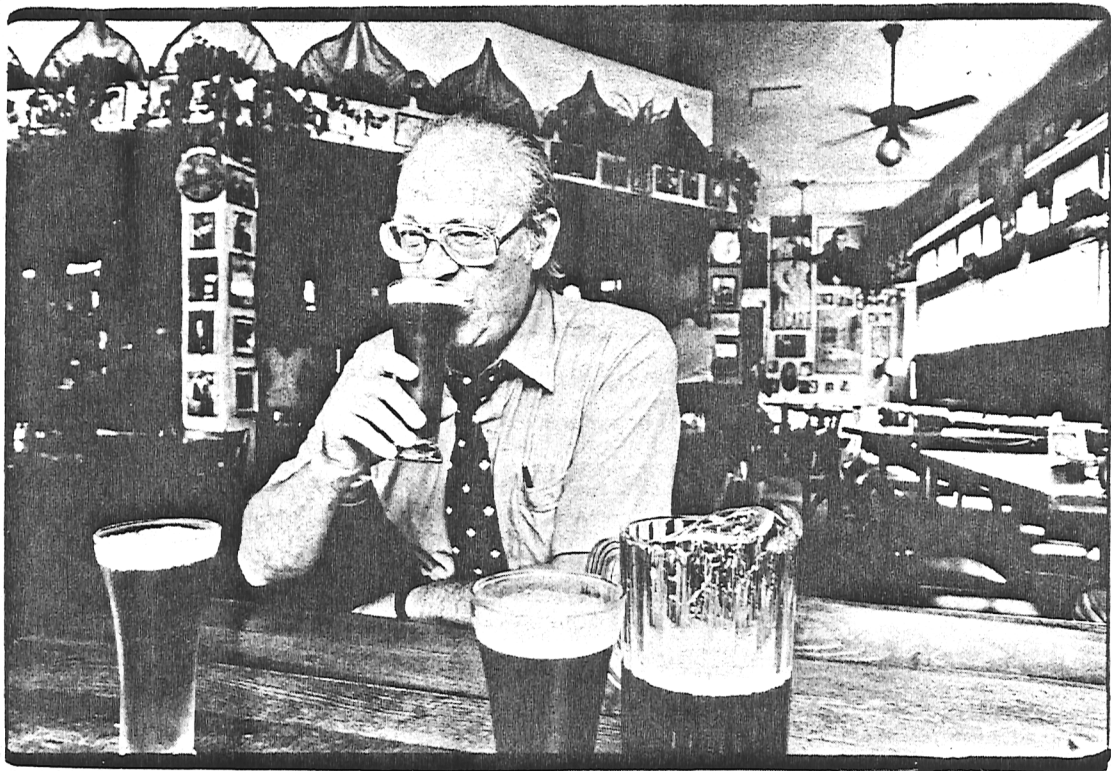
BERT GRANT, BORN IN DUNDEE, Scotland, and raised in Toronto, has been involved in the brewing industry since he was 16 years old. Graduating from high school a year-and-a-half early, he immediately went to work for Carling's, which is now part of Canadian Breweries.

After 15 years in microbiological experimentation he left to become Director of Research at Stroh's Brewery in Detroit.

He left Stroh's to pursue a career as a private brewing consultant. Guinness, Anheuser-Busch, Schaeffer and Carling were some of his notable clients.

In 1967 he moved to Yakima where he helped develop the process of hop extraction. In 1973 he joined Steiner Hops in their hop pelletizing operation. Still employed by Steiner, Bert opened the Yakima Brewing and Malting Company in 1982.

Gifted photographer and hardened drinker Lisa Stone and I met Bert next



LISA STONE

“Economics, schmeekonomics...”

• GRANT'S ALE • GRANT'S RUSSIAN IMPERIAL STOUT • RED HOOK • BALLARD BITTER • SMITH & REILLY • MOUNTAIN ALE •

a Pub!

Featuring Ales, Stouts and Beers from through out the WORLD as well as Bangers, Meat Pies and Scotch Eggs

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door to the soon-to-be-home of the Portland Brewing Company, the first licensee of Grant's products, at Bogart's Joint.

—Robin Willis

MMM: You're still working at Steiner?  
 Bert: At Steiner Hops . . . I'm technical director for worldwide operations, so I still go over to Germany and England once in awhile, consult on the production of hop pellets, extracts and how to use them in beers. I'm finally getting through to some of them. That's the interesting thing. I've been talking to these brewers for the past 20 years about using more hops and they keep saying that if you make it more bitter people won't drink it. Grant's has five times the bitterness —  
 MMM: I had noticed. That's what hit me first, the after taste, and yet it wasn't. . . .  
 Bert: No, it's not unpleasant. That's what disappoints me so damn much about Henry Weinhard's. . . I helped design the original one. I helped Jack Daniels with the first Henry Weinhard's. We went in and we determined that it was going to have some hop character. . . it was going to be all Cascade's, it was going to be all malt, and it was going to be a real quality product right from day one. But it went down even before Jack left a couple of years ago. It went down in quality. I think the accountants got at it.

