

Submitter: Amber Burris
On Behalf Of:
Committee: Joint Committee On Transportation
Measure, Appointment or Topic: HB3362
Opposition to Oregon HB 3362

Dear Members of the Oregon Legislative Assembly,

I am writing to express my strong opposition to HB 3362, which proposes an excise tax on the retail sales of tires to fund rail transit, tire pollution prevention, and wildlife crossings. While the intentions behind this bill are commendable, the proposed tax presents several significant concerns.

1. Economic Burden on Consumers and Businesses

The imposition of an excise tax on tires will directly increase the cost of an essential commodity for Oregon residents. Tires are a necessary expense for all vehicle owners, and this tax will disproportionately affect low-income families and small businesses that rely on transportation for their livelihoods. The additional financial burden could lead to increased costs for goods and services, as businesses pass on the expense to consumers.

2. Impact on Small Businesses

Small businesses, particularly those in the automotive and transportation sectors, will be adversely affected by this tax. Many small businesses operate on thin margins, and the added cost of tires could result in reduced profitability, potential layoffs, or even business closures. This tax could stifle economic growth and job creation in our state.

3. Inequitable Distribution of Tax Revenue

While the bill aims to address important issues such as rail transit and wildlife crossings, the distribution of tax revenue may not be equitable. Rural areas, which may not benefit as directly from rail transit improvements, will still bear the burden of the tire tax. This could lead to a sense of unfairness and resentment among residents in these regions.

4. Alternative Funding Mechanisms

There are alternative funding mechanisms that could be explored to achieve the goals outlined in HB 3362 without placing an undue burden on consumers and

businesses. For example, public-private partnerships, grants, and federal funding opportunities could be pursued to support rail transit and wildlife crossing projects. Additionally, targeted pollution prevention programs could be funded through existing environmental initiatives.

5. Environmental Concerns

While the bill aims to address tire pollution, it does not provide a comprehensive plan for mitigating the environmental impact of tire disposal. A more effective approach would involve promoting tire recycling programs and incentivizing the use of environmentally friendly tire materials. This would address the root cause of tire pollution without imposing a blanket tax on all tire sales.

In conclusion, while the goals of HB 3362 are laudable, the proposed excise tax on tires is not the right solution. It places an undue economic burden on consumers and businesses, particularly those in rural areas and low-income communities. I urge the Oregon Legislative Assembly to consider alternative funding mechanisms that are more equitable and effective in achieving the desired outcomes.

Thank you for your attention to this important matter.

Sincerely,
Amber Burris