

Date: May 10, 2021

To: Chair and Members of the House Committee on Revenue
From: Scott Bruun, OBI
RE: OBI Testimony in Opposition to HB 3160-2

Chair Nathanson and Members of the Revenue Committee:

Good afternoon. My name is Scott Bruun, and I am Director of Tax and Fiscal Policy for Oregon Business and Industry. OBI is a member-led business trade association. We have approximately 1,600 members that employ more than 300,000 Oregonians. Thank you for the opportunity to testify today.

Madame chair, OBI opposes the -2 amendments of HB 3160. If enacted, this bill would place significant new fees on homeowners, property owners and small businesses.

First, please let me say that we all remember and lived through the wildfire events of this last Summer and early Fall. The question around the need for wildfire mitigation is not at issue, and we believe the actual mitigation programs outlined in the underlying bill and the amendments may be reasonable.

However, section 5 of the bill and the amendments– which we oppose – creates significant new costs and challenges that would be unfairly borne by a small subsection of the entire affected community. Wildfires, like COVID and other disasters, affect all of us. As such, we believe the cost should be borne by all of us, not relegated to just the group that is required to purchase property and casualty insurance.

From a business perspective, this bill will be particularly onerous for those businesses with bigger insurance needs – especially those with commercial fleets and rolling stock. These new fees would also be regressive in that they don't in any way coincide with a businesses operating success or profitability. Doing well, you pay. Not doing well, you still pay

We also should remember that every business in the state has already seen significant tax increases over recent years, 41% on average. Adding other significant fees, as 3160-2 would do, in addition to tax increases already baked-in, serves as just one more impediment for businesses to grow, hire, invest, or even consider whether they want to stay in or come to Oregon.

Madame Chair, if this legislature determines that new wildfire mitigation efforts are necessary, we are hopeful that you will look first to General Fund support. Wildfires are a general, statewide concern, after all, not a narrow one. As such, we oppose 3160-2.

Thank you.

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