MMM: Who owns that now? Pabst?  
 Bert: Heileman's.  
 MMM: It seems as though Heileman's owns everybody that Budweiser doesn't.  
 Bert: Heileman, Budweiser, Stroh's and Miller—among the four of them, they control 70 or 80 percent of the beers. Frightening. But we're still holding out.  
 MMM: It's obvious now that Americans have decided that they like a more flavorful beer, a beer with some character. It seems that the big brewers are hanging on to the notion that they don't.  
 Bert: Well of course the big breweries are stuck with this idea that it's got to sell massive amounts to make any money on it. Well, Coors is typical. About four years ago Coors had the concept of this Killian's Ale; I was at that time a very good friend of the guy who was Coors' chief brewing engineer, and we made some trials on what the ale should be. . . we had the idea that they should make it in small quantities in an especially-built brewery and keep it something like what Grant's is like now—this was before I made Grant's Ale. The idea was to make a small brewery inside the Coors Brewery which would be devoted to making a real ale. But the accountants just blew up. Then we started making some trial brews

Continued on next page.



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# ALES & LAGERS

Continued from page 15)

Death's" more interesting side effects — total and complete blindness. Just kidding.

If all this talk of beer and brewing has engaged your appetite, you might think about trying your own hand at brewing. Wine-Art over on Northeast Broadway and Steinbart's on Sixth and Southeast Salmon are the unofficial local headquarters for the evergrowing legions of home brewers.

For starters I'd pick up a copy of Bryon Burch's *Quality Brewing* and Portland's own nationally known beer

authority Fred Eckhart's, *A Treatise on Lager Beers*. After you've done it awhile, buy Dave Line's *Big Book of Brewing*, the definitive work on top-fermented beers.

You've also got to have both of Michael Jackson's books, *The World Guide to Beer* and *The Pocket Guide to Beer*. Powell's Books has got quite a few copies of the *World Guide* remaindered in their budget section, so grab one before they read this and move the whole lot back to full price land. Fred Eckhart, in addition to his *Treatise*, publishes a number of different newsletters and quarterlies all of which are excellent and available at Wine-Art.



CALAHAN

"You are suspected of drunken driving. Any jokes you tell can and will be used against you in a court of law."

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AS ONE OF THE SPECIALISTS PRACTICING at Common Ground, Simon Menasche, L.M.T., counselor, yoga teacher and bodywork therapist, has a long and varied background in life studies. From his intensive explorations in philosophy, psychology and religion, he has created a strong and fluent synthesis of many practices and points of view to help people gain access to their well-spring of happiness and power. For example, his counseling practice is clearly influenced by meditation skills, while his yoga classes naturally incorporate gestalt psychology. He is skilled in Swedish massage, polarity, deep tissue work and kinetic massage, and employs these techniques either alone or in conjunction with psychotherapy. In counseling, he uses gestalt therapy modified by Kurtz's Body-Centered Psychotherapy, and the awareness techniques of Vipassana (Insight) meditation.

IN ADDITION TO PRIVATE CONSULTATIONS, Mr. Menasche also teaches classes. The following classes are offered regularly:

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understanding of the asanas (postures). The form is both dynamic and contemplative, disciplined and free, energizing and nurturing. Beginning Level starts Sept. 18, Tuesday 6-7:30 pm, 6 wks. \$24 or Thursdays, 6-7:30 pm, all levels, starts Sept. 20, 12 wks. \$40.

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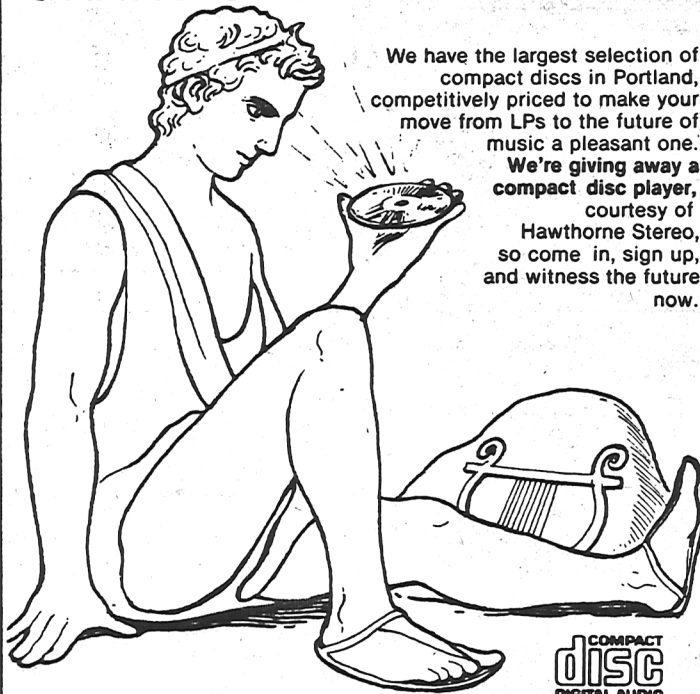
For more information on any of the available services or classes at Common Ground please call 238-4010, especially you who are tired of ruts and are ready to move.

