

Submitter: Lawrence Stone Nilsen
On Behalf Of:
Committee: Joint Committee On Addiction and Community Safety
Response
Measure, Appointment or Topic: HB3197

Dear Members of the Joint Committee On Addiction and Community Safety
Response,

Thank you for your representation and service in our state Capitol.

I urge you to oppose House Bill 3197, which is before your committee, as it would harm me and every other legal-drinking-aged Oregonian, who just want to grab a glass of Oregon wine with a colleague after work or take mom out for brunch with mimosas or a couple celebrating their anniversary with a special bottle of Oregon wine.

My business has been impacted already by the fires of 2020 from which we are just recovering and which caused the transfer of ownership to a larger entity. Fortunately, all my employees have been retained both in the vineyard and at the winemaking facility at Lingua Franca, 9675 Hopewell Road, Salem OR. This is a business that supports many families. Creating a special sales tax on groceries and specifically on wine, which is already heavily taxed, makes no sense and is a break with the traditions of Oregon.

With the highest cost increases in generations and no end in sight, a new, unprecedented 8% sales tax would only make it more difficult for Oregonians trying to make their hard-earned dollars stretch. An 8% increase in the cost of Oregon wine would have a damaging impact on our sales. With the highest average bottle price in the nation due to the high cost of production in our state, we will be at a further disadvantage.

Oregon is home to nearly 900 wineries and is one of the top five wine producing states. We contribute more than \$2.4 billion in wages and \$7.19 billion in economic activity for this state annually, including bringing 2.3 million tourist visits to Oregon. Yet because of challenging times, with inflation, supply chain issues, employee shortages, a pandemic, wildfires and fewer people drinking, we've lost more than 60 wineries in the past two years – a 5% reduction in 2024 alone.

Lawmakers should not be raising prices through regressive sales taxes on constituents. Please, don't advance HB 3197, which will only harm Oregonians and an industry that contributes so much to the state's identity, culture and economy.

Sincerely, Lawrence Stone-Nilsen