



TO: Members of the House Committee on Climate, Energy, and the Environment
FROM: Devon Morales, OBRC Vice President of External Affairs
RE: Testimony in opposition to HB 3940 / Support for -2 Amendment
DATE: April 1, 2025

On behalf of the Oregon Beverage Recycling Cooperative (OBRC), thank you for providing the opportunity to submit testimony in opposition to HB 3940 with respect to the provision that relies on Oregon's Bottle Bill as a funding source for wildfire management in Oregon.

We urge the committee to vote NO on HB 3940 unless it adopts the -2 Amendment.

While additional committees may review this legislation, the House Climate, Energy and Environment Committee has historically retained jurisdiction over issues affecting the Bottle Bill – we urge this committee to protect the Bottle Bill.

Oregon Bottle Bill and OBRC

OBRC is a statewide, not-for-profit cooperative set up by beverage distributors in 2008 to fulfill their stewardship obligations under Oregon's Bottle Bill. In 2024, OBRC directly facilitated 82.4% of all beverage container redemptions in the state through the BottleDrop Network, picked up the remaining 17.6% of containers that were redeemed in retail stores, and processed all of those more than two billion containers for recycling back into bottles and cans.

Our preliminary redemption rate for 2024 is **90.4%**. Our mission is to make the Bottle Bill convenient, relevant, and accessible for every beverage consumer in Oregon. It's a system that serves every one of Oregon's more than four million residents – no matter your age, wage, or stage in life.

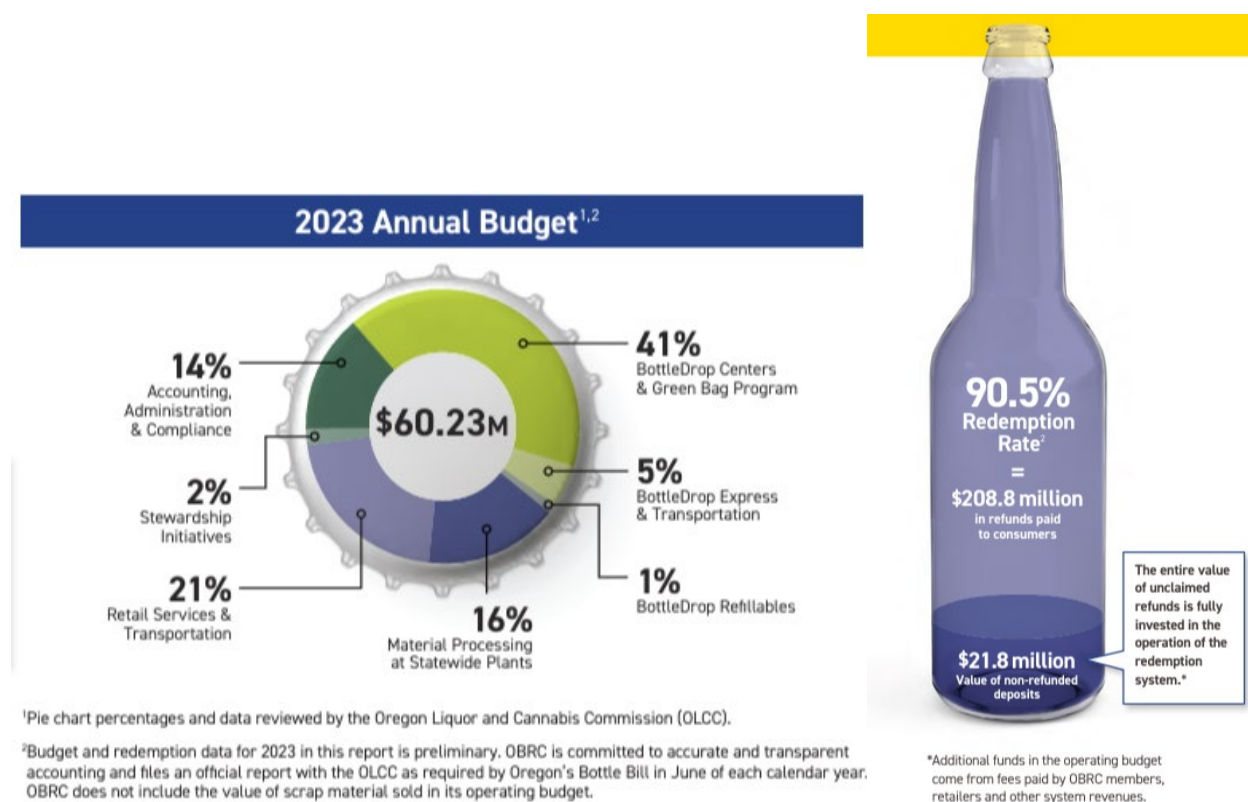
With what is expected to be the highest redemption rate in the country for the third year in a row and true material circularity achieved by the system, your Oregon Bottle Bill continues to excel in delivering on its environmental stewardship objectives as it enters its 54th year.

Funding Oregon's Redemption Model

Oregon's redemption model is primarily funded through distributor member fees and revenues from OBRC's various business activities that include, in large part, providing

redemption services on behalf of retailers through the BottleDrop network. In many cases, OBRC and retailers share in the costs of building out and operating the BottleDrop network. A portion of OBRC's operating budget is supported by unclaimed refunds of which 100% are invested back into system operations, BottleDrop account holder benefit programs, and access upgrades, delivering the most convenient redemption model in the United States and many have said, the world. In short, the private sector not taxpayers pay for Oregon's Bottle Bill.

Here are details of OBRC's operating budget from 2023 from our annual report (the 2024 annual report will be published in late spring 2025):



Key reasons why HB 3940 presents a MAJOR THREAT to Oregon's Bottle Bill

Oregon's Bottle Bill operates without any taxpayer dollars and at no cost to consumers who return their containers. Taxing either consumers or industry through the Bottle Bill for an unrelated purpose undermines the effectiveness and public acceptance of the Bottle Bill. We write today to articulate our strong concerns for HB 3940 in its current form and any variation that would use the Bottle Bill as a funding source for wildfire mitigation and management.

Putting a tax in Oregon's Bottle Bill will harm public perception and support for Oregon's Bottle Bill.

For nearly 54 years, Oregonians have become accustomed to receiving the full deposit value paid on a Bottle Bill beverage container when they present a container for a refund. Stacking a sales tax on top of the refund value and then telling customers they only get part of it back will create friction at the time of presenting a container for a refund. This will undermine consumer **trust in** the Bottle Bill and ultimately weaken **a customer's desire to participate**. Where Oregon leads the nation today, we will falter.

Harming public perception and support will damage the effectiveness of Oregon's Bottle Bill.