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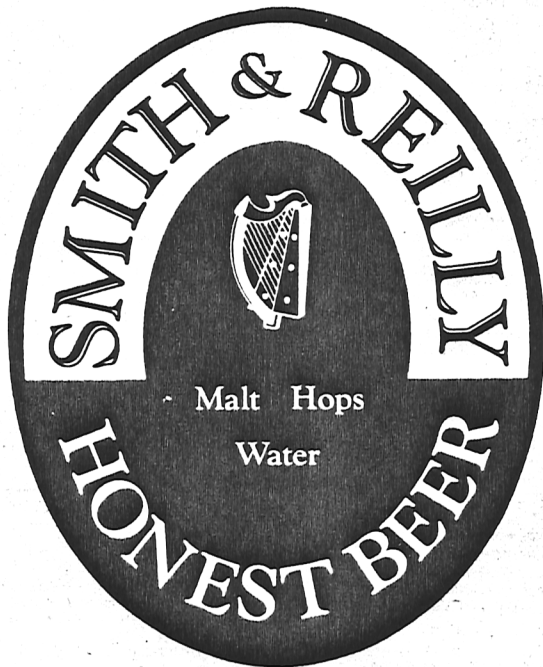
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# BERT GRANT

**"You don't want to starve the yeast, you don't want to make it unhappy. There is nothing worse than hungry yeast."**

Continued from last page

and Joe Coors didn't like any of them, so they ended up making regular Coors, adding some caramel malt and calling it Killian's Ale. It's totally against the principle of making a different specialty product. Now they face the problem that to make this Killian's, they can only make it in batches of 5-or-10,000 barrels at a time, and the sales aren't that good, so they're only making one batch a month or something. By the time the beer gets off the premises, it's a month too old to start with. They're turning out something that is far, far from being ale and they're saddled with this concept that they can't make anything less than large quantities at a time and if the market is only 5,000 barrels a month then the beer is too old before it gets out. It's just a dumb way of doing it. This is why I'm not the least afraid for our plant or the new Portland Brewing Company, or Sierra Nevada, or any of the micros, as far as the big breweries coming in and competing with us... because I don't think their management or the accountants would let them make something like this.

MMM: *Blitz has plans for an ale—*

Bert: They're competing with Killian's. There are lots of them talking about it. Stroh's is bringing back the Erlanger, the Schlitz Super Premium, but they still don't have enough guts to put enough hops in it. I don't see it being a problem... they'll never come up with this kind of flavor, not in my lifetime.

MMM: *Do you think it's an economic thing? You have to have a lot of goodies in this stuff...*

Bert: Economics, schmeconomics... it costs twice as much, but we sell it for twice as much.

MMM: *How's the brewery doing?*

Bert: Well, we've always just had one problem, and that's not making enough beer.

MMM: *Are you going to expand?*

Bert: We've expanded a lot. We started out doing 20 kegs a week and we're now doing 125 kegs a week. Pretty soon we'll be up to 150. We're doing three brews a day. We had two people, now we have four.

MMM: *Do you think that the Portland Brewing Company will be able to support itself?*

Bert: They'll make money. We've been making money since six months after we started. Not many new businesses do that.

MMM: *Do you plan to begin licensing breweries in other cities?*

Bert: We've got a couple under discussion in Canada, a couple back east, but we

haven't gone as far as we have with the Portland group. We want to see how Portland works out first before we sign anymore licensing agreements. I'm in no hurry; sit back and make good beer and drink it. We don't have to be in a hurry. MMM: *The big American brewers have the finances and technology available to brew just about anything they want. They could brew beer comparable to anything that Holland or Germany puts out in the way of lagers. Why don't they?* Bert: A lot of them back east used to. Back in the '40s and '50s, the eastern breweries made the equivalent to a good northern German beer. Then they got the idea they have to compete with Budweiser.

MMM: *Was Budweiser always as it is now? Has it always been a real light beer?* Bert: Bitterness is down a little bit, but not much. Bud is probably the most standardized beer. Stroh, in the '50s was a much stronger flavored beer than it is now. But Budweiser has changed only slightly in the past 40 years. And that's been the one everyone's been shooting for. It's light-colored, very pale, very clean-looking, a very drinkable beer. Everybody's been trying to duplicate Bud, and that's what has killed the industry. They shouldn't have been trying to duplicate Bud, they should be competing with it with something else.

MMM: *Look at that foam! Is there a lot of carbonation in Grant's Ale or what?*

Bert: It's not carbonation. It's a very high viscosity beer. You notice, when that ebb falls, you'll have a full glass of beer. If that were Miller and you had that much foam, you wouldn't even see the beer level go up because it has a very light foam. Taste that foam; it has a lot of flavor to it. It's a different kind of an animal.

MMM: *Where did you get your original yeast?*

Bert: I developed the yeast. As chief microbiologist for Carlings, I did a lot of yeast. I took the best yeasts and shipped them to my friends in England. Later, when I got into brewing this four or five years ago, I went to them and picked out exactly what I wanted.

MMM: *It's amazing that you can maintain the flavor of Grant's Ale so consistently. It's always the same. Does that have a lot to do with the yeast?*

Bert: Oh, yeah. The design of the equipment and the yeast are the two big factors. Keep the yeast happy and it'll do what you want it to. You don't want to starve the yeast, you don't want to make it unhappy. There's nothing worse than hungry yeast.



SENATE COMMITTEE  
ON  
BUSINESS, HOUSING AND FINANCE

April 11, 1985  
Tapes 51 - 52

Hearing Room 343  
State Capitol

MEMBERS PRESENT: SEN. JOYCE COHEN CHAIRPERSON  
SEN. GLENN OTTO, VICE CHAIRPERSON  
SEN. L.B. DAY  
SEN. WILLIAM (BILL) FRYE  
SEN. JIM SIMMONS

STAFF PRESENT: BRAD HIGBEE, ADMINISTRATOR  
CAROL PARSONS, ASSISTANT

WITNESSES: NAME & TITLE  
RICHARD PONZI, COLUMBIA RIVER BREWERY  
REP. WERNER ANDERSON  
CHARLES KURTZ, OLCC  
ROGER AUERBACH, FOOD FRONT COOPERATIVE GROCERY  
ROGER BROOKS, CORPORATION COMMISSION  
REP. TOM MASON

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TAPE 51, SIDE A

010 COMMITTEE CHAIRPERSON COHEN called the meeting to order at  
2:20 P.M.

HB 2284 - Relating to malt beverages.

