

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

I urge you to oppose House Bill 3197, which is before your committee, as it would harm our economy and community. Studies have shown that alcohol problems are related to alcohol misuse, whether of beer, wine, or distilled spirits. Also, we've learned from studies in Ireland and other countries that raising the price of beer and wine will push people whose only goal in drinking is its anesthetic effects to use distilled spirits, the more concentrated form of alcohol.

It seems unethical to propose a significant tax increase while the US is experiencing unpredictable fluctuations in an uncertain economic environment. The current administration's trade policies, characterized by on-again off-again trade wars, are causing concern for Oregon's local breweries, cideries, and wineries due to potential and recent price increases stemming from tariffs on imported goods like steel, aluminum, and ingredients.

This industry's reliance on local government support is crucial, and businesses need to be seen as partners, not targets, during challenging times. Raising taxes on local breweries, cideries, and wineries would negatively impact the local economy by potentially leading to job losses, reduced business activity, and decreased tax revenue from the industry. It would also potentially negatively impact a wide range of related businesses, including suppliers, farmers, distributors, and hospitality venues.

Local breweries, cideries, and wineries contribute significantly to community life by boosting the local economy, fostering social connections, supporting local agriculture, and hosting events that enhance the quality of life for the residents and visitors.

There are also economic & cultural benefits that have positive impacts on our community, which include:

Job Creation: Local breweries, cideries, and wineries employ Oregonians in various roles, from brewers, assorted production roles, administration roles, marketers, sales representatives, event coordinators, lab technicians, IT support specialists, cooks, servers, and bartenders.

Tourism: Local breweries, cideries, and wineries attract tourists, boosting revenue for other local businesses like restaurants, hotels, and shops.

Supporting Local Businesses & Agriculture: By sourcing ingredients and supplies locally, breweries, cideries, and wineries inject money into the local economy, supporting local farmers and producers and strengthening the regional agriculture system.

Revitalizing Areas: Local breweries, cideries, and wineries have revitalized old buildings and have attracted investments to areas that might otherwise be overlooked.

Philanthropy: Many local breweries, cideries, and wineries donate a portion of their profits, creating unique beverages for charity, hosting fundraisers for local charities, and supporting important community causes.

Community & Cultural Benefits: Local breweries, cideries, and wineries often serve as popular gathering spots for residents, fostering social interaction and a sense of community and offering a personalized experience with passionate individuals sharing their craft and knowledge.

Reliable in a national emergency: When the US was challenged with the COVID-19 pandemic, there was a nationwide shortage of sanitizer. Local breweries, cideries, and wineries joined the industry movement, changing production from liquor to hand sanitizer to help ease the nationwide shortage, contributing to mitigating the spread of COVID-19 in our communities. Many of those producers did not profit; instead, they absorbed the cost of production.

Thank you for taking the time to read this statement. Please do the right thing and refrain from imposing a tax increase that will negatively impact our local economy and communities.

Sincerely,

Heather Breen