Oregon's Bottle Bill continues to deliver outstanding sustainability outcomes for Oregonians. It helps reduce litter in our communities¹ and natural areas and it is a recycling powerhouse—facilitating the recycling of more than two billion beverage containers each year, which remain clean, Grade-A materials, recycled in Oregon or domestically in the United States. Reducing the level of participation in the Bottle Bill combined with pulling resources away from supporting the system will cause our redemption rate to plummet and will jeopardize these strong recycling outcomes.

Taking resources away from Oregon's redemption model will harm everyone, including Oregon nonprofits and families.

Through OBRC today, we are able to offer various impactful benefit programs to our BottleDrop account holders. Many of those programs are unique to the Oregon model when compared to other Bottle Bill states and none of them are required by law. That is thanks to a variety of factors, including the aspirational rather than prescriptive nature of Oregon's Bottle Bill, however, those programs have administrative cost to operate that is paid for by our distributor members. Making changes that impact funding for Oregon's redemption services model risks the elimination of benefit programs, such as:

- The Green Bag program, which provides an easy and convenient way for consumers to drop their containers off in bulk and have their BottleDrop accounts credited with the value of those containers within seven days (and it's often less than that). We have more than 1.1 million of these account holders across the state (compared to 1.8 million households in total) that would be negatively impacted by a reduction or elimination of this program.² BottleDrop account holders redeemed 41% of total

¹ See recent results of neighborhood clean ups carried out in partnership with SOLVE in redemption center communities across Oregon: <https://bottledrop.com/solve/> Beverage containers make up a fraction of litter collected during those clean ups thus far. Compare this to litter composition information from other states without bottle bills: <https://www.bottlebill.org/index.php/benefits-of-bottle-bills/bottle-bills-prevent-litter>

² Please see the legislative district maps at the end of this letter for each committee member. You can see on these maps the number of BottleDrop account holders, the saturation within your districts, and the number of registered BottleDrop Give nonprofits in your districts.

container volume through the Green Bag program in 2024, and that percentage is growing every year.

- The BottleDrop Give program, which provides more than 6900 registered nonprofits in Oregon with the opportunity to raise funds through Blue Bag and BottleDrop account donations. Participating nonprofits raised over \$5.5 million dollars in 2024 and \$33 million dollars since inception of the program.
- The Containers for Change, BottleDrop Fund, and Emergency Fund programs, providing an additional average of \$1 million in funding to Oregon nonprofits to support important causes across the state each year. For example, in the summer of 2024 OBRC activated the Emergency Fund to raise monies and contribute to four nonprofits that provided direct assistance to those impacted by the wildfires: Oregon Cattlemen's Association, Oregon Farm Bureau, Oregon State University Foundation, and the Oregon Chapter of the Wildland Firefighter Foundation.
- The option to transfer BottleDrop account funds to your Oregon College Savings Plan or Oregon ABLE account. In 2024, Oregonians transferred \$518,166 to 5,173 Oregon College and ABLE Savings Plan accounts. Oregon is the only place in the world where people can directly save for education through container redemption. Oregonians have saved more than \$1.7 million for college since the inception of the program just a little over five years ago.
- The BottleDrop Plus program, which provides an option for BottleDrop account holders to get a 20% boost on the redemption value of their containers when they shop at participating grocery stores. In 2024, 226,669 BottleDrop account holders took advantage of this program. While the 20% boost portion is funded by the grocery stores, program administration by OBRC has a cost that would be at risk as a result of a reduction in overall operating budget funding.

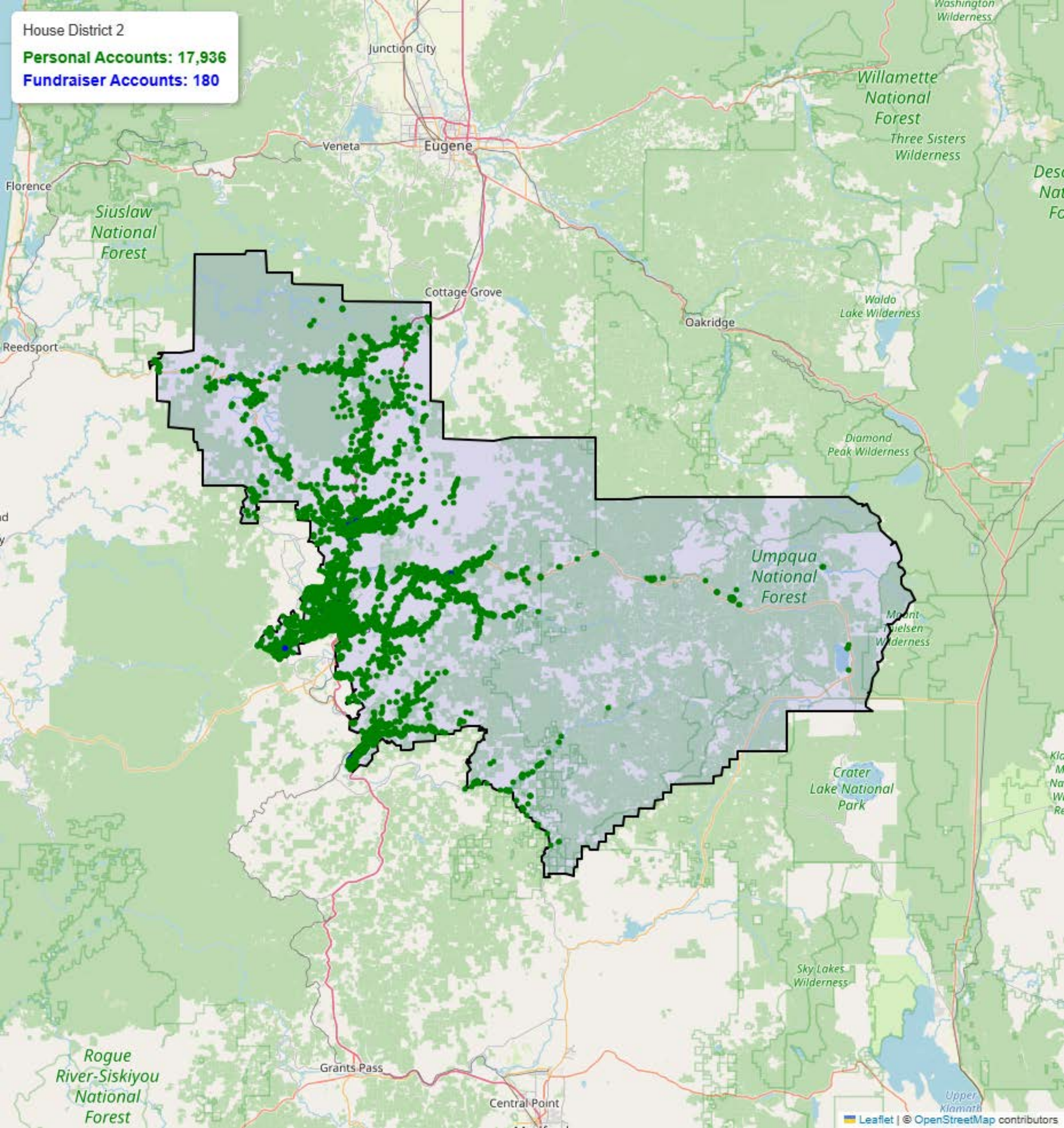
In closing, OBRC empathizes with the need to find reliable funding for firefighting in Oregon. We respectfully offer the perspective that applying a sales tax to Bottle Bill beverages sold in Oregon, or any other variation on a tax in Oregon's Bottle Bill, will have the unintended consequence of causing significant and lasting harm to the long-term viability of Oregon's Bottle Bill. Likewise, attempting to tax a part of the present deposit would have devastating impacts on Oregon's cherished Bottle Bill.