011 RICHARD PONZI, Columbia River Brewery, Portland, stated  
the brewery had been operating since November of 1984. He spoke in  
favor of HB 2284. Mr. Ponzi presented a copy of the California  
Assembly Bill No. 3610, EXHIBIT A, on which HB 2284 is patterned.  
There are numbers of small breweris returning to compete with  
specialty and import beers. The original intent was to sell retail  
as well as wholesale and wholesale has been omitted in the bill. He  
wished to have the bill revised to reflect the wholesale sales,  
adding on page 1, line 15, 'to store, transport, sell at wholesale,  
distribute to licensees of the commission and export'.

083 CHAIRPERSON COHEN stated the suggested changes go way  
beyond wholesale.

098 SEN. FRYE asked if the bill had anything to do with the  
ban on unpasteurized beersales in grocery stores.

101 MR. PONZI said it has nothing to do with it. Mr. Ponzi  
and Sen. Frye discussed a brewery public house license. MR. PONZI

in response to SEN. DAY said that they are discussing keg beer and keg beer is unpastuerized.

151 REP. WERNER ANDERSON spoke in favor of HB 2284.

190 CHARLES KURTZ, Asst. Dir., License Division, OLCC, presented written testimony with suggested amendments to HB 2284, EXHIBIT B.

220 CHAIRPERSON COHEN asked Mr. Kurtz to check the wording on special retail malt beverage license. Also discussed was organized crime and the liquor control laws that try to prevent any type of control.

SB 334 - Relating to securities.

304 BRAD HIGBEE, Committee Administrator, presented two amendments to SB 334, SB 334-6 and SB 334-7, EXHIBIT S C and D, and explained their contents and how they would effect the existing bill. The definition of a fishing cooperative was worked out with Mr. Chandler who had appeared earlier on behalf of the bill.

327 BILL BROOKS, Senior Securities Examiner, Corporation Division, said the division had reviewed the definition and there are no problems with the definition as far as the division is concerned.

353 ROGER AUERBACH, Memeber, Board of Directors, Food Front, Portland, presented written testimony in support of SB 334, EXHIBIT E, and the amendment, SB 334-7, EXHIBIT D.

Tape 52, Side B

010 SEN. FRYE and MR. AUERBACH discussed membership requirements, and explained that they do not sell stock, thus the exemption from the Corporation Commission.

042 SEN. DAY asked what protection the people who buy memberships have against someone leaving in the middle of the night.

044 MR. AUERBACH replied that they tried to narrow under what conditions the membership certificates could be offered.

069 SEN. DAY suggested a type of performance bond or surety bond to provide protection when the cooperative is not registered with the corporation commission.

075 MR. AUERBACH replied that he would have to know how they apply in other instances because there is no requirement under current statute that anyone post a security bond.

200 CHAIRPERSON COHEN closed the hearing on SB 334 and returned to HB 2284.

HB 2284 - Relating to malt beverages.

210 REP. TOM MASON spoke in support of HB 2284, allowing micro-brewerys to sell some of their product on the premises.

238 CHAIRPERSON COHEN closed the hearing on HB 2284, and rescheduled the remaining bills on the agenda for the next Tuesday.

215 CHAIR COHEN adjourned the meeting at 3:07 p.m.

Submitted by,



Carol A. Parsons  
Committee Assistant

EXHIBIT SUMMARY

- A - Information, Ponzi, HB 2284
- B - Testimony, Kurtz, OLCC, HB 2284
- C - Proposed amendments, Staff, SB 334
- D - Proposed amendments, Staff, SB 334
- E - Testimony, Auerbach, SB 334

VOTE: There being no objection, the motion was adopted.

140 MOTION: SENATOR OTTO moved Senate Bill 341, as amended, to the floor with a Do Pass recommendation.

VOTE: The motion carried with all members present voting aye, Senator Simmons excused.

159 CHAIR COHEN suggested that those who have indicated an interest to the bill should be notified that the amendments have changed the bill considerably.

HB 2284 - Relating to malt beverages

179 PAUL ROMAIN, Oregon Beer & Wine Distributors Association, presented amendments, HB 2284A-3, EXHIBIT E, to carry out the original intent of the bill, create a different license for an industry beginning in Oregon to experiment. He noted that the industry gets very nervous about those getting more privileges than others in the industry are entitled to.

211 MOTION: CHAIR OTTO moved that HB 2284A be postponed indefinitely.

VOTE: The motion carried with Senators Day, Frye and Otto voting aye, Senator Cohen voting nay and Senator Simmons excused.

SB 901 - Relating to special districts

238 CHAIR COHEN was not particularly supportive of the idea behind SB 901. CHAIR OTTO wasn't sure who the people are that want this bill. SENATOR FRYE indicated he was not enthusiastic about it either. CHAIR COHEN agreed to leave the bill for another time.

325 SENATOR SIMMONS returned to the meeting.

SB 757 - Relating to retail sales

275 CHAIR COHEN had some problems with SB 757, as it relates to the 180 days.

295 SENATOR FRYE agreed that was one, but not his only concern. SENATOR FRYE didn't like the list of collection costs, because there is no way for the consumer who enters into the contract to have any idea whatsoever what this could end up costing them.

