

June 12, 2025

Co-Chairs Gorsek and McLain, and members of the committee:

Oregon Farm Bureau is the state's most inclusive agriculture organization, proudly representing more than 6,500 family farms and ranches that produce more than 220 agricultural commodities. From hops and hazelnuts to cattle, cranberries, and timber with operations spanning from just a few acres to thousands, our members utilize all farming methods including organic, conventional, regenerative, biotech, and even no-tech.

Oregon's farmers and ranchers are the backbone of our rural economy and essential stewards of our land. Their operations depend heavily on a reliable, affordable, and well-maintained transportation system to move equipment, deliver crops and livestock, and access markets. Unfortunately, House Bill 2025, in its current draft, threatens the sustainability of Oregon agriculture and the rural communities that support it.

This measure proposes a suite of new and increased revenue mechanisms, including fuel taxes, vehicle fees, road-user charges, and a spike in payroll taxes. While these may be aimed at enhancing transportation funding, they would unfairly burden rural Oregonians, who lack viable transportation alternatives unlike those in urban centers.

Agriculture is an inherently mobile industry—relying on trucks, equipment, and long-distance transport at nonstandard times. The proposed financial burdens do not align with the economic realities of farming and ranching.

The bill fails to provide sufficient exemptions or accommodations for agricultural use vehicles, particularly:

- Farm-plated trucks and heavy equipment, which are used over long distances and in unique operational cycles, are not easily substituted or electrified.
- A proposed 235% increase in the farm endorsement fee—from \$26 to \$87—is excessive, especially without direct benefit to those paying it.
- Farmers already pay significant road use taxes, including fuel taxes, equipment permits, and vehicle registration. These costs must not be duplicated or inflated through additional regulatory or fee-based mechanisms.
- New weight-mile or alternative vehicle assessments should not apply to vehicles that already meet their highway cost responsibilities through fuel taxation.

HB 2025 lacks an understanding of how roads are used in agricultural contexts. Policies must reflect actual road use, not assumptions. Farmers are already subject to high levels of compliance

and oversight. We've not heard of misuse surrounding dyed diesel, yet the bill proposes heightened penalties.

Another central concern is how HB 2025 allocates its revenues:

- There are no clear guarantees that rural roads and bridges—already underfunded and in disrepair—will receive adequate investment.
- Highway Use Fund expenditures must be tied directly to the repair and maintenance of roads and bridges, not diverted toward priorities such as congestion relief or mass transit.

This bill introduces approximately \$1 billion per year in new taxes and fees on Oregonians at a time of rising inflation, regulatory pressure, and market instability. Now is not the time to impose additional costs on rural communities, family farms, and small businesses already struggling to remain competitive.

- Payroll taxes should not be used to fund transportation, as they hinder the competitiveness of Oregon's agricultural employers.
- Titling and registration fees must be administrative in nature—not repurposed for general revenue generation.
- Alternative fuel vehicles must pay road maintenance fees commensurate with conventional vehicle users to ensure fairness and sustainability.

Oregon Farm Bureau urges legislators to revise HB 2025 to reflect the realities of rural and agricultural life. Any modern transportation package must:

- Recognize the unique role of agriculture in Oregon's economy and its contribution to road funding.
- Ensure fee structures are fair, proportionate, and reflective of actual use.
- Dedicate revenues to the infrastructure needs of Exclusive Farm Use (EFU) zones and rural road systems.
- Provide exemptions or tailored policies for farm vehicles, off-road fuel uses, and agricultural operations.
- Ensure ODOT focuses on their core services.

We appreciate the accountability measures including audits of ODOT but it's not enough to ensure tax dollars are spent responsibly.

Oregon needs better transportation infrastructure and OFB supports those investments, but not at the cost of the people who feed our state and nation. We call for the development of a transportation package that works for all Oregonians, particularly the farmers, ranchers, and rural families who depend on these systems to survive.

Thank you.



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