We urge consideration of alternative funding solutions that are more closely tied to the causal factors for the problem (wildfires) Oregon is trying to solve. **We respectfully request that you vote NO on HB 3940 or adopt the -2 Amendment to remove the provisions relating to Oregon's Bottle Bill.**

House District 2

Personal Accounts: 17,936

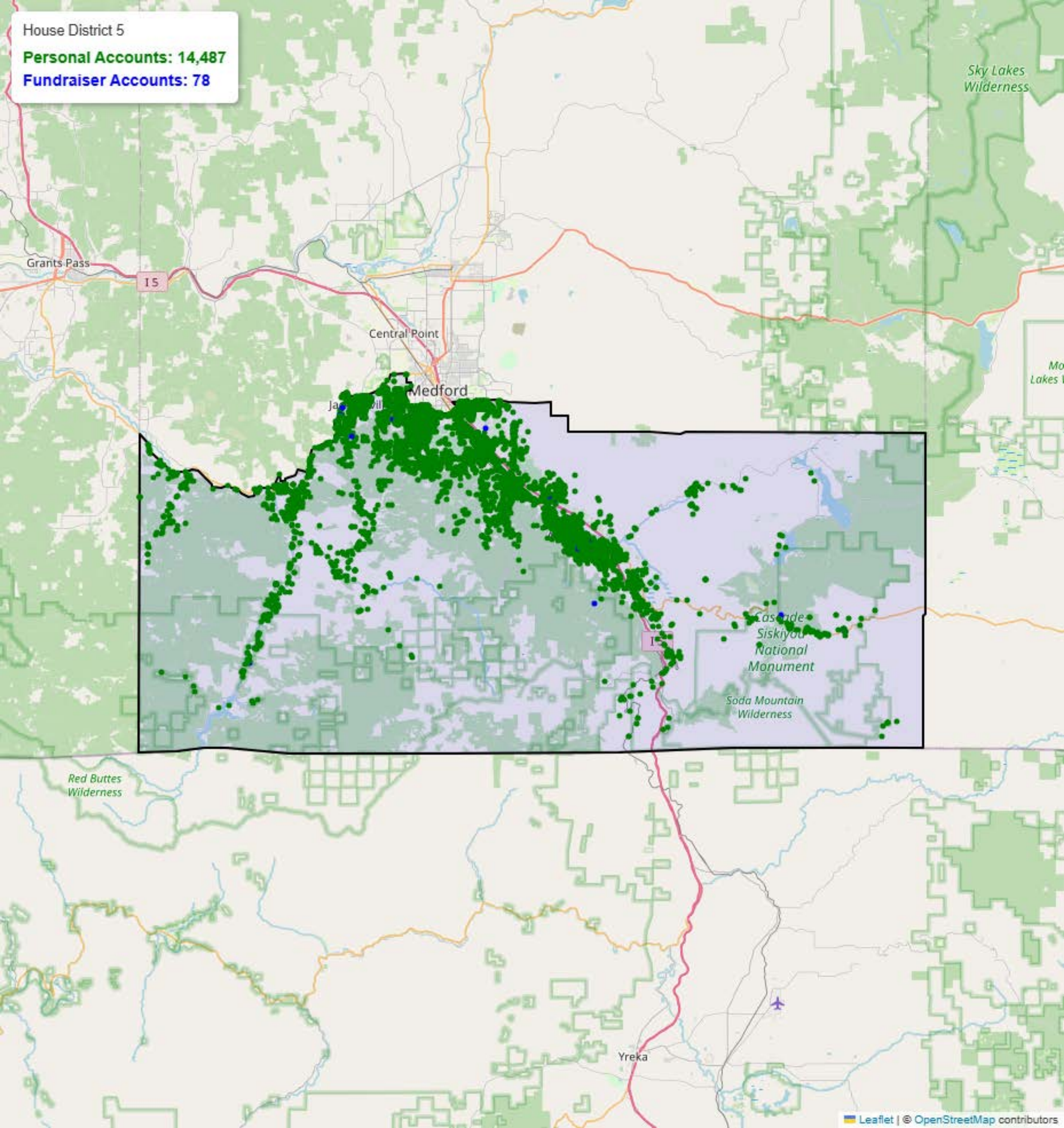
Fundraiser Accounts: 180



House District 5

Personal Accounts: 14,487

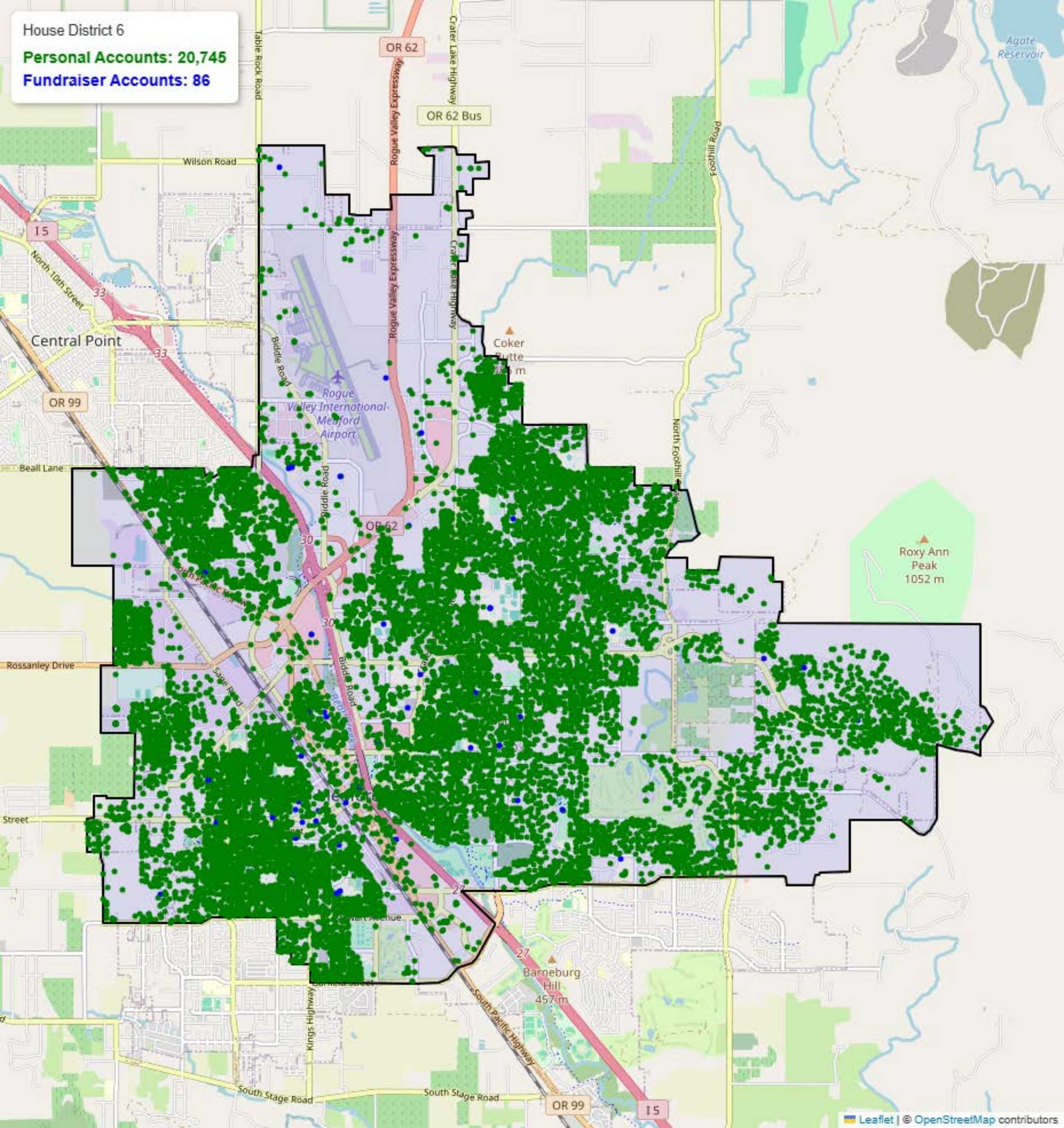
Fundraiser Accounts: 78



