



March 1, 2019

Dear Senators and Representatives serving on the Carbon Reduction Committee:

Thank you for the opportunity to provide written testimony regarding HB 2020. We appreciate your service in the Oregon legislature and to the State of Oregon and our outstanding citizens. Thank you also for your dedication to travel to counties east of the Cascades Mountains to hear our views and consider them seriously as you shape future legislation.

As background, I am a fairly new County Commissioner, (2 years) but am a 30-year Bend resident and a lifelong 5<sup>th</sup> generation Oregonian who's worked in construction, law and alternative energy for my 40 years of adult life.

Overview: Like other areas you have traveled to in Oregon, Deschutes County residents are watching this particular bill closely to discern not only the sponsors' anticipated impact on the earth's climate, but also how it effects our personal finances and our ability to pursue our life, liberty and happiness – including such things as housing, transportation and food costs. As County Commissioners we represent nearly 190,000 people. Please don't unnecessarily tax us.

Financial costs directly to Deschutes County taxpayers: As the stewards of the Deschutes County budget and taxpayer funds, we have tried to estimate the annual increase of consumption costs of gasoline and diesel for serving our residents for a broad array of government services – health services, community development, sheriff office, landfill and road maintenance (including snow removal), among many that build and protect the very fabric of local communities. Our best estimates are that a \$.15 to \$.20 per gallon increase on gasoline and diesel, recently cited from the carbon bill, would currently have at least an annual impact of \$45,000 to \$60,000 for Deschutes County's fuel costs – meaning over \$500,000 for a ten year period. This increase will fall directly on our citizens.

Similarly the expected increase on Natural Gas prices of 10% would be an annual increase of \$21,000 per year at current Natural Gas heating consumption levels. At a 50% increase, as some have suggested it would be an increase of \$ 105,000 per year. Over 10 years that would equal somewhere between \$210,000 to \$ 1,050,000 at current natural gas consumption levels – again falling directly on our citizens.

It is also possible we will have an additional assessment on our landfill, which again will be paid for by users and consumers, but it is not clear what the cost will be under HB 2020. Our Director of Solid Waste will hopefully discuss this further.

Increasing gasoline and natural gas prices will burden many County residents who are already burdened in other ways: As discussed above, it is our understanding that our citizen's gasoline, diesel and natural gas industries will be subject to higher prices under HB 2020. This only adds another barrier to affordability of Central Oregon for many citizens. Reports show that over 50% of Deschutes County renters are currently rent burdened. This means their rent is higher than what it is projected they can reasonably afford (greater than 30% of income).\* Higher gasoline, oil and natural gas prices will increase their out-of-pocket sustenance costs for these necessities. With the high cost of housing in Central Oregon, it is likely that many homeowners are mortgage-burdened, as well. They will suffer for what benefits?

Similarly, the amount of baby-boomers who lack financial resources necessary to retire over the next twenty years, is very high throughout our state and nation. Central Oregon is no exception. HB 2020 hurts retirees' and soon-to-be retirees' pocketbooks as well. A large number of older citizens and retirees live in Deschutes County because they have lived their lives here and, because of its quality of life and health resources, they have moved here. The same can be said for veterans. However a recent article (4/9/18) says 42% of baby boomers have nothing saved for retirement. And of that population those that do have some savings, 38% have less than \$100,000 saved\*\*. A new group of taxes on this vulnerable population should not be encouraged.

Finally, all businesses that are dependent on extensive heating and transportation such as the local building industry, agriculture, food services, skiing and tourism will also suffer from their increased costs that will reduce their sustainability and profitability. Indirectly we all pay for that. Hopefully many others will testify about these costs today as well.

Does Oregon need to lead the way on this? Finally, in terms of the desire of some Oregonians to have us lead the way by paying for the eradication of carbon dioxide in the earth's atmosphere, I have to disagree. I don't think it is Oregon's primary responsibility. Isn't Oregon, because of our natural resources, converting more carbon dioxide into stable carbon, on a per capita basis, than most states? For instance, Deschutes County has over one million acres of National Forest land, primarily covered with millions of pine and fir trees. In addition, there are hundreds of thousands of privately-held acres as well -- with trees on them. As we all know, trees (and plants generally) are the primary converters of carbon dioxide (the technical term is sequester) into the non-greenhouse gas, carbon compounds. Simply put, they clean the atmosphere. Doing the math, for every one Deschutes County resident there is over 5 acres of plant life and trees working as "de-carbonizers" on our behalf. Isn't that kind of calculation true for Oregon as well? Has that analysis been applied to the state of Oregon? Aren't Oregon's forests already doing the job of reducing emissions? Why do we need more government costs? Maybe another populous, carbon-emitting state can take the lead.

Please listen carefully to the testimony you hear from citizens through-out the state. Thank you.

Sincerely,



Phil Henderson, Deschutes County Board of Commissioners, Chair

\*Housing 4 All Workshop, Redmond, Oregon (January 2019)

\*\*Insured Retirement Institute, "Boomer Expectations for Retirement" (April 10, 2018)