



## **Jason Jordan, President, Oregon Beverage Recycling Cooperative**

Urging NO Vote on HB 3940A or Adopt -A8 Amendment

Oregon Legislature - House Revenue Committee – May 1, 2025

Good afternoon, Chair Nathanson, Vice Chairs Reschke and Walters, and members of the Committee. For the record, I am Jason Jordan, and I serve as the President of the Oregon Beverage Recycling Cooperative. Thank you for the opportunity to be here with you today to respectfully urge this committee to vote NO on HB 3940A *unless* the Dash A8 Amendment is adopted due to the very real concerns we have with any proposal that attempts to fund wildfire response using Oregon's nation-leading Bottle Bill program.

### **Who is OBRC and what does the Bottle Bill represent to Oregon?**

- OBRC is a statewide, cooperative set up by beverage distributors to fulfill their stewardship obligations under Oregon's Bottle Bill. The cooperative is an employer of over 500 individuals in communities both large and small throughout this state.
- More than 80% of Oregon's 2 billion annual container returns are through the operation of the BottleDrop network operated by OBRC.
- The Bottle Bill is a shining example of an all-Oregonian solution to an environmental challenge. It keeps beverage container litter out of our roadsides, beaches, trails, and rivers, delivering cleaner communities and natural areas for all Oregonians to enjoy.
- It is a sustainability success story—facilitating the recycling of some of the cleanest, Grade-A materials, processed here in Oregon or domestically in the United States.
- Nationally and internationally, our Bottle Bill is recognized as a model against which ALL other programs compare themselves. For example, earlier this week, we welcomed a contingent from the Ministry of the Environment for the Czech Republic, who visited with us to learn how to replicate a system like ours for their country.
- Last year, with a preliminary redemption rate of 90.4%, Oregon avoided generating almost 54,000 metric tons of CO2 equivalent emissions through our nation-leading recycling system.
- But our Bottle Bill is about more than just recycling – it's an economic lifeline for thousands of Oregonians. Each year, more than \$200 million dollars are returned to consumers, helping many people make ends meet.
- The BottleDrop Give program is an asset to our state assisting almost 7,000 nonprofits to raise essential funds. You see the importance of BottleDrop Give program with the submitted written testimony provided to this committee.



- More than 1.1 million Oregonians use the Green Bag program to save for college, save money on their groceries, cover daily expenses and support causes they care about.

**HB 3940A puts all these achievements at risk if the Bottle Bill remains in the legislation. Whether it is the beverage container sales tax built into this bill or another proposal to tax the present redemption value (redeemed or unredeemed), the risk of devastating our Oregon program is very real.**

**The current proposal to charge a \$.05 sales tax on beverages will harm public perception and support for Oregon's Bottle Bill.**

- For nearly 54 years, Oregonians have become accustomed to receiving their FULL deposit back 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 confusion at the time of presenting a container for a refund.
- This will undermine consumer **trust in** the Bottle Bill and ultimately weaken a consumer's desire to participate.

**I understand that the FIRE 35 group considered other bottle bill options including a tax on the present redemption value for containers. I want to be clear – such a proposal would severely damage the effectiveness of the Bottle Bill.**

- Such a tax would take resources away from the system, which could lead to closures of redemption centers, limit Green Bag program access, and reduce convenience for consumers, ultimately forcing us to revert back to a system of individual container returns at retail stores. In our experience, this will cause our nation leading redemption rate to plummet and will jeopardize our strong recycling outcomes, ultimately breaking what has been 54 years of success.
- In addition, OBRC operates the only statewide beverage container refill program in the United States. The environmental benefits of a successful refill program are undeniable. However, this program is fully subsidized by distributor member fees. With a tax on the system each year, this program would be under threat of elimination.

**Such a proposal would also harm Oregon nonprofits and families.**

- OBRC subsidizes a substantial portion of the true cost to collect and recycle beverage containers redeemed through the Green and Blue Bag program for its customers, costing the Cooperative millions of dollars each year.



- We may be forced to eliminate this popular and convenient bag program that 1.1 million Oregonians use, limiting our state to a system of only hand counts and reverse vending machines for redemptions.
- With no Green & Blue Bag program, thousands of non-profits across our state lose the BottleDrop Give program (our Blue Bag fundraisers) and beloved Green Bag account holder features like Push Plus to save 20% on groceries or the option to transfer funds to an account holder's Oregon College Savings Plan.
- Elimination of the Green & Blue Bag program also risks OBRC's ability to continue philanthropic programming, including Containers for Change, the Emergency Fund, and the BottleDrop Fund with OCF. These programs are used to support efforts like our Alternative Redemption Partnerships with Everyone Village and The People's Depot or to deliver resources to Oregon communities hit hard by wildfire, which is highlighted in our most recently released 2024 Annual Report.

## In closing

The modern bottle bill is the product of nearly twenty years of legislative refinement and private sector innovation centered on maximizing a system of access and convenience for Oregonians, while continuing to deliver world class recycling outcomes. Oregon's Bottle Bill has been this successful while operating without any taxpayer dollars and at no cost to consumers who return their containers.

OBRC continues to uphold our commitments of expanding access, creating efficiencies, and finding opportunities to innovate. These improvements come at a cost, which has required increasing our industry and member fees to pay for these investments. Because of these industry investments and requests from the legislature over the years, you have the most convenient and high-performing system in the country, and many believe, the world. That has led to an increasingly lower portion of unredeemed refunds contributing to offset operating costs.

Our operating budget went from around \$20 million in 2010 to nearly \$70 million in 2025, while unredeemed refunds have remained flat (about \$20 million). That is an over 300% increase in operating expenses that had to come from industry member investments in the system. To give you a very recent perspective, in Q1 of 2025, we ran at a 96% redemption rate. There are a number of possible reasons for this, but here is one of them **[in committee: Jason displayed two recently redeemed beverage containers that are several years old]**. A beverage container that is subject to our bottle bill can be redeemed at any time. It doesn't matter if the person purchased it 15 years ago or today. We redeem it.



Finding sustainable funding for wildfire management is undeniably important and every Oregonian has a stake in preventing and fighting wildfires. I truly understand the difficult position you are in, but before you consider passing legislation that includes a tax on Oregon's Bottle Bill, please know that to get the money you are looking for out of this system, you are having to make the decision to break a World Class Bottle Bill serving all Oregonians to solve an unrelated challenge. I am grateful to this committee for the time **and respectfully** urge a NO vote on HB 3940A unless the -A8 Amendment is adopted.

Thank you.