House District 6

Personal Accounts: 20,745

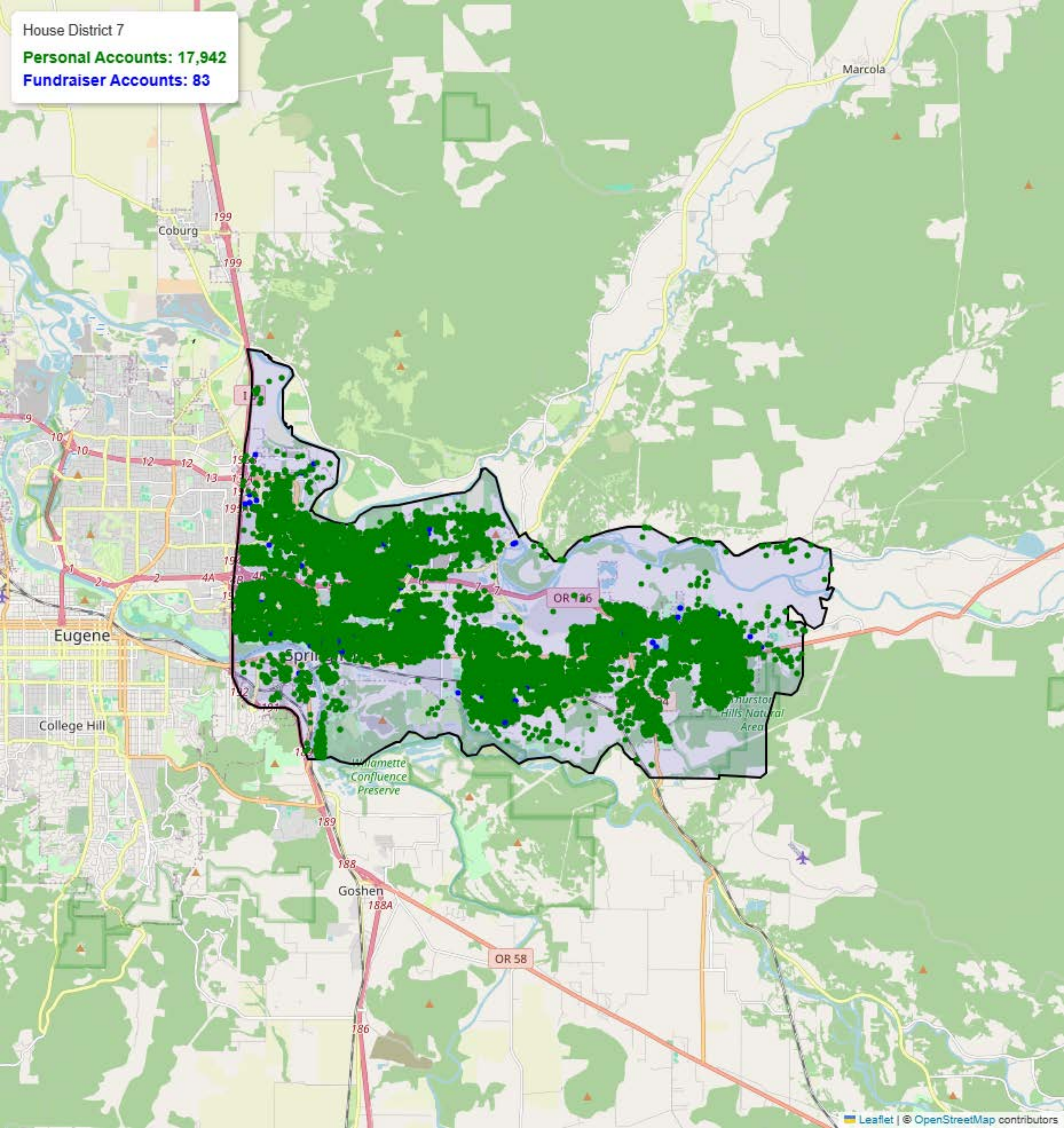
Fundraiser Accounts: 86



House District 7

Personal Accounts: 17,942

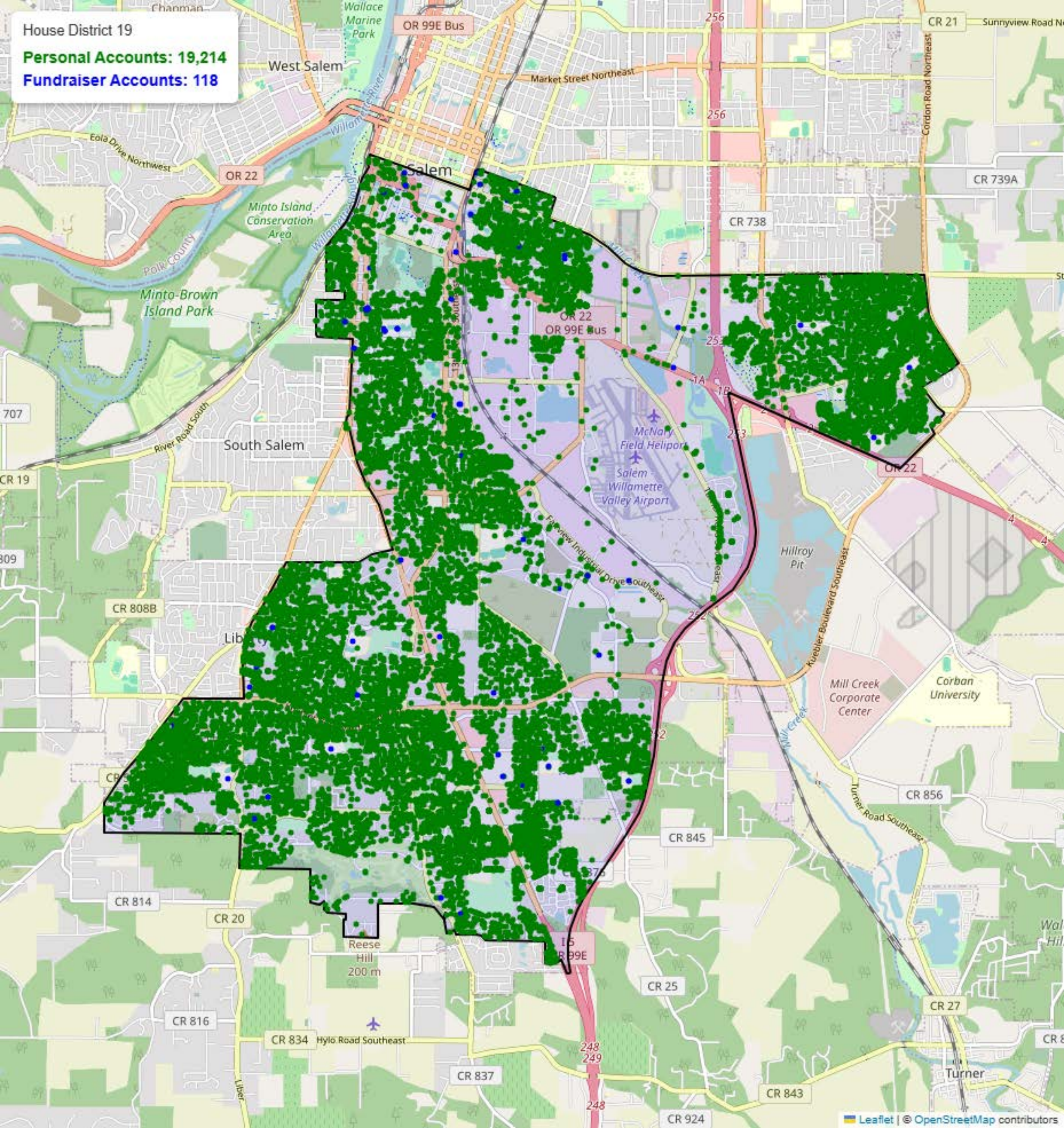
Fundraiser Accounts: 83



House District 19

Personal Accounts: 19,214

