



Public Testimony – HB 2264

February 23, 2021

*Given in person via video at House Committee on General Government Meeting

“Chair Wilde and committee members, thank you for the opportunity to speak with you today. For the record, I am Christina LaRue, Executive Director of the Oregon Brewers Guild.

Although we do support the majority of House Bill 2264, there are certain items that we feel need further attention.

Amendment -3

Section 1 ORS 471.001 – we are in support of the revised definition of “malt beverage”, as it will better align with the federal definition. We do ask that on page 2, line 27 – please insert a comma between “glucose” and “sugar”, as they reference individual substitutes for malt.

The alignment of the Oregon and federal definitions of malt beverage is a much needed and welcome change. Oregon craft beer has been one of the hardest hit industries over the past 12 months during the pandemic. With the initial shut down last March, over 90% of draft sales were lost instantaneously. Our members, many of which relied heavily on draft sales as their primary revenue driver, were forced to pivot towards other means of generating revenue, including transitioning into package by bringing in mobile canners, to-go sales, direct to consumer shipping, and home delivery. Some also made the move to start producing hard seltzer. It was only after a recent guidance release from the OLCC that some brewers realized that they were in fact producing a product that fell under the category of “wine” and not “malt beverage” per the Oregon definition, as opposed to malt beverage under the federal definition – in turn, having to deal with two different excise tax categories for one product. Those breweries either then had to apply for their winery licenses or stop manufacturing the product completely. By aligning the Oregon definition with the federal, confusion will be eliminated and breweries will have another option for revenue generation under their current brewery license, which for some, could mean the difference between keeping their heads above water or closing permanently.

Section 2 ORS 471.162 – we are in support of allowing nonprofits or charitable organizations to sell alcoholic beverages without a license for a max number of days in a calendar year; however, we are requesting a total of 45 days max vs the 30 days listed in the current amendment. Under current statute, nonprofits, such as the Oregon Brewers Guild, may acquire a permit for a raffle or auction only once in a 12 month period. As with so many other industries and organizations, the Guild took a major economic hit due to the pandemic. With the inability to hold in-person events over the past year, and the uncertainty of when we will be able to do so safely, we had to make the move to virtual events – which you can imagine do not generate the same amount of revenue. Our first virtual event last May was as successful as it was for two reasons – one, we were on full lockdown and folks were stuck at home with nothing better to do, and two, we were able to raffle off three Oregon Beer boxes – which were full of specialty, one-off donated beers. That revenue, albeit a quarter or less of what our typical festival

events bring in, helped to keep the Guild alive. That being said, our virtual events were not enough to allow us to keep my former co-worker employed.

The Guild was originally going to include language in our Senate Bill 394 allowing for an auction/raffle permit four times a year (once a quarter). Once we had the opportunity to meet with the OLCC regarding their amendment, we felt it mostly supported our need, all but for the maximum days. I know that the difference between 30 and 45 days may not seem like much, but organizations such as the Guild could greatly benefit from the additional 15 days, especially during such economic hardship. The 45 day max could potentially allow us just shy of 12 days per quarter to host an event, pre-sale tickets for an auction or raffle, or pre-sale specialty beer options. Again, with the uncertainty of when we will be able to hold in person events, or what those events will look like, having the ability to increase our revenue, even by just 15 days, could potentially mean keeping folks employed, and in turn, keeping important work, such as the Guild's, moving forward. At this point, each and every day counts.

We also want to ensure that this amendment will not eliminate the ability for nonprofits and charitable organizations to apply for Temporary Sales Licenses for events that happen after the max days have been met.

We would also like to request an emergency clause be added to HB 2264, ensuring it becomes effective upon signature. We feel it is vital for our members and the Guild that these changes take effect as soon as possible.

Chair Wilde and committee members, I greatly appreciate your time and consideration and am happy to take any questions you may have.”

Please feel free to contact Christina LaRue via email or phone (see below) with any questions:

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