



To: Members of the House Committee on Climate, Energy, and Environment

From: Hasina Wittenberg, Executive Director, Oregon Beverage Association

RE: Opposition to HB 3940/Support -2 Amendment

Date: April 1, 2025

The Oregon Beverage Association (OBA) opposes HB 3940, which proposes a new 5-cent tax on beverage containers to fund wildfire prevention.

Formed in 1946, the Oregon Beverage Association (OBA) represents bottling companies and distributors across the state's non-alcoholic beverage industry. Oregon's beverage companies manufacture and distribute some of the most popular non-alcoholic beverages in the world. We play a crucial role in Oregon's economy by providing good-paying jobs, the beverage industry employs over 4,000 Oregonians and continues to support the local economy through our operations.

While we are committed to responsible wildfire management, HB 3940 represents an additional and unnecessary tax on Oregon businesses and hardworking families. It introduces unwarranted government overreach that will negatively impact local businesses and consumers alike.

Key Concerns Regarding HB 3940:

- **A Hidden Cost to Consumers** – Oregonians already pay a 10-cent deposit on bottles through Oregon's successful and popular Bottle Bill program. The additional 5-cent tax proposed by HB 3940 is an additional tax on everyday beverages which will place undue financial strain on working families.
- **Jeopardizing a Proven, Private System** – The Bottle Bill is a national model for successful recycling due to its private-sector operation. Introducing an additional tax on this system would add unnecessary complexity and costs that would undermine a program that has been effective for decades.

- **No Direct Link Between Recycling and Wildfire Funding** – The Bottle Bill is designed to promote recycling and environmental sustainability. However, it is not connected to the funding needs for wildfire prevention. The new tax proposed in HB 3940 has no correlation to wildfire funding and is an inefficient way to address the state’s wildfire funding challenges.
- **A Misguided Approach to Wildfire Funding** – While taxes such as property taxes, income taxes, and the kicker are all valid means of funding wildfire prevention, the Bottle Bill tax is an outlier that lacks any meaningful connection to the issue of wildfire preparedness.
- **Impact on Small Businesses** – Small beverage producers and independent retailers would be particularly vulnerable to this new tax. Many entities cannot absorb this additional cost, which could result in reduced sales and a competitive disadvantage. Oregon should prioritize support for small businesses rather than impose additional financial burdens.
- **Better Funding Alternatives Are Available** – Instead of creating new taxes, Oregon should consider existing revenue streams that could be directed toward wildfire prevention, including:
 - Redirecting the insurance tax already being collected.
 - Utilizing lottery funds.
 - Providing a state General Fund allocation.
 - Focusing on improved forest management practices, rather than relying on additional taxpayer funds.

HB 3940 imposes an additional tax on everyday products while failing to address the root causes of wildfires. We strongly urge you to reject the proposed tax on beverage containers and advocate for a more responsible, targeted approach to funding wildfire prevention.

If the committee chooses to move HB 3940 we urge you to adopt the -2 amendment which removes the additional 5-cent tax on beverage containers from the provisions of the bill.