



Date: April 27, 2023

To: Chair and Members of the House Revenue Committee
From: Scott Bruun, OBI
RE: Neutral testimony / HB 2757 / 9-8-8 Trust Fund Tax Increase

Madame Chair, Members of the Committee:

I am Scott Bruun, director of tax, fiscal and manufacturing policy for Oregon Business & Industry. OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians.

Thank you for the opportunity to testify on HB 2757. OBI is neutral on the bill.

We certainly understand the need and support appropriate apparatus for crisis intervention, but we do want to raise some general concerns for the committee's consideration:

First, the bill in its current form raises a ton of new money through tax increases. And I would note that the tax increase is regressive. Folks that have phones, regardless of income, will all pay the same amount of new taxes.

This new money would go into a 9-8-8 Trust Fund for the 9-8-8 system. The use of overflow revenues however, at this point, seems largely unstructured and open ended. Given the large amounts of revenues that would be raised, we believe there are real risks around misspends, overspends and inefficiencies. With those risks, we would encourage this committee to consider amendments for stricter sideboards, more clarity around structure and function, and appropriate transparency measures.

We understand that if this bill were to pass, Oregon's 9-8-8 crisis intervention tax would be the highest in the nation. As such, we would also encourage this committee and the legislature to clearly understand, in fact to clearly ask, if this level of taxation is necessary. Or said differently, to ask if a successful 9-8-8 program in Oregon could be administrated at a more economic funding level.

Again, we don't raise any of these concerns as a push back to the underlying policy. Instead, we raise them to help assure proper attention is being given to program structure,

its funding level and funding sources, and in order to assure proper feasance of both the program and taxpayer dollars.

Thank you.

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