

STOLLER

WINE GROUP

ESTABLISHED 1993



March 31, 2025

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

Oregon is not just a top wine-producing state; it's one where the wine industry plays a significant role in our economy. With more than 900 wineries and 1,500 vineyards, we create 50,000 jobs, generate \$2.4 billion in wages, attract 2.3 million tourist visits, and contribute \$7.1 billion annually in economic activity. Wine is a vital part of Oregon's economy and identity.

However, the pandemic has led to a substantial decline in wine sales, posing a severe threat to our economy. In the past two years alone, we've lost more than 60 wineries, which equates to a 5% reduction. This is why I urge you to oppose House Bill 3197, which is before your committee. This legislation will harm me and every other legal-drinking-aged Oregonian who wants to grab a glass of our world-class Pinot Noir with a colleague after work, enjoy a brunch mimosa with mom, or celebrate an anniversary with a special bottle of wine they've been holding onto.

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. The Oregon Health Authority should also be called to account for its lack of accountability and transparency. Last summer, OHA presented to the alcohol pricing task force that it cannot account for \$72 million - more than 7% of what it spent on SUD programs in 2021-2023, and it still hasn't even spent all of what was budgeted. That missing \$72 million is twice as much as the state receives from wine and beer taxes per biennium.

Lawmakers should not be raising prices through regressive sales taxes on constituents when we're already experiencing record highs. Our small, family-owned 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.

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

A handwritten signature in black ink, appearing to read 'G. Mortensen'.

Gary Mortensen
President
Stoller Wine Group