



March 30, 2025

RE: HB 3940 Opposition

Dear Members of the House Committee on Climate, Energy, and Environment,

I write to oppose HB 3940, which would place a surcharge on sales of beverage containers for purposes of wildfire prevention and response.

Over the last several years, the fermentation industry has been challenged by supply chain issues, massive cost inflation, and overall alcohol consumption being solidly down. To add this sales surcharge to an already struggling industry would mean the death of many small businesses, many of which are hubs in small communities, places where people of all stripes can gather. Our brewpub employs 150 people, provides excellent health care and 401k's to FT employees, and has helped create Astoria's latest renaissance from a neglected old town to a thriving one.

Beyond providing these essential gathering places, breweries, cideries, and wineries support Oregon's farms with their purchases of essential ingredients. When beer production decreases, Oregon's hop farmers suffer. For example, because of the recent downturn in beer consumption, Oregon hop farmers planted 18% less crop this crop year. The effects of this surcharge would affect many vital industries in our state.

HB 3940 is being proposed in order to supply additional revenue for wildfire prevention and response. While this is surely a valid need as wildfires become more prevalent with climate change, tying what is basically a hidden sales tax to beverage producers seems highly incongruent. Why do beverage makers need to have their products' prices to consumers increase? How do we have more to do with wildfires than, say, a potato chip company or a soapmaker?

OLCC taxes on alcohol manufacturers already provide the 3rd largest source of tax revenue in Oregon, and this tax is much higher than that in most other states in the U.S. Increasing costs for our industry's products just seems cruel and unwarranted. Better funding alternatives exist, such as overhauling Oregon's departments' accountability for funds directed to them, redirecting the insurance tax, or using lottery funds.

There are many reasons not to approve this surcharge but in my opinion the most important reason is that breweries, cideries, and winemakers create over 100,000 jobs in Oregon and contribute tens of billions of dollars to Oregon's economy. They are very important hubs of communities. They are largely owned by families and include many veteran- and women-owned companies. And they are having a hard enough time staying afloat already.

I am certainly not against funding wildfire prevention and response, but HB 3940 is not the way. Please don't cause hundreds of hard-working Oregonians to lose their businesses, and towns to lose their hubs and vibrancy.

Thank you,

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