

Good afternoon Chair Reynolds and Members of the Committee. Thank you for the opportunity to speak with you. My name is Matt Evans, I'm a native Oregonian and I'm here representing the Taxpayer Association of Oregon to urge a "no" vote on SB 702.

I'd like to make one basic point about SB 702 and that is a fiscal one. Conservative estimates indicate passage of this bill will open an additional shortfall of a minimum of \$100 million dollars in the State's health care budget. Whether that's the biennium you're currently debating or some future biennium, the hole will only get larger over time. To give you an idea of the difficulty of overcoming this additional shortfall, in 2023 the Oregon Health Authority increased 77 fees to raise just

\$17 million dollars. To raise \$100 million dollars in the same manner would require 385 fee increases.

It's also important to understand that if you believe passage of this bill will benefit the long-term health of those who are forced to quit vaping – or who never start – and will therefore save the Oregon Health Plan money – those benefits to the State are far in the future – decades away. But passage of this bill today reduces resources available for those who are currently experiencing health problems. That kind of trade-off is unfair to those currently depending on Oregon to provide their health care, many of whom are from disadvantaged communities in our State.

I also want to quickly address the disconnect we see between this body and what makes your goals possible. Oregon's General Fund is almost wholly dependent on personal and

corporate income tax revenues. A thriving, diverse economy is essential to the success of government in Oregon. We take a lot of actions designed to bring large businesses to Oregon, or to encourage them to expand here. But the Office of Economic Analysis would tell you that small businesses provide most of the jobs in Oregon. This bill could cause a dramatic, and perhaps fatal injury to a large number of small businesses in our State. It could shut down hundreds of tax-paying small businesses and put thousands of tax-paying Oregonians out of work. State Government is already claiming to be facing a large deficit in the coming biennium – passage of this bill will make that problem worse, not better. We encourage you to always consider your decisions in the light that strong economic activity in our State is the only thing allowing you to fund what you truly care about.

We urge a “No” vote on SB 702. I’d be happy to take any questions.

**Matt Evans
Taxpayer Assn of Oregon**