310 SENATOR DAY indicated he was not enthusiastic about the bill, either.

313 SENATOR SIMMONS pointed out that it won't cost the consumer anything if the consumer pays promptly. The only time the

Current

## Assembly Bill No. 3610

## CHAPTER 1019

An act to amend Section 23357 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 13, 1982. Filed with Secretary of State September 14, 1982.]

## LEGISLATIVE COUNSEL'S DIGEST

AB 3610, Bates. Alcoholic beverages.

Existing law authorizes licensed beer manufacturers to sell beer to any person holding a license authorizing the sale of beer and to consumers for consumption on the manufacturer's premises or on the premises which are contiguous to those licensed premises. The law authorizes the beer manufacturer to sell only those beverages that are packaged by or for him or her.

This bill would, in addition, authorize a beer manufacturer to sell beer and wine, regardless of source, to consumers for consumption at a bona fide public eating place on the manufacturer's licensed premises, or at a bona fide public eating place on premises owned by the manufacturer, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. Section 23357 of the Business and Professions Code is amended to read:

23357. Licensed beer manufacturers may also sell beer to any person holding a license authorizing the sale of beer and may sell beer to consumers for consumption on the manufacturer's licensed premises or on premises owned by the manufacturer which are contiguous to the licensed premises and which are operated by and for the manufacturer. Licensed beer manufacturers may also sell beer and wine, regardless of source, to consumers for consumption at a bona fide public eating place on the manufacturer's licensed premises or at a bona fide public eating place on premises owned by the manufacturer which are contiguous to the licensed premises and which are operated by and for the manufacturer.

66.28.010 ALCOHOLIC BEVERAGE CONTROL

his business upon property in which any manufacturer, importer, or wholesaler has any interest. Except as provided in subsection (3) of this section, no manufacturer, importer, or wholesaler shall advance moneys or moneys' worth to a licensed person under an arrangement, nor shall such licensed person receive, under an arrangement, an advance of moneys or moneys' worth. *Provided*, That "person" as used in this section only shall not include those state or federally chartered banks, state or federally chartered savings and loan associations, state or federally chartered mutual savings banks, or institutional investors which are not controlled directly or indirectly by a manufacturer, importer, or wholesaler as long as the bank, savings and loan association, or institutional investor does not influence or attempt to influence the purchasing practices of the retailer with respect to alcoholic beverages. No manufacturer, importer, or wholesaler shall be eligible to receive or hold a retail license under this title, nor shall such manufacturer, importer, or wholesaler sell at retail any liquor as herein defined. *Provided*, That nothing in this section shall prohibit a licensed brewer or domestic winery from being licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of selling beer or wine of its own production at retail on the brewery or winery premises. Such beer and wine so sold at retail shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210 and to reporting and bonding requirements as prescribed by regulations adopted by the board pursuant to chapter 34.04 RCW. *Provided further*, That nothing in this section shall prohibit a licensed brewer or domestic winery, or a lessee of a licensed brewer or domestic winery, from being licensed as a class II restaurant pursuant to chapter 66.24 RCW for the purpose of selling liquor at a class II premises on the property on which the primary manufacturing facility of the licensed brewer or domestic winery is located or on contiguous property owned by the licensed brewer or domestic winery as prescribed by regulations adopted by the board pursuant to chapter 34.04 RCW.

(2) Financial interest, direct or indirect, as used in this section, shall include any interest, whether by stock ownership, mortgage, lien, or through interlocking directors, or otherwise. Pursuant to rules promulgated by the board in accordance with chapter 34.04 RCW manufacturers, wholesalers and importers may perform, and retailers may accept the service of building, rotating and restocking case displays and stock room inventories, rotating and rearranging can and bottle displays of their own products, provide point of sale material and brand signs, price case goods of their own brands, and perform such similar normal business services as the board may by regulation prescribe.

(3)(a) This section does not prohibit a manufacturer, importer, or wholesaler from providing services to a class G or J retail licensee for: (i) Installation of draft beer dispensing equipment or advertising, (ii) advertising, pouring or dispensing of wine at a wine tasting exhibition or judging event, or (iii) a class G or J retail licensee from receiving any such services as may be provided by a manufacturer, importer, or wholesaler. *Provided*, That nothing in this section shall prohibit a retail licensee, or any person financially interested, directly or indirectly, in such a retail licensee from having a financial interest, direct or indirect, in a business which provides for a compensation commensurate in value to the services provided, bottling, canning or other services to a manufacturer, so long as the retail licensee or person interested therein has no direct financial interest in or control of said manufacturer.

(b) The board shall adopt such rules as are deemed necessary to carry out the purposes and provisions of subsection (3)(a) of this section in accordance with the administrative procedure act, chapter 34.04 RCW.

[Amended by Laws 1st Ex Sess 1975 ch 173 § 6, effective July 1, 1975; Laws 2nd Ex Sess 1975-76 ch 74 § 3, effective July 1, 1976; Laws Ex Sess 1977 ch 219 § 2; Laws 1982 ch 85 § 7, effective March 27, 1982.]

ALCOHOLIC BEVERAGE CONTROL 66.28.040

Effective date—1975-76 2nd ex. s. c. 74. See note following RCW 66.24.310.

Severability—Effective date—1975 1st ex. s. c. 173. See notes following RCW 66.08.050.