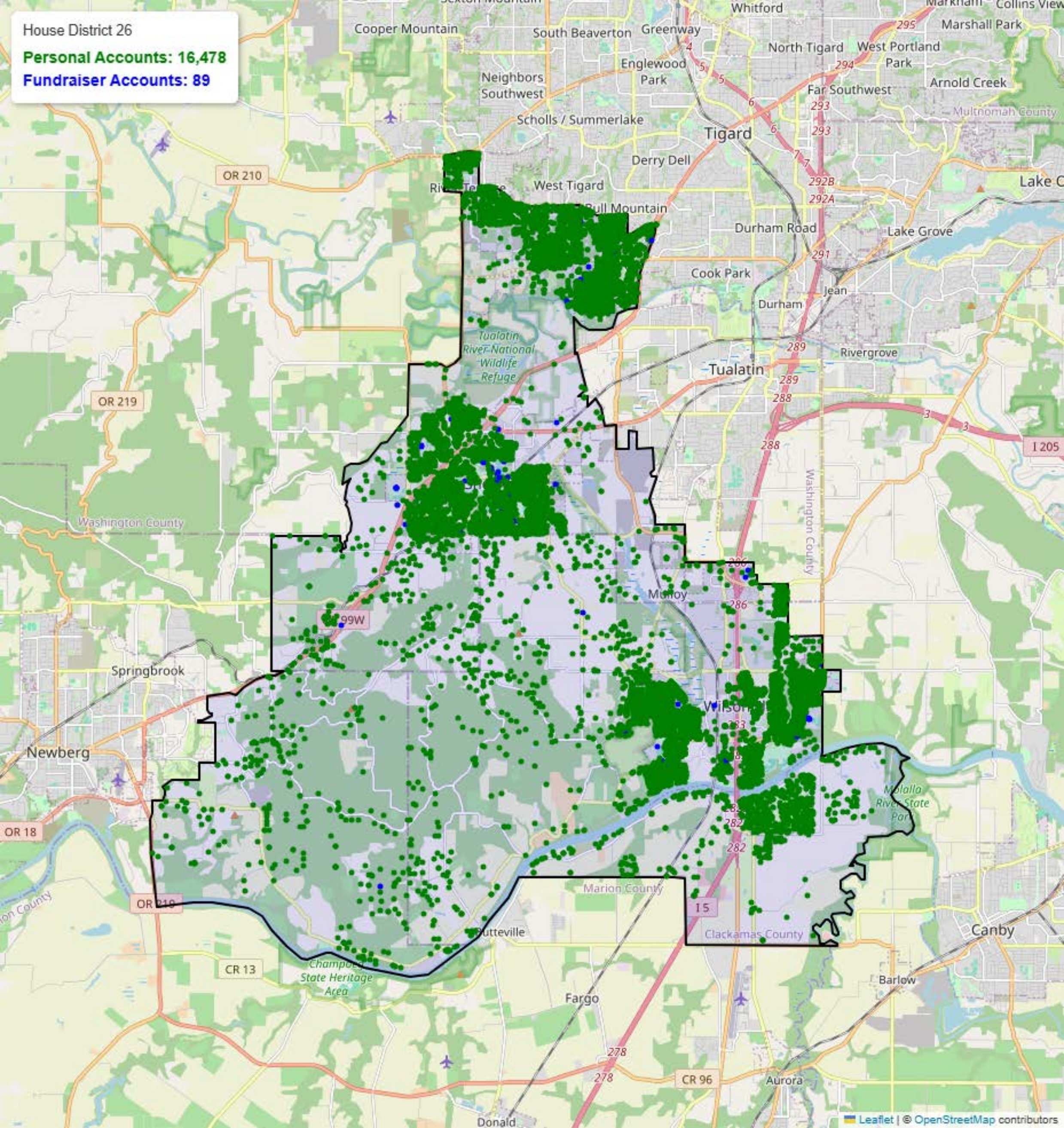
Fundraiser Accounts: 118



House District 26

Personal Accounts: 16,478

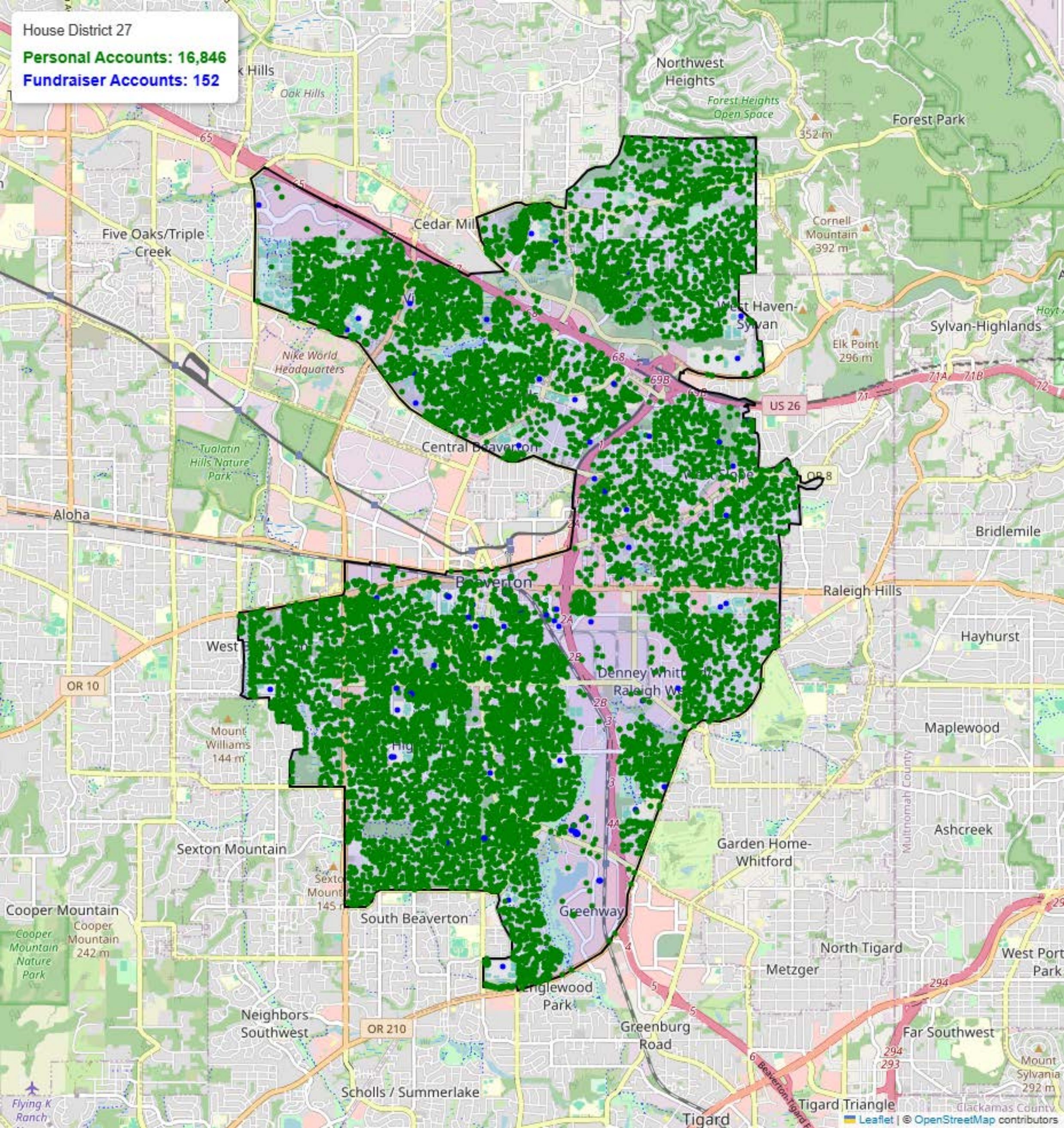
Fundraiser Accounts: 89



House District 27

Personal Accounts: 16,846

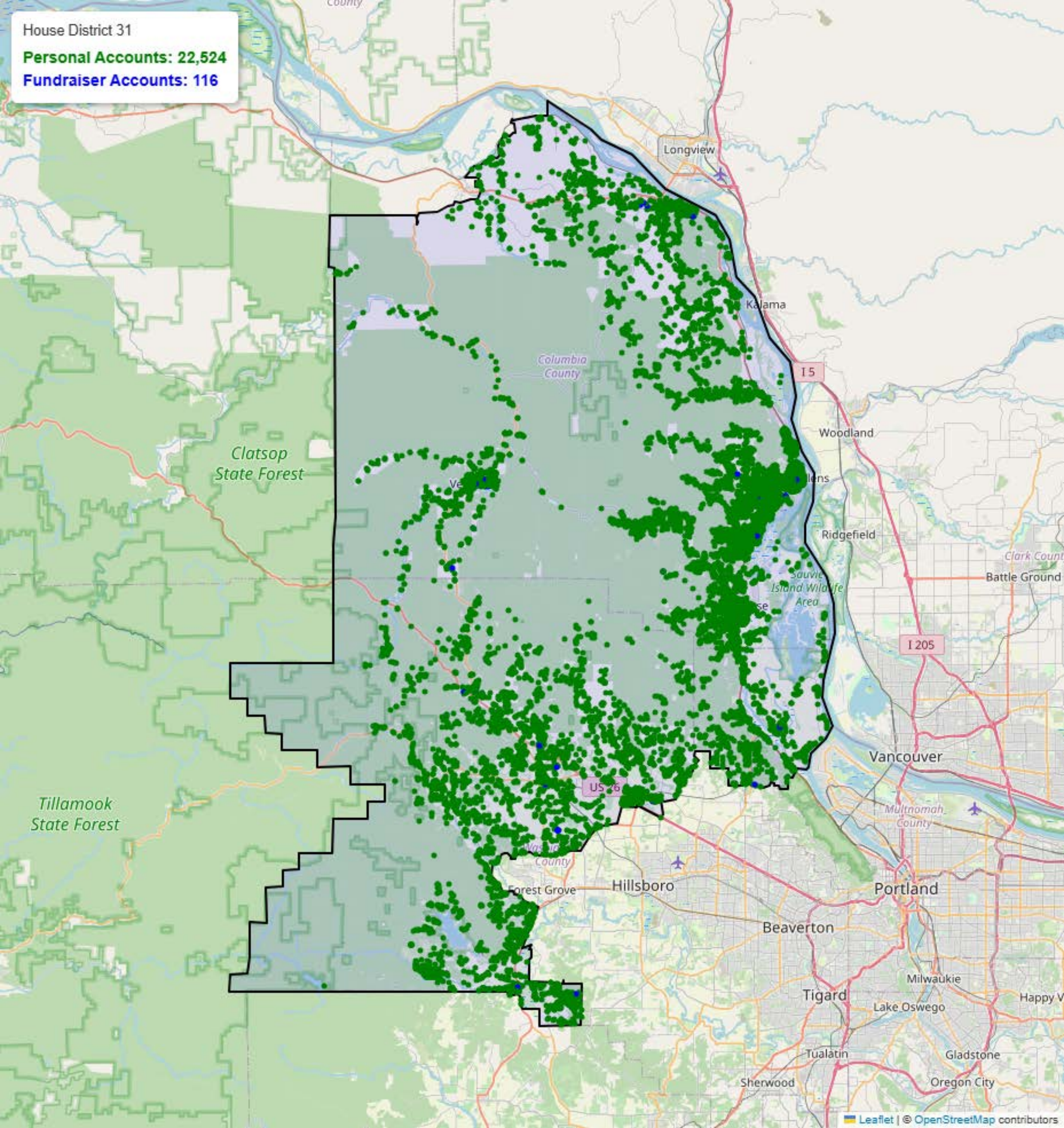
