



2 April 2025

Darron Welch  
Pelican Brewing Company  
1708 1<sup>st</sup> Street  
Tillamook Oregon 97141

Joint Committee on Addiction and Community Safety Response  
Oregon State Capital  
Salem Oregon 97301

RE: HB 3197

Co-Chairs Prozanski, Kropf and Members of the Committee:

My name is Darron Welch and I'm writing on behalf of my company, Pelican Brewing Company.

Pelican Brewing is a local, independently owned brewery on the Oregon Coast. We opened our original Pacific City brewpub in 1996 and now operate four different locations on the Oregon Coast: Siletz Bay in Lincoln City, Pacific City, our production brewery in Tillamook and our brewpub in Cannon Beach. Pelican employs about 40 people in brewing operations, 450 in our restaurants, and over 500 companywide. With more than \$12 million in wages and salaries in 2024, Pelican Brewing is one of the larger employers on the Oregon Coast. As a significant employer, we strive to be an integral part of our community and last year donated well over \$50,000 in product, funds and volunteered time to a variety of important local causes such as the Big Fish Lab in Newport, Tillamook Bay Community College, the local schools in the various communities where we operate, and much more.

I am writing today in opposition to HB 3197. This proposal to create a grocery and restaurant sales tax of 8% would add additional headwinds to an industry that is already suffering. Beer consumers are extremely price sensitive in the current economic climate, and this proposal would lead directly to the loss of sales for our local breweries, including Pelican Brewing. It doesn't take much explaining to extrapolate the loss of sales to a loss of jobs and economic activity.

HB 3197 states that additional revenue is needed for youth prevention, but the fact is that youth drinking is at an all time low. This long-term trend extends back two decades and is proof that existing prevention programs are working.



In 2024, Oregon brewers, cidermakers and winemakers worked with Rep Sanchez's taskforce to examine the issue of alcohol taxation. The taskforce declined to recommend a tax increase, 87% of public feedback was against raising taxes on beer, cider and wine, yet today we have this draconian proposal despite the task force findings and public feedback.

I oppose HB 3197, and urge the Joint Committee to vote no on this bill.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Darron Welch'. The signature is fluid and cursive, with the first name 'Darron' and the last name 'Welch' clearly distinguishable.

Darron Welch  
Brewmaster/Partner  
Pelican Brewing Company  
503-869-2274