

Legislation Text

File #: 18-5610, **Version:** 1

CONCERNING INITIATIVE MEASURE NO 1631, FILED MARCH 13, 2018 AN ACT RELATING TO REDUCING POLLUTION BY INVESTING IN CLEAN AIR, CLEAN ENERGY, CLEAN WATER, HEALTHY FORESTS, AND HEALTHY COMMUNITIES BY IMPOSING A FEE ON LARGE EMITTERS BASED ON THEIR POLLUTION; AND ADDING A NEW CHAPTER TO TITLE 70 RCW.

INTRODUCED BY: Councilmember Mary Alice Wallis

SUPPORTED BY: Mayor Pro-Tem Mike Wallin

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Continue effective financial management, strengthen economic conditions & create new opportunities, address quality of place issues, preserve and enhance neighborhoods and more.

CITY ATTORNEY REVIEW: N/A

SUMMARY STATEMENT:

Initiative 1631 would impose a carbon tax of \$15 per metric ton of CO₂ emitted in Washington State, increasing by \$2 per year plus inflation, to over \$40 per metric ton in about ten years. Taxpayers would see the cost of the initiative primarily at the gas pump, in home heating costs, and on their electricity bills. This translates to between \$234 and \$305 for the average household in the first year, increasing to \$672 and \$877 per year after ten years. The largest portion of the cost would come from a 14-cent-per-gallon gas tax that would increase by about two cents per gallon each year. The initiative calls the tax a "pollution fee," but it would use existing laws on gas taxes and other energy taxes for enforcement, so the effect on taxpayers would be a tax. Spending of the more than \$600 million generated annually by the carbon tax would be dictated by a 15-member board, all but one of whom would be unelected and would have few restrictions on how to spend the money. The initiative would limit the impact on manufacturing jobs by exempting "energy-intensive, trade-exposed" industries, as well as agricultural, aircraft, and maritime fuels. Claims that the initiative would create jobs make several errors, including the claim that buying less fuel would keep money in Washington State, even as supporters argue we should buy more foreign-built wind turbines and electric vehicles. Although the initiative sets CO₂ reduction targets, there is no accountability for board members or the state if targets are not met. Ironically, if the board failed to meet CO₂ reduction targets, taxes would be increased, and board members would be given control over more money, providing an incentive to miss the targets. The initiative would limit and then prohibit third-party CO₂ reduction projects, which are often the most effective and efficient. Among the suggestions for expenditure is that funding be used to increase tolling on state roads, called in the initiative, "traffic demand management."

Consistent with RCW 42.17A.555(1), members of the council and members of the public will be afforded an approximately equal opportunity for the expression of an opposing view.

RECOMMENDED ACTION:

A City Council motion expressing to the Voters of the City of Longview the City Council's opinion that Initiative 1631, AN ACT Relating to reducing pollution by investing in clean air, clean energy, clean water, healthy forests, and healthy communities by imposing a fee on large emitters based on their pollution; and adding a new chapter to Title 70 RCW, should not be approved by the voters.