Fundraiser Accounts: 152



House District 31

Personal Accounts: 22,524

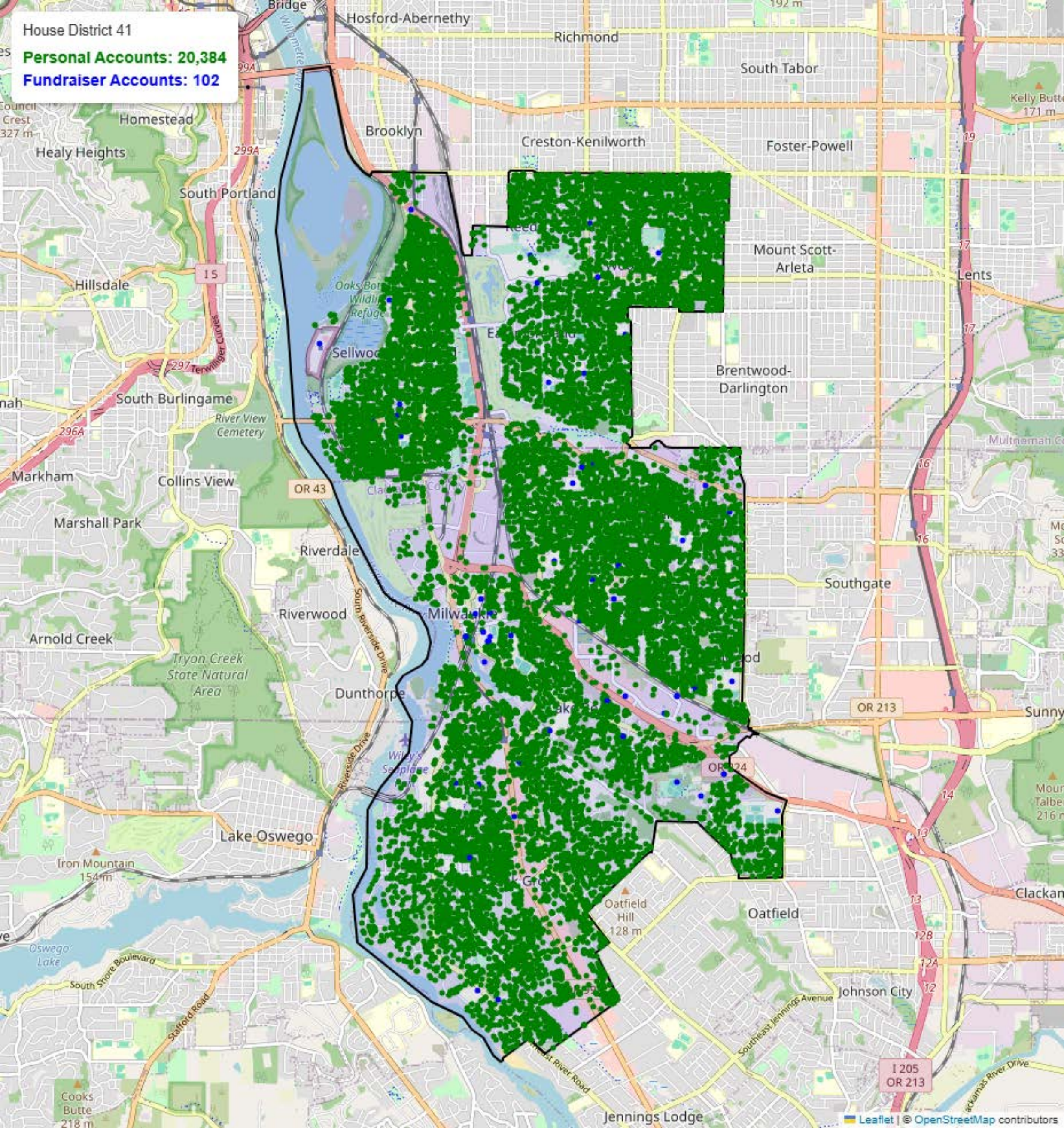
Fundraiser Accounts: 116



House District 41

Personal Accounts: 20,384

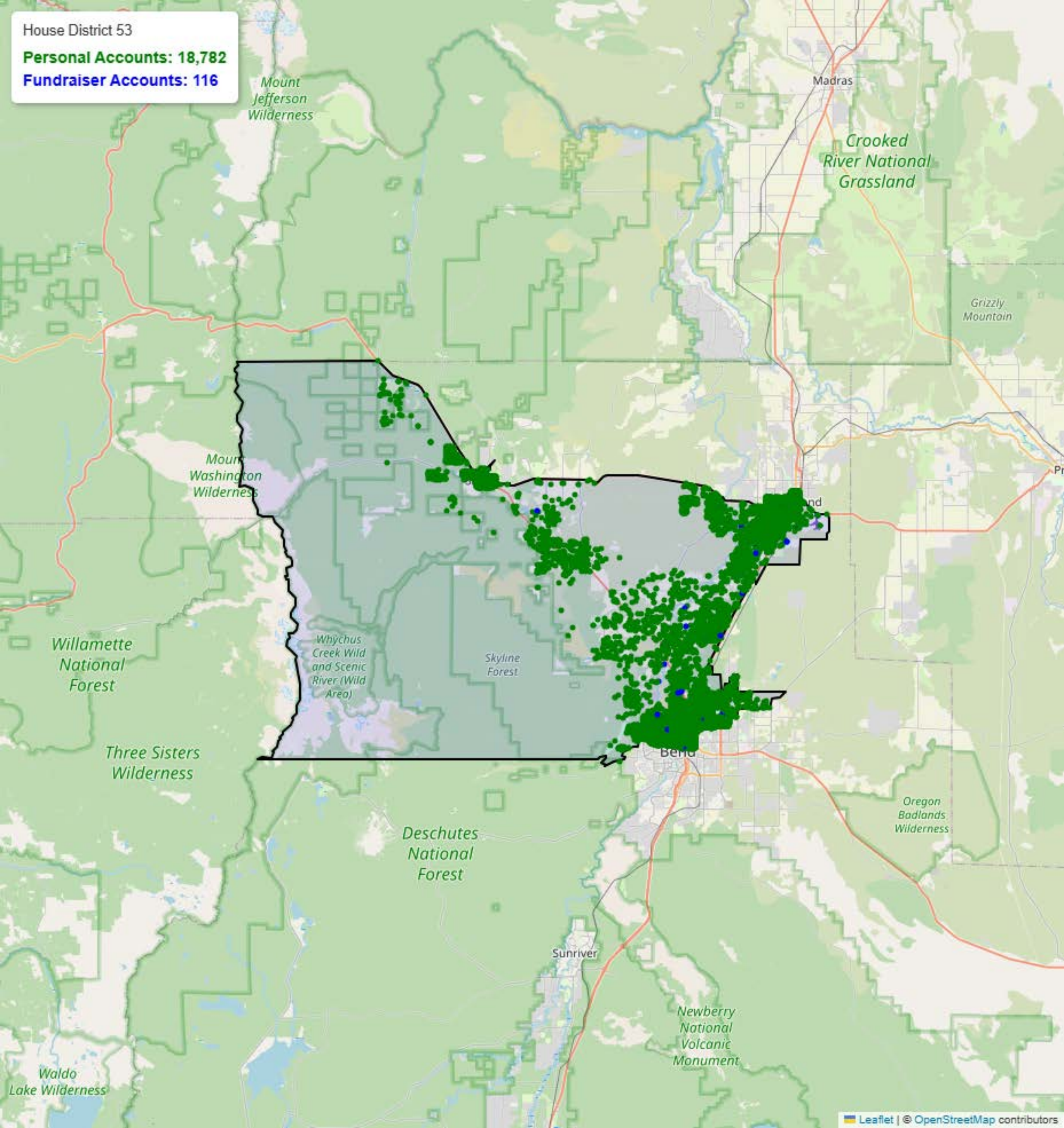
Fundraiser Accounts: 102



