



Testimony on HB 3377
Submitted by the Oregon Winegrowers Association
House Behavioral Health Committee
March 22, 2021

Chair Sanchez, and members of the committee, the Oregon Winegrowers Association wishes to submit testimony on HB 3377.

The Oregon Winegrowers Association (OWA) has been advocating for policies in support of Oregon's wine industry for more than 40 years. We represent hundreds of wineries and vineyards of all sizes throughout the state.

The OWA is opposed to HB 3377. Provisions in this bill seek to make changes to Oregon programs for alcohol and substance abuse and recovery, without first doing the necessary work to determine the efficacy, coordination and outcomes of existing programs.

This is why we support legislation, such as HB 2313 offered by Rep. Sollman, Chair Sanchez, Rep. Moore Green and Rep. Morgan, which requires the Oregon Health Authority (OHA) and Alcohol and Drug Policy Commission to do a comprehensive statewide inventory of services and programs to prevent and treat substance abuse.

This bill appears to jump to conclusions, without considering the important work of critically assessing our current situation in the state.

We also object to the OHA's mandate to study and recommend minimum pricing of wine, beer and cider products to discourage overconsumption and abuse. No other state has minimum pricing for a broad set of alcohol products that includes wine, especially with the intent of reducing legal consumption.

Numerous studies have shown that while higher prices and taxes may lower consumption for light or moderate drinkers, they don't have an effect on heavy drinkers, which is the audience these policies intend to target.

We believe a policy that raises wine prices and taxes with the intent of lowering consumption will have a profound, negative effect on Oregon's wine industry, since it is light and moderate wine consumers who overwhelmingly buy our premium products.



The overall annual economic benefit to the state from our homegrown wine industry is around \$5.7 billion, which unfortunately is down 20% due to COVID and wildfires in 2020. Sadly, a recent wine industry survey reports wine industry jobs fell 28%, with a 23% decline in associated wages in one year.

Our wine industry is hurting, and we are attempting to recover, but it does not change our overall wine economic model. Oregon has some of the highest wine prices on average in the country. It is expensive to make wine in Oregon, for a variety of reasons. Our industry is focused on the careful work of making premium wines, usually by small businesses that dominate our Oregon industry.

We produce and market quality wines with responsible consumption in mind, such as highlighting the pairing of our wines with foods made from sustainably grown local agriculture.

We strongly support responsible consumption of wine and other alcohol products. We are careful not to overserve customers in our tasting rooms, and support other policies such as checking identification to ensure consumers are 21 years old or over.

Again, we support the study of the current alcohol and substance abuse programs and the necessary funding to make them more effective for Oregonians who need them most.

We'd remind you that LRO reports that in FY 2020, one year alone, more than \$522 million came into the state from wine, beer, cider, spirits and cannabis taxes. Additionally, legislative committees are working on implementing Measure 110 which will add new funding to existing substance abuse programs.

We need to ensure that the existing programs are fully serving the communities they are intended to help before we add new funding to a system that has not been fully analyzed.

We support effective alcohol and substance abuse programs focused on education, prevention and recovery. We hope this committee stays focused on the important work of determining the efficacy, coordination and outcomes of existing programs, before enacting HB 3377 or other legislation that simply raises taxes on Oregon craft beverage producers.

Thank you on behalf of the Oregon Winegrowers Association.