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On Behalf Of:

Committee: House Committee On Climate, Energy, and Environment

Measure, Appointment or Topic: HB3940

Oregon's more than 300 breweries help create 50,000 jobs and \$2.8 billion in wages each year, contributing \$8.7 billion to the state's economic activity.

Oregon's breweries are facing major challenges. Between inflation, supply chain issues, employee shortages, a pandemic, and fewer people drinking, these local businesses need the support of lawmakers and the public to survive.

According to the Brewers Association, in the past two years there have been more brewery, taproom, and brewpub closures than openings. In 2024, there were 399 closures compared to 335 openings. And in both 2023 and 2024, Oregon lost 30 of these local businesses each year.

In 2024, craft beer sales were down -2%.

As a reflection of craft beer being down, U.S. hop growers planted -18% less crop this year. Oregon hop farmers similarly planted -18% less in 2024.

Make your testimony personal: tell lawmakers your story and how this proposed tax will hurt your business. Stress that your business is a locally owned, small business and that many of the breweries in Oregon are owned by families and veterans and offer a community place for people to gather.

It's a Hidden Sales Tax on Consumers – Oregonians already pay a 10-cent deposit per bottle under our successful, privately run Bottle Bill. Adding another 5 cents is nothing more than a retail sales tax on everyday beverages, which disproportionately harms working families and Oregon breweries like ours.

Threatens a Proven, Private Recycling System – The Bottle Bill has been a national success precisely because it operates without government interference. Taxing the system will burden local brewers, distributors, retailers, and consumers, undermining a program that has worked for decades.

There Is No Correlation Between Recycling and Wildfire Funding– A waste-free, clean environment through a viable and gold-standard bottle return system has zero connection to statewide wildfire funding needs. The proposed tax feels misplaced and incongruent when compared to existing funding sources.

Better Funding Alternatives Exist – Instead of imposing new taxes, Oregon should look at existing revenues such as:

Redirecting the insurance tax (which is already collected).

Using lottery funds, as proposed by Sen. Fred Girod.

Prioritizing better forest management rather than simply throwing more taxpayer dollars at the problem.

A Misaligned Funding Mechanism – Property tax, income tax, the kicker, ending fund balance, and retaliatory tax can all be justified as mechanisms for funding wildfire

prevention. But this Bottle Bill tax sticks out like a sore thumb, lacking any logical connection to the issue at hand.