Giving away of liquor prohibited—Exceptions: RCWA 66.24.040. Ops. Atty Gen 1979 LO No. 1 (neither RCWA 66.28.010 nor RCWA 66.28.020 prohibit a person who has a contract vendor's interest in a restaurant holding a retail liquor license in the state of Arizona from legally serving as a licensed agent of a wine wholesaler and importer in the state of Washington).

Ops Atty Gen 1979 LO No. 19 (RCWA 66.28.010 does not preclude the continued retail liquor licensure of a person who, subsequent to receiving a license, marries a person who is employed by a beer wholesaler as a truck driver).

66.28.020 Persons interested or dealing in distilled spirits barred from interest in brewery or beer wholesaler's business

or location—Advances prohibited—Exception [Repealed]

Amended by Laws Ex Sess 1969 ch 173, § 12, ch 275 § 1; Laws Ex Sess 1979 ch 23 § 1; and repealed by Laws 1982 ch 85 § 12(1), effective March 27, 1982.

66.28.025 Persons interested in business property or location, etc., of wine wholesaler—Advances—Exceptions [Repealed]

Added by Laws Ex Sess 1969 ch 21 § 14, amended by Laws Ex Sess 1969 ch 275, § 3, Laws 1st Ex Sess 1975 ch 173 § 7, Laws 2nd Ex Sess 1975-76 ch 62 § 1, and repealed by Laws 1982 ch 85 § 12(2), effective March 27, 1982.

66.28.030 Responsibility of brewers, vintners, manufacturers holding certificate approval and importers for conduct of wholesaler—Penalties

Every licensed brewer, domestic winery, manufacturer holding a certificate of approval, licensed wine importer and licensed beer importer shall be responsible for the conduct of any licensed beer or wine wholesaler in selling or contracting to sell to retail licensees, beer or wine manufactured by such brewer, domestic winery, manufacturer holding a certificate of approval or imported by such beer or wine importer. Where the board finds that any licensed beer or wine wholesaler has violated any of the provisions of this title or of the regulations of the board in selling or contracting to sell beer or wine to retail licensees, the board may, in addition to any punishment inflicted or imposed upon such wholesaler, prohibit the sale of the brand or brands of beer or wine involved in such violation to any or all retail licensees within the trade territory usually served by such wholesaler for such period of time as the board may fix, irrespective of whether the brewer manufacturing such beer or the beer importer importing such beer or the domestic winery manufacturing such wine or the wine importer importing such wine or the certificate of approval holder manufacturing such beer or wine actually participated in such violation. [Amended by Laws 1st Ex Sess 1969 ch 21 § 6, effective July 1, 1969; Laws 1st Ex Sess 1975 ch 173 § 8, effective July 1, 1975.]

Severability—Effective date—1975 1st ex. s. c. 173. See notes following RCW 66.08.050.

Effective date—1969 ex. s. c. 21. The effective date of the 1969 amendment to this section is July 1, 1969, see note following RCW 66.04.010.

66.28.040 Giving away of liquor prohibited—Exceptions

No brewer, wholesaler, distiller, winery, importer, rectifier, or other manufacturer of liquor shall, within the state, by himself, his clerk, servant, or

manufacturer, importer, or distributor of spiritous liquor, or foreign produced beer or wine, as the rules and regulations of the board shall require;

(4) The fee for an agent's license shall be twenty-five dollars per annum;

(5) An accredited representative of a distiller, manufacturer, importer, or distributor of spiritous liquor may, after he has applied for and received an agent's license, contact retail licensees of the board only in goodwill activities pertaining to spiritous liquor products. [1981 1st ex.s. c 5 § 36; 1975-'76 2nd ex.s. c 74 § 1; 1971 ex.s. c 138 § 1; 1969 ex.s. c 21 § 5; 1939 c 172 § 2; 1937 c 217 § 1 (231) (adding new section 23-1 to 1933 ex.s. c 62); RRS § 7306-231.]

**Severability—Effective date—**1981 1st ex.s. c 5: See RCW 66-98.090 and 66.98.100.

**Effective date—**1975-'76 2nd ex.s. c 74: "The effective date of this 1976 amendatory act shall be July 1, 1976." [1975-'76 2nd ex.s. c 74 § 4.]

**RCW 66.24.320 Beer retailer's license—Class A—Fee—Restrictions on selling unpasteurized beer.**

There shall be a beer retailer's license to be designated as a class A license to sell beer at retail, for consumption on the premises and to sell unpasteurized beer for consumption off the premises: *Provided, however,* That unpasteurized beer so sold must be in original sealed packages of the manufacturer or bottler of not less than seven and three-fourths gallons: *And provided further,* That unpasteurized beer may be sold to a purchaser in a sanitary container brought to the premises by the purchaser and filled at the tap by the retailer at the time of sale; such license to be issued only to hotels, restaurants, drug stores or soda fountains, dining places on boats and airplanes, to clubs, and at sports arenas or race tracks during recognized professional athletic events. The annual fee for said license, if issued in cities and towns, shall be graduated according to the population thereof as follows:

Cities and towns	Fee
Less than 20,000	\$150
20,000 or over	\$300

The annual fee for such license, if issued outside of cities and towns, shall be one hundred fifty dollars: *Provided, however,* That the annual license fee for such license, if issued to dining places on vessels not exceeding one thousand gross tons, plying on inland waters of the state of Washington on regular schedules, shall be one hundred fifty dollars. [1981 1st ex.s. c 5 § 37; 1977 ex.s. c 9 § 1; 1969 c 117 § 1; 1967 ex.s. c 75 § 2; 1941 c 220 § 1; 1937 c 217 § 1 (23M) (adding new section 23-M to 1933 ex.s. c 62); Rem. Supp. 1941 § 7306-23M.]

