



February 16, 2023

Representative Pam Marsh, Chair  
House Committee on Climate, Energy, and the Environment

**Re: Letter of opposition to HB 3158**

Dear Chair Marsh:

The City of Medford respectfully opposes HB 3158 as drafted. First, the tax on non-road diesel equipment will impact every public improvement contract that municipalities build, and the contractors performing this work will simply pass on this increased cost to their municipal clients, but municipalities have no mechanism to pass on increases costs any further. As such, this will instead require a reduction in the total amount of infrastructure construction that public entities can afford to perform.

This not only affects the cost of building streets and other infrastructure, but also affects housing production costs. Non-road diesel equipment is an essential part of constructing housing. Increasing housing stock is a key priority for the City of Medford, many other municipalities, and the State of Oregon itself. Increasing the costs of utilizing non-road diesel equipment will increase the cost of housing; this cost ultimately will be passed on to residents of newly-constructed housing.

Third, the revenues collected from these taxes can be prioritized to “areas with elevated concentrations of diesel particulate matter.” As a practical matter, that will result in taxes being spent disproportionately in major urban areas when those taxes were collected state-wide from infrastructure construction and housing construction. This prioritization raises regional equity concerns.

We respectfully ask that the Committee give strong consideration to the impacts that taxing non-road diesel equipment will have on local jurisdictions. A yes vote on HB 3158 will further impact our limited resources by increasing our costs and decreasing our ability to deliver vital infrastructure and programs to Medford citizens.

Sincerely,

Randy Sparacino  
Mayor