

I am writing to express strong opposition to House Bill 3362, which proposes a 4% tax on the sale of new car tires in Oregon. While the stated goals of funding wildlife crossings, rail transportation, and stormwater management to address tire-related pollutants (e.g., 6PPD) are commendable, this bill represents an ill-conceived, regressive, and inequitable solution that unfairly burdens Oregonians—particularly those in rural and low-income communities—without directly addressing the problems it claims to solve. Below are the key arguments against this legislation:

### 1. Disproportionate Burden on Rural Oregonians

Rural residents, who often rely on personal vehicles due to limited public transit options, would bear the brunt of this tax. Unlike urban areas with access to rail or bus systems, rural Oregonians must drive longer distances—sometimes on unpaved roads—leading to faster tire wear and more frequent replacements. Adding approximately \$6 per tire (as estimated by Rep. Ken Helm) could increase the cost of a set of four tires by \$24-\$70, a significant hit for families already stretched thin by rising living costs. Rep. Bobby Levy (R-Echo) has rightly noted in testimony that this tax penalizes rural industries and residents, exacerbating regional inequities.

### 2. Regressive Impact on Low-Income Households

The tire tax is inherently regressive, disproportionately affecting low- and middle-income Oregonians who spend a larger share of their income on essentials like vehicle maintenance. Sean Moore of the U.S. Tire Manufacturers Association testified on March 4, 2025, that this tax could raise tire replacement costs by \$40-\$70 per set—an expense that hits hardest for those least able to afford it. With utility rates and inflation already straining budgets (as Steve Woodward of Keizer noted in written testimony), this additional tax feels like a punitive measure rather than a fair solution.

### 3. Disconnect Between Revenue and Stated Goals

The bill's sponsors, Rep. Ken Helm (D-Beaverton) and Sen. Chris Gorsek (D-Troutdale), argue it addresses tire pollutant 6PPD's harm to salmon and funds wildlife crossings and rail. However,

only 25% of the projected \$20 million annual revenue targets stormwater projects to mitigate 6PPD, per OPB's March 5 report. The rest subsidizes unrelated priorities like rail—irrelevant to most rural drivers—and wildlife crossings, which, while valuable, don't justify taxing tires specifically. Darrell Fuller, a lobbyist for car and RV dealers, likened this to “a beef tax to encourage chicken purchases,” highlighting the illogical linkage. A more targeted approach, like regulating tire manufacturers or funding through general taxes, would better align costs with solutions.

#### 4. Economic Strain Amid ODOT's Budget Woes

The Oregon Department of Transportation (ODOT) faces a \$1.8 billion annual shortfall, per its own estimates, yet HB 3362's \$20 million contribution is a drop in the bucket—barely 1% of the need. Critics on X (e.g., @Rural\_Mind, March 4, 2025) argue this tax is a knee-jerk response to ODOT's mismanagement rather than a strategic fix. Imposing new costs on consumers to patch agency deficits is neither sustainable nor fair, especially when alternatives like higher gas taxes or registration fees (already under consideration) could spread the burden more equitably across all drivers.

#### 5. Potential for Future Increases

Rep. Shelly Boshart Davis (R-Albany), a trucking company owner, warned on March 4, 2025, that this tax sets a precedent for escalation. “It's just a little tax” today, she said, but cumulative small taxes could balloon into thousands of dollars in added costs for Oregonians. With Democrats holding supermajorities in both chambers, the risk of future hikes—requiring only a three-fifths vote—looms large, threatening long-term affordability for vehicle owners.

#### 6. Overwhelming Public Opposition

As of March 5, 2025, over 1,600 pieces of written testimony opposed HB 3362, dwarfing the 240 in support, per OPB. This 6-to-1 ratio reflects a broad coalition of citizens, rural lawmakers, and industry voices rejecting the proposal. Public hearings on March 4 revealed skepticism about its fairness and

efficacy, with many questioning why tire buyers should fund rail systems they'll never use. This outcry signals a disconnect between legislative intent and constituent realities—a gap lawmakers should heed.

#### 7. Lack of Direct Accountability for Tire Pollution

The 6PPD issue stems from tire manufacturing, not consumer use. Taxing Oregonians at purchase sidesteps accountability for producers who could reformulate tires to reduce environmental harm. Becky Anthony of the Oregon Department of Fish & Wildlife admitted on March 4 that the problem's scope is still unclear—why rush a consumer tax when the science and solutions remain embryonic? A federal or industry-led approach would be more just and effective.

#### Conclusion and Call to Action

HB 3362 is a flawed bill that shifts the cost of systemic issues—environmental pollution, transportation funding, and wildlife safety—onto Oregon's drivers, particularly those least equipped to pay. It fails to equitably address its own goals, ignores more logical funding sources, and risks alienating the public it claims to serve. I urge the Joint Committee on Transportation and the full Legislature to reject this proposal and pursue alternatives that don't punish Oregonians for driving out of necessity.

Instead, consider:

Directing ODOT to prioritize existing funds for wildlife crossings.

Seeking federal grants or manufacturer contributions to tackle 6PPD pollution.

Broadening transportation revenue through progressive, usage-based fees.

Thank you for considering this opposition. Oregonians deserve policies that balance environmental and economic needs without undue hardship.

Respectfully Submitted,

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