



April 1, 2025

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

**FR:** Derek Sangston, Oregon Business & Industry

**RE:** Opposition to HB 3940

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Chair Lively, Vice-Chair Levy, Vice-Chair Gamba, members of the House Committee on Climate, Energy, and Environment. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

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. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 3940. OBI strongly opposes any new tax, in any form, on beverage containers. We are especially opposed to a new tax that would disrupt Oregon's successful implementation of the Bottle Bill by misappropriating new funds derived from that system to wildfire funding.

Through the Bottle Bill, Oregon is known around the world for having implemented one of the world's most successful container recovery systems. States around the country look to Oregon as having the "gold standard" of bottle bills. Oregon should look to export this model to other states rather than degrade the bottle bill by adding new taxes on the system, which will undoubtedly impose the new challenge of collecting and allocating new revenues on a system that is currently unprepared to do so.

Furthermore, Oregon's bottle bill is already not without challenges. Today, beverage distributors face increasing costs and barriers, including inflationary pressures, permitting challenges, and more that threaten the efficient operation of the bottle bill. The last thing the bottle bill needs right now is another barrier to running an effective system.

By imposing a new tax on Oregonians, it is also important to note that HB 3940 would further increase the tax burden borne by Oregonians. Since 2019, Oregon's general tax competitiveness ranking has slipped from 9<sup>th</sup> to 30<sup>th</sup>. HB 3940, though imposing only a small increase on Oregonians, would add to other small tax increases Oregonians must pay to only further increase the tax burden borne by Oregonians.

For those reasons, I urge you to reject HB 3940. Thank you for your consideration.

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