

March 31, 2025

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

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

Oregon is home to more than 900 wineries and 1,500 vineyards that create 50,000 jobs, \$2.4 billion in wages, 2.3 million tourist visits, and \$7.1 billion in economic activity for the state each year, making us a top wine-producing state. But since the pandemic, people have been drinking less, and wine sales are down substantially, threatening the livelihood of our industry. In the past two years alone, we've lost more than 60 wineries, which equates to a 5% reduction.

I urge you to oppose House Bill 3197, which is before your committee. This legislation will harm me and every other responsible, legal-drinking-aged Oregonian who wants a glass of our world-class Chardonnay with dinner, enjoy a sparkling wine with brunch or celebrate an anniversary with a special bottle of Pinot Noir.

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. If additional substance abuse prevention for minors is a priority, the legislature should utilize more than just the existing 3% of alcohol revenues to fund these programs before proposing sales tax increases on already struggling Oregonians. Because Oregon's wineries are small, family-owned businesses, our wines are already some of the most expensive in the country. A new sales tax will only increase prices for consumers, making us less competitive with our peers, and creating a competitive advantage for large, out-of-state producers.

Lawmakers should not be raising prices through regressive sales taxes on constituents when we're already experiencing record highs. Our wineries and growers are the backbone of our wine industry, and we are currently facing significant challenges with declining sales and visitation to tasting rooms.

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,

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Michelle Kaufmann Vice President of Communications Stoller Wine Group