**Severability—Effective date—**1981 1st ex.s. c 5: See RCW 66-98.090 and 66.98.100.

**RCW 66.24.330 Beer retailer's license—Class B—Fee—Restrictions on selling unpasteurized beer.** There shall be a beer retailer's license to be designated as a class B license to sell beer at retail, for consumption

on the premises and to sell unpasteurized beer for consumption off the premises: *Provided, however,* That unpasteurized beer so sold must be in original sealed packages of the manufacturer or bottler of not less than seven and three-fourths gallons: *And provided further,* That unpasteurized beer may be sold to a purchaser in a sanitary container brought to the premises by the purchaser and filled at the tap by the retailer at the time of sale; such license to be issued only to a person operating a tavern. The annual fee for said license, if issued in cities and towns, shall be graduated according to the population thereof as follows:

Cities and towns	Fees
Less than 20,000	\$150
20,000 or over	\$300

The annual fee for such license, if issued outside of cities and towns, shall be one hundred fifty dollars. [1981 1st ex.s. c 5 § 38; 1977 ex.s. c 9 § 2; 1973 1st ex.s. c 209 § 15; 1967 ex.s. c 75 § 3; 1941 c 220 § 2; 1937 c 217 § 1 (23N) (adding new section 23-N to 1933 ex.s. c 62); Rem. Supp. 1941 § 7306-23N.]

**Severability—Effective date—**1981 1st ex.s. c 5: See RCW 66-98.090 and 66.98.100.

**Severability—Effective date—**1973 1st ex.s. c 209: See notes following RCW 66.08.070.

**Effective date—**1967 ex.s. c 75: See note following RCW 66.08.180.

**RCW 66.24.340 Wine retailer's license—Class C—Fee—Removing unconsumed wine, when.**

There shall be a wine retailer's license to be designated as a class C license to sell wine at retail, for consumption on the premises only: *Provided,* That a patron of a hotel, restaurant, or club licensed under this section may remove from the premises recorked or recapped in its original container any portion of wine which was purchased for consumption with a meal; such license to be issued to hotels, restaurants, dining places on boats and airplanes, clubs, and to taverns. The annual fee for said license, when issued in cities and towns, shall be graduated according to the population thereof as follows:

Cities and towns	Fees
Less than 20,000	\$150
20,000 or over	\$300

The annual fee, when issued outside of the limits of cities and towns, shall be one hundred fifty dollars: *Provided, however,* That the annual license fee for such license, if issued to dining places on vessels not exceeding one thousand gross tons plying only on inland waters of the state of Washington on regular schedules, shall be one hundred fifty dollars. [1981 1st ex.s. c 5 § 39; 1981 c 94 § 1; 1977 ex.s. c 9 § 3; 1967 ex.s. c 75 § 4; 1941 c 220 § 3; 1937 c 217 § 1 (23 O) (adding new section 23-O to 1933 ex.s. c 62); Rem. Supp. 1941 § 7306-23-O.]

**Severability—Effective date—**1981 1st ex.s. c 5: See RCW 66-98.090 and 66.98.100.

**Effective date—**1967 ex.s. c 75: See note following RCW 66.08.180.

**RCW 66.24.350 Beer retailer's license—Class D—Fee.** There shall be a beer retailer's license to be designated as class D license to sell pasteurized beer by

# Current Oregon & Brewery & Winery License

~~Text~~ pg 17

(2) Under such conditions as the commission may prescribe, a brewery, winery, distillery or wholesale licensee or applicant, may deposit in lieu of the bond required by subsection (1) of this section, the equivalent value in cash or negotiable securities of a character approved by the State Treasurer. The deposit is to be made in a bank or trust company for the benefit of the commission. Interest on deposited funds or securities shall accrue to the depositor.

(3) The commission may require of every applicant for a license the recommendation in writing of the county court in the event the place of business of the applicant is outside an incorporated city, and of the city council if the place of business of the applicant is within an incorporated city. The commission may take such recommendation into consideration before granting or refusing the license. The applicant shall pay to such recommending authority a fee determined by the governing body of the recommending authority, not to exceed \$25, for each application for a license.

[Amended by 1967 c.359 §693; 1977 c.518 §3; 1979 c.45 §1; 1979 c.264 §5a]

**471.220 Brewery license.** A brewery license shall allow the manufacture, importation, storage, transportation, wholesale sale and distribution to licensees of the commission, and the export of malt beverages containing not more than eight percent of alcohol by weight. No brewery licensee shall sell any malt beverages to be consumed on the licensed premises. However, a brewery licensee may sell malt beverages containing not more than four percent of alcohol by weight, in quantities of not less than five gallons, to any unlicensed organization, lodge, picnic party or private gathering. Such malt beverages shall not be sold by any such unlicensed group. No brewery licensee shall sell within the State of Oregon any beer containing more than four percent of alcohol by weight. [Amended by 1955 c.657 §1; 1977 c.332 §4; 1979 c.264 §4]

**471.223 Winery license.** (1) A winery license shall allow the licensee:

(a) To import, bottle, produce, blend, store, transport or export wines.

(b) To sell wines at wholesale to the commission or to licensees of the commission.

(c) To sell wines at retail directly to the consumer for consumption on or off the licensed premises.

