

Submitter: Jeff Walter

On Behalf Of:

Committee: Joint Committee On Addiction and Community Safety  
Response

Measure, Appointment or Topic: HB3197

I am writing to oppose HB 3197.

For full transparency, my wife started Bauman's Cider nine years ago on her family's farm in Gervais. Over the years, I've watched her dedicate endless hours to building a business which is now recognized globally as a leader in the cider industry. During this time she has grown her business from just herself, working alone after her full-time job, to a successful business with a team of employees creating and serving world class cider on the farm and at her production space and restaurant in Portland. Her business reflects the best of Oregon entrepreneurs, and she proudly distributes this Oregon made product throughout the Northwest, and helps create a positive image of the amazing craft producers we have in this State by speaking about Oregon cider at many conferences and events, both nationally and internationally. In addition, as the business has grown she has been able to build a team from the ground-up and is now able to employ a talented team of cider makers, production team members, kitchen and wait staff.

However, having helped her with the finances over the years, I can tell you that this bill will have a dramatic and negative impact on her business. With the sales of her cider generating the majority of any profit, the only way to absorb the increased tax in this bill will be to either reduce costs (e.g. reduce staff, reduce quality, etc.) or increase prices. Either one of those will have a direct and negative impact on the top and bottom line of the company. Given how important the food and beverage sector is to Oregon, and the fact it is still struggling to recover from Covid with increased costs, decreased tourists, etc - it is unfathomable to me this bill would be considered, which will put further downward pressure on this struggling industry. With few exceptions, the brewers, cider makers, restaurant owners, bar owners, etc. that will be impacted by this bill are all very small businesses, and I am certain this bill would be the tipping point for many of them - resulting in lost jobs and livelihood of many entrepreneurs across the State.

In addition, I think it is well documented that alcohol already generates a significant amount of revenue for Oregon, yet the state spends very little of that revenue on the very programs being proposed by this bill. While this bill is well intentioned, and we can all agree we need to step up and help those struggling with addiction, burdening these small businesses with additional taxes, when the taxes they already pay are not being used for these programs, is frankly just unfair. I fully expect the negative

repercussions of this bill to outweigh the benefit it creates - further reinforcing the negative perception and "doom loop" that Portland and Oregon are so aggressively working to escape.

My request is to support those struggling with addiction by dedicating more of the current alcohol tax to those efforts, and to support Oregon small businesses, their employees and the citizens of this amazing State by opposing this bill.

Thank you

Jeff Walter