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SOCAN Testimony regarding HB3940, suggesting an amendment

Representative Nathanson and members of the House Committee on Revenue:

As I have noted previously, Southern Oregon Climate Action Now is the oldest grassroots climate organization in the Rogue Valley and represents some 2,000 Southern Oregonians who are concerned about the climate crisis and seek federal, state and local action to address it. We are rural and coastal Southern Oregonians who live on the frontlines of the warming, reducing snowpack, heatwaves, drought, rising sea level and the increasing wildfire risk that these trends conspire to impose on us. Because of our concern, we pay close attention to efforts nationally, statewide, and locally that impact our collective efforts to address the climate crisis. As our logo above indicates, the focus of SOCAN is to promote action through science while encouraging that this be undertaken through a social justice lens.

Ehrlich (3035) notes in her OPB report on the 35-member task force established to seek a funding route to address the severe funding shortfall suffered by Oregon in terms of wildfires that task force was charged to develop at least \$280 million in funding for each biennium. She reported a mechanism that includes "adding a surcharge on bottles purchased in Oregon, pulling from Oregon's tax on out-of-state insurers and moving money from the state's reserves." The problem that wildfire presents to the state was identified by WFCA (2024) with the comment: "Climate change is also affecting Oregon's temperature and relative humidity. This change is expected to extend Oregon's fire seasons and contribute to more severe fire weather in the Western Cascade mountains. This will result in larger, more frequent fires." This conclusion was ascribed to Rojas (2020) who, in turn, was discussing a research report by McEvoy et al. (2020) which launched with the observation that "Moist forests historically characterized by infrequent wildfire are projected to experience significant increases in wildfire frequency before the end of the century as a result of climate change and anthropogenic activities." They concluded: "Our results demonstrated that wildfire hazard will likely increase by mid-century as a result of larger, more frequent fires."

That wildfire presents a growing threat to Oregonians and the forested environment Oregonians enjoy should be obvious to all. Anyone paying attention to our recent history should be well aware that fire risk is increasing and the threat that both the fire and the smoke generated impose on all of us along with the biodiversity we cherish should know that fire is an increasing risk that we all face. In discussing the effort that led to HB3940, Edge (2025) quoted Senate District 3 Legislator Senator Jeff Golden as stating "My single big need is to leave this session with adequate wildfire funding. I think we are foolish and irresponsible if we don't do that," he said. It is to be underlined that this task force is a substantially bi-partisan approach. Edge (2025) also reported that the 2024 wildfire season burned a record 1.9 million acres and cost Oregon taxpayers upwards of \$350 million. This problem is not going away. The legislature has a responsibility not to ignore the problen but to address it.

HB3940 may not be viewed by all as the perfect approach, but it offers a rational start to discussions. Thos who respond by complaining about 'new taxes' should realize that their taxes already pay for the state to fight wildfire. The 'No taxes' response is essentially arguing that its proponents would rather see Oregon burn to the ground than pay a penny to address the problem. Yet, they seemingly don't understand that they will pay anyway; even if funds are not raised specifically for this purpose, they will pay by forcing the legislature to continue to fork over huge amounts of general fund moneys to fight the fires and then potentially cut back on critical state services to cover this cost.

In terms of the components of the bill (a beverage container fee, a tax on insurance, and transfers from the rainy day fund), it seems to me a slightly different approach might be considered. It has long been recognized (e.g., Heer 1937) that "...taxes inevitably produce social and economic changes" rather than simply seeking a source of revenue that raises funds maybe we should seek revenue from sources contributing to the global warming that is driving the wildfire trend. The most obvious target, if such thinking were applied, would be a tax on fossil fuels since the Transportation sector has consistently appeared as the greatest source of the regulated statewide greenhouse gases in Oregon (DEQ undated) that are the prime drivers of global warming. Unfortunately, there exists a constitutional barrier to such a taxation approach unless it is established as something other than a transportation fuel tax.

A second approach would be to acknowledge that industry is the second largest source of greenhouse gas emissions (DEQ undated) and impose a tax on industry. A third approach would be to recognize that if we consider the unregulated sources of greenhouse gases, timber harvest has been demonstrated as a huge contributor (e.g., Law et al. 2018) to Oregon's greenhouse gas emissions. However, a different bill, HB3489 (OLIS 2025), is addressing this avenue through a severance tax.

Beverage containers may not seem a particularly serious contributor to the climate crisis, but Acker (2023) reported that "In 2021, beverage companies emitted 1.5 billion tons of $CO2_e$, or 3.8 percent of all global $CO2_e$ emissions." This suggests that there is some justification for targeting beverage containers with a tax.

Several years ago, Roberts (2020) pointed out that oil corporations are turning to petrochemicals such as plastics as a solution to the reducing use of oil in transportation. He reports that "...plastics are commonly projected to be the biggest source of new demand for oil over coming decades..." Meanwhile, Daly (2025) calculated that the footprint of the plastic bottles sold annually across the globe is equivalent to 12.5 million internal combustion engine cars. Given the argument of Heer (1937) noted above, even though beverage containers are not as serious contributors to the global warming problem as Transportation, Industry or Timber harvest, there exists some justification for targeting them with a tax that funds a resolution to the problem their emissions exacerbate. Considering the environmental cost of waste plastic (e.g., Cooper 2023, Kim 2024) maybe an amendment focusing the tax on plastic beverage containers would be a reasonable option.

Of course, a smarter route to addressing the wildfire trend would be for all of us to support policies and programs that address the basic cause of the trend, i.e., global warming and its climate change consequences.

It is disappointing to read the prevailing view of those submitting testimony in opposition to HB3940 which might be summarized as "Don't tax you, don't tax me; tax the guy behind the tree." The shortage of suggestions among opponents indicates that there is little recognition that there exists a very real funding shortfall problem that HB3940 seeks to address.

For the above reasons Southern Oregon Climate Action Now supports HB3940 while urging legislators to look closely at the use of a blanket beverage container tax and explore if this should be modified to focus on plastic beverage containers, maybe at a higher rate to compensate for narrowing the target arena somewhat.

Respectfully Submitted

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541-500-2331 541-301-4107 Sources Cited

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