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Joint Special Session Committee on Transportation Funding
Oregon State Legislature
August 31, 2025
Testimony on House Bill 3991 (Transportation Funding)

Co-Chair Wagner, Co-Chair Fahey, and Members of the Committee:

Oregon Farm Bureau is the state's most inclusive agriculture organization, proudly representing more than 6,500 family farms and ranches that produce more than 220 agricultural commodities. From hops and hazelnuts to cattle, cranberries, and timber with operations spanning from just a few acres to thousands, our members utilize all farming methods including organic, conventional, regenerative, biotech, and even no-tech.

Oregon's farmers and ranchers are the backbone of our rural economy and essential stewards of our land. Their operations depend heavily on a reliable, affordable, and well-maintained transportation system to move equipment, deliver crops and livestock, and access markets. Unfortunately, House Bill 3991 threatens the sustainability of Oregon agriculture and the rural communities that support it.

Agriculture is an inherently mobile industry—relying on trucks, equipment, and long-distance transport at nonstandard times. The proposed financial burdens do not align with the economic realities of farming and ranching.

Our Position

Oregon Farm Bureau opposes the fee and tax increases contained in HB 3991 because they would raise operating costs for farmers, ranchers, and rural Oregonians, while offering limited recognition of agriculture's unique role and challenges. While we support accountability measures for ODOT and fairness in EV contributions, we cannot support provisions that unfairly burden rural residents and family run farms and ranches.

Concerns with HB 3991

- Payroll Taxes
 - OFB opposes payroll taxes on employers, particularly when rural Oregonians are asked to fund transit systems that are inaccessible or rarely used in rural communities.

- **Fuel & Vehicle Costs**
 - Significant increases in registration, title, and fuel costs raise the overall cost of vehicle ownership. Farm and ranch families rely on multiple vehicles and heavy equipment, meaning these increases compound quickly and directly affect their ability to operate.
- **Diesel Tax Point of Sale**
 - OFB supports collecting diesel taxes at the final point of distribution, not moving the tax upstream. The proposed change risks creating confusion and unintended cost increases for farmers who already face higher diesel expenses.
- **Rural Burden of Mileage-Based Fees**
 - Mileage-based fees disproportionately penalize rural residents and agricultural businesses. In rural Oregon, long distances are unavoidable, whether transporting goods to market, moving livestock, or accessing basic services.
- **Higher Operating Costs Overall**
 - Across-the-board fee increases mean higher production and transportation costs for Oregon agriculture. These costs will ripple through the food system, making it more difficult for farm and ranch families to remain viable and for consumers to afford local food.
- **Lack of Agricultural Exemptions**
 - While F-plate exemptions appear to remain unchanged, there are few other considerations for the agricultural sector. Farm vehicles and rural equipment are vital to Oregon's economy, and exemptions or reduced rates should be part of any transportation package.

Previous Commitments

- There continues to be no clear plan from ODOT to complete the projects pledged to Oregonians in 2017. The funds were raised with those commitments in mind, yet a significant number of projects are still incomplete.

Positive Elements We Support

- **Fairness in EV/Hybrid Contributions:** Requiring EV and hybrid drivers to pay their share into the system is an important step.
- **ODOT Oversight:** Increased auditing and accountability of ODOT is a necessary and welcome measure.
- **Tolling Removal:** Eliminating statutory tolling requirements for highway projects provides needed relief and clarity.

Conclusion

Oregon farmers and ranchers are already navigating tight economic conditions, and HB 3991 would add additional costs that threaten their viability. We urge the legislature to prioritize transportation dollars for road maintenance, preservation, and safety.

On behalf of Oregon's farm and ranch families, we respectfully ask you to reject provisions that disproportionately burden rural Oregon and agriculture, while maintaining the accountability and fairness measures advanced within the bill.

OFB supports accountability and fairness in EV contributions. However, we oppose payroll tax increases, tax changes that unfairly burden rural Oregonians and their farming and ranching operations, and a spike in fees across the board.

Oregon needs strong transportation infrastructure, and OFB supports investments in that system. But these investments cannot come at the expense of the very people who feed our state and nation.

Respectfully,



Lauren Kuenzi

Director, Government & Political Affairs

lkuenzi@oregonfb.org