

4/1/2025

Greetings,

Respectfully, to the Chairmen, the Vice Chair, and Committee members –

For the record, my name is Brett Thomas. I am the founding brewer and Director of Brewing Operations for Sunriver Brewing Company. I am also an elected board member of the Oregon Brewers Guild, serving on the legislative action subcommittee.

With respect to representative Sanchez's personal experiences and youth substance abuse health services, I testify today against HB 3197.

Oregon's craft breweries face an unprecedented set of challenges in today's marketplace and any added costs at retail will most certainly lead to further deceleration of sales, endangering the success and viability of our businesses. Intended or not, this would be the result of this bill passing. It was mentioned in verbal testimony that this is a "modest" tax. There is nothing modest about this. An already expensive \$13 six-pack of Oregon produced craft beer would inflate to over \$14.

This sales tax of up to 8% would prove devastating to our industry, our employees, and our families. Downstream effects would be felt across the food, beverage, lodging, tourism, and grocery retail industries. It would also further impact downstream craft brewing related industries such as malt suppliers, fruit growers, and Oregon's hop farmers.

Our industry of small businesses is already plagued by shifting preferences in beverage alcohol, national and international competition, rising labor, insurance, and healthcare costs, inflationary pressures, plummeting consumer confidence, and now the reality of tariffs on our raw material supply chain. Many of our brewery members may be "just one more thing" away from being unable to operate a financially viable business. The craft beer industry was built on passion, but unfortunately, passion with notoriously low margins.

The Oregon Brewers Guild implores this committee to rethink the necessity of this bill. It's clear that youth substance abuse health services should be well-funded, but adding more funds to an OHA system that lacks accountability and transparency is not the answer.

Thank you for your time and consideration.

Brett Thomas

Founding Brewer, Director of Brewing Operations – Sunriver Brewing Company, Sunriver, OR