(d) To conduct the activities allowed under paragraph (a), (b) or (c), or all, of this subsection at a second premise as may be designated by the commission.

(e) To purchase from or through the commission brandy or other distilled spirits for fortifying wines.

(f) To obtain a special events winery license which shall entitle the holder to conduct the activities allowed under paragraph (c) of this subsection at a designated location other than the one set forth in the winery license for a period not to exceed five days.

(2) In order to hold a winery license the licensee shall principally produce wine in this state. [1979 c.264 §2]

**471.230 Distillery license.** A distillery license shall allow the holder thereof to import, manufacture, distill, rectify, blend, denature and store spirits of an alcoholic content greater than 17 percent of alcohol by weight, to sell the same to the commission, and to transport the same out of this state for sale outside this state. Distillery licensees shall be permitted to purchase from and through the commission alcoholic liquor and spirits for blending and manufacturing purposes upon such terms and conditions as the commission may provide. No such licensee shall sell any alcoholic liquor within this state except to the commission. However, any agricultural producer or association of agricultural producers or legal agents thereof who manufacture and convert agricultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol for use in the arts and industry shall not be required to obtain a license from the commission.



APRIL 11, 1985

Bill No. HB 2284 Pages 1  
Exhibit B Date 4/11/85 1:00 P.M.  
Presented by CHARLES KURTZ, OLEC

## SENATE BUSINESS, HOUSING &amp; FINANCE COMMITTEE

COMMENTS ON HOUSE BILL 2284 (A-ENGROSSED) BY CHARLES KURTZ, ASSISTANT DIRECTOR,  
LICENSE DIVISION, OREGON LIQUOR CONTROL COMMISSION

THE OREGON LIQUOR CONTROL COMMISSION IS CONCERNED WITH THE PROPOSED LANGUAGE OF SECTION 2, PARAGRAPH 3 OF THIS BILL. IN ITS PRESENT FORM, THE BILL EXEMPTS A HOLDER OF A BREW PUB LICENSE FROM THE RESTRICTIONS OF ORS 471.452, 471.455, 471.456 AND 471.460. THESE STATUTES PROHIBIT LIQUOR MANUFACTURERS OR WHOLESALERS FROM HAVING A FINANCIAL INTEREST IN A RETAIL LIQUOR BUSINESS. THEY LIKEWISE PROHIBIT RETAILERS FROM HAVING FINANCIAL INTEREST IN MANUFACTURING OR WHOLESALE BUSINESSES.

THE BILL APPARENTLY INTENDS TO ALLOW A BREW-PUB LICENSE HOLDER TO ALSO HOLD A RETAIL MALT BEVERAGE LICENSE AS STATED IN SECTION 2, PARAGRAPH 4 OF THE BILL. WE THINK THE PROPOSED LANGUAGE IS OVERLY BROAD AND PROVIDES A "WINDOW" FOR A BREW-PUB LICENSE HOLDER TO OBTAIN FINANCIAL INTEREST IN ANY WHOLESALE OR RETAIL LICENSE. WE SUGGEST THE LANGUAGE BE CHANGED TO READ:

## SECTION 2

(3) NOTWITHSTANDING ORS ~~4~~471.452, 471.455, 471.456 AND 471.460, A LICENSEE UNDER THIS SECTION IS ELIGIBLE FOR A RETAIL MALT BEVERAGE LICENSE.

(4) DELETE.

THIS LANGUAGE ACHIEVES THE INTENDED PURPOSE WITHOUT ALLOWING THE FINANCIAL ASSISTANCE THE STATUTES PROHIBIT.

SENATE BUSINESS, HOUSING AND FINANCE

Legislative Counsel

Bill No. HB 2284 Pages 1  
Exhibit E Date 5/9/85  
Presented by Roman. Or. Beech & Wine Dist.

HB 2284A-3  
5/8/85 (bb)

PROPOSED AMENDMENTS TO A-ENGROSSED HOUSE BILL 2284

2 On page 1 of the printed A-engrossed bill, line 6, after  
3 "premises" insert ", store, transport, sell to wholesale malt  
4 beverage and wine licensees of the commission and export".

5 In line 15, delete "on premises" and insert "at one location".

6 Delete lines 18 and 19 and insert:

7 "(2) A brewery-public house licensee, or any person having an  
8 interest in the licensee, is not eligible for a brewery license  
9 authorized by ORS 471.220 or a wholesale malt beverage and wine  
10 license authorized by ORS 471.235."

11 In line 20, delete "(4)" and insert "(3)" and delete "a" and  
12 insert "one".

13 In line 21, delete "(5)" and insert "(4)".

14 On page 3, line 11, after "House" insert ", including  
15 Certificate of Approval".

16 Delete lines 12 through 16.

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Rep. Tom Mason

SENATE BUSINESS, HOUSING AND FINANCE

Bill No. HB 2284 Pages L  
Exhibit F Date 5/9/85  
Presented by REP. TOM MASON

Legislative Counsel  
HB 2284A-2  
4/15/85 (1b)

1 PROPOSED AMENDMENTS TO A-ENGROSSED HOUSE BILL 2284

2 On page 1 of the printed A-engrossed bill, line 14, delete  
3 "and".

4 After line 14, insert:

5 "(e) To store, transport, sell at wholesale, distribute to  
6 licensees of the commission and export; and".

7 In line 15, delete "(e)" and insert "(f)".

8 In line 20, before the period insert ", and special retail beer  
9 license".

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