House District 53

Personal Accounts: 18,782

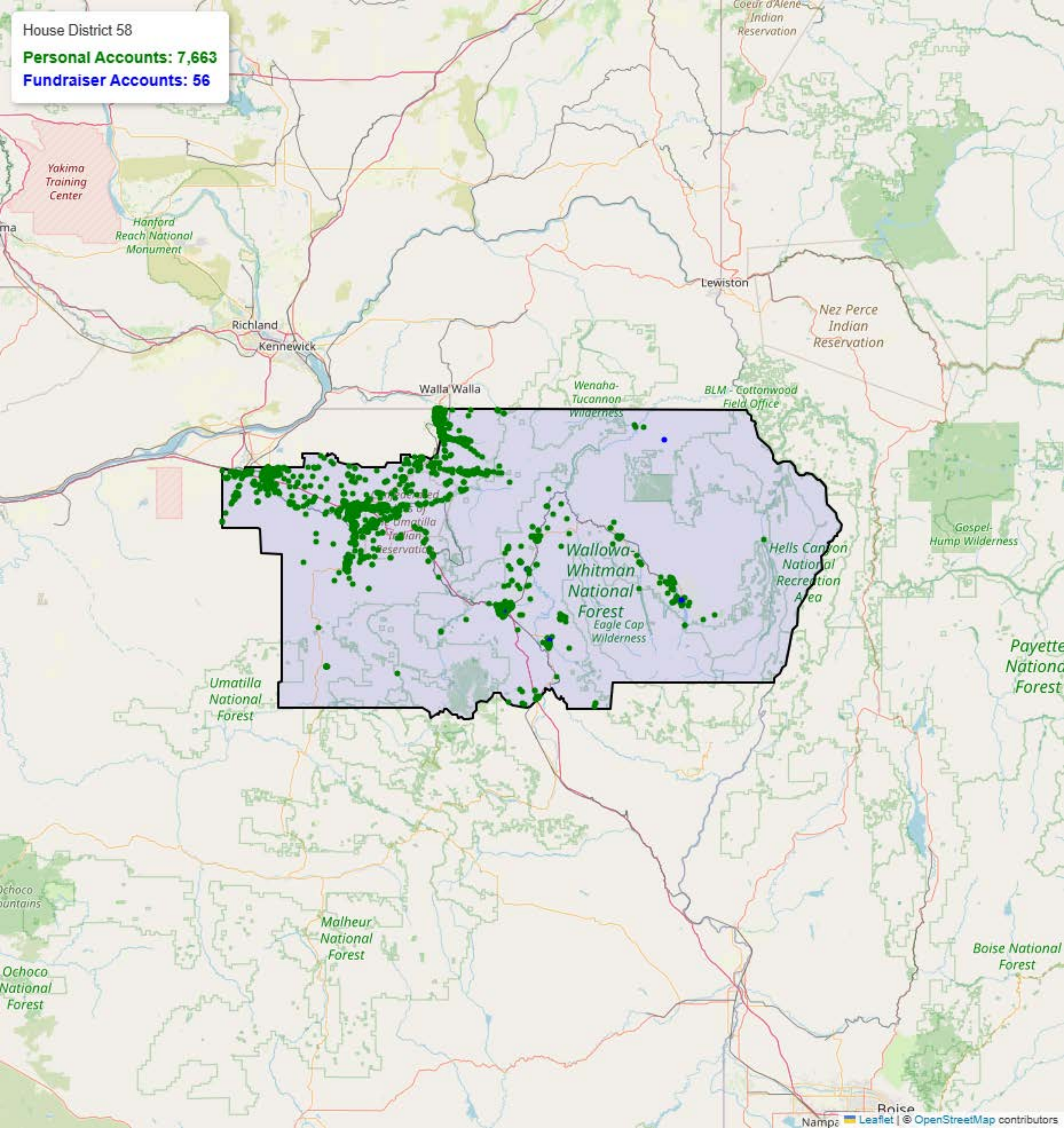
Fundraiser Accounts: 116



House District 58

Personal Accounts: 7,663

Fundraiser Accounts: 56



House District 60

Personal Accounts: 12,493

Fundraiser Accounts: 55

