

RESOLUTION 2017-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