Oppose SB 1541 – Climate Superfund

SB 1541 proposes to create a Climate Superfund, establishing a program that imposes financial obligations on certain companies based on past, lawful activities. The bill relies on retroactive liability and lacks clear limits on total costs or future reassessments, and it creates significant uncertainty that would flow through the economy.

At a time when state leaders are focused on affordability, competitiveness, and long-term prosperity, a so-called "Climate Superfund" moves Oregon in the wrong direction. The proposal creates open-ended financial risk, raises costs for households and businesses, threatens jobs, and undermines confidence in Oregon's economic future.

Affordability and Cost-of-Living Impacts

Climate policy should be smart, deliberate, and structured in a way that allows the Legislature to maintain clear oversight and predictability. A climate superfund does the opposite.

- Imposes large, retroactive financial liabilities with no clear cap, timeline, or certainty about future reassessments.
- Unknown and shifting costs are conservatively priced into markets and flow through supply chains, increasing prices paid by households and businesses.
- Because energy costs are embedded in transportation, home heating, food production, health care delivery, and consumer goods, these impacts are broad and unavoidable.

Result: Higher costs for everyday necessities, with disproportionate impacts on working families, seniors, rural communities, and small businesses—directly conflicting with Oregon's stated affordability goals.

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Impacts on Jobs, Competitiveness, and Economic Prosperity

Energy and fuel costs affect nearly every sector of Oregon's economy, including manufacturing, agriculture, forestry, construction, transportation, health care, and small businesses.

- Retroactive and unpredictable liabilities increase operating costs across the economy.
- Higher costs put jobs at risk, discourage investment, and undermine efforts to attract and retain employers.
- Weakens Oregon's competitiveness at a time when leaders are emphasizing economic recovery and growth.

Result: Statewide economic ripple effects that undercut momentum toward family-wage jobs and long-term prosperity.

Fundamental Unfairness of Retroactive Liability

A climate superfund would penalize companies for producing and supplying legal products that society has relied on for decades and continues to rely on today.

- Products were demanded by consumers and used in reliance on long-standing public policy decisions.
- Singling out one segment of the economy ignores the shared responsibility across society.
- In practice, costs are ultimately borne by Oregon households and businesses.

Result: A policy framework that is inequitable in theory and harmful in practice.

Sending the Wrong Message at a Critical Moment

Oregon's leaders have emphasized the need for predictability, stability, and renewed confidence in the state's economic climate.

- Climate superfund legislation signals that compliance with the law today does not protect against massive penalties tomorrow.
- This uncertainty discourages investment and weakens confidence in Oregon as a place to do business.
- Similar laws in other states are already facing legal challenges, raising serious constitutional questions and the likelihood of years of litigation before any funds are available.

Result: Economic harm without clear, timely climate benefits.

Conclusion

Given the affordability impacts on households, risks to jobs and competitiveness, fundamental unfairness of retroactive liability, and inconsistency with Oregon's prosperity goals, we respectfully urge policymakers to oppose climate superfund legislation.

We remain willing to engage in constructive discussions about climate resilience and emissions reduction—but those efforts must align with Oregon's economic priorities and avoid worsening the affordability challenges facing families and communities across the state.

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