

Submitter: Julie Niles-Fry  
On Behalf Of:  
Committee: House Committee On Revenue  
Measure, Appointment or Topic: HB3940  
To: House Committee on Revenue Subject: Written Testimony in Opposition to  
House Bill 3940 Date: April 30, 2025

Dear Chair and Members of the Committee,

I am writing to express my strong opposition to House Bill 3940, which proposes multiple revenue-raising measures to fund wildfire prevention and response in Oregon. While I recognize the importance of addressing wildfire risks, I believe this bill's approach is flawed and warrants reconsideration for the following reasons:

**Regressive Beverage Surcharge:** The proposed surcharge on beverage containers functions as a regressive tax, disproportionately impacting lower-income Oregonians. This measure also undermines the Oregon Bottle Bill by diverting recycling funds to an unrelated cause, breaking a longstanding commitment to consumers and eroding trust in the program.

**Depletion of the Rainy-Day Fund:** Transferring 50% of the Oregon Rainy Day Fund to wildfire programs risks depleting a critical reserve meant for economic downturns or broader emergencies. This could leave Oregon vulnerable to future crises, and I urge prioritizing the fund's preservation.

**Unintended Consequences of Insurance Taxes:** Directing revenue from the retaliatory tax on out-of-state insurers may lead to higher insurance premiums for Oregonians or reduced coverage in high-risk areas. This unstable funding source could indirectly burden consumers and disrupt insurance markets.

**Economic Impact on Rural Communities:** Adjustments to the forest products harvest tax could increase costs for the timber industry, potentially leading to job losses in rural Oregon. This provision overlooks the economic reliance of many communities on forestry.

**Lack of Funding Efficiency:** HB 3940's combination of surcharges, taxes, and fund transfers lacks focus and risks inefficient resource allocation. More targeted funding mechanisms, such as fees on high-risk properties or surplus "kicker" funds, should be explored instead.

**Rushed Legislative Process:** The bill's tight timeline, with a public hearing on April 1 and a committee deadline by April 9, limits meaningful public input. This rushed

process raises concerns about transparency and the ability of affected communities to voice their perspectives.

Potential Environmental Conflicts: The bill's focus on revenue may overlook broader environmental impacts, such as how wildfire prevention could affect Oregon's land use laws protecting forest and agricultural zones. These concerns deserve closer scrutiny.

I respectfully urge the Committee to reject HB 3940 and consider alternative, more equitable, and efficient funding solutions for wildfire prevention. Oregonians deserve a transparent process and policies that balance wildfire needs with economic and environmental priorities.

Thank you for your time and consideration.

Sincerely, Julie Niles-Fry