



**TESTIMONY CONCERNING
HB 3197
Joint Committee On Addiction and Community Safety Response**

—OPPOSED—

MARCH 25, 2025

The National Association of Wine Retailers (NAWR) opposes House Bill 3197 as an unnecessary and harmful measure that comes at the worst time for the Oregon and national alcohol retail industry.

After a year-long Task Force explored the question of Oregon alcohol taxes and prevention measures in the state, this broad-based group of lawmakers, members of the prevention community, and members of the state's alcohol industry **CHOSE NOT TO RECOMMEND TAX INCREASES**. That same task force also received substantial input from the public that also opposed tax increases. This broad consensus was based on substantial research, discussion and data provided to and by the members of this task force.

Yet, a tax increase proposal we get.

NAWR urges the members of the Committee to take the advice of the Task Force as well as the public and reject this retail sales tax increase on alcohol products.

In evaluating this new sales tax, we ask the Committee members to take note that 1) youth alcohol consumption is at an all-time low, making the stated need for "youth prevention" without foundation and 2) that the Task Force discovered that the Oregon Health Authority cannot account for \$72 million that was to be used for substance use disorder.

These two facts suggest that the tax imagined in HB 3197 is both unnecessary and should not be put in the hands of the Oregon Health Authority until an audit of that agencies spending can be undertaken.

Finally, the proposed tax increase comes at a time when the retail alcohol industry is struggling. Consumption and sales are down for myriad reasons including inflationary pressure and alarmist and unfounded claims concerning the health impact of moderate alcohol consumption. If the goal of this legislation is to substantially harm the Oregon alcohol retail trade as well as wine, beer, spirits, and cider producers in the state then it makes perfect sense. However, NAWR opposes this unnecessary and harmful legislation and urges the members of this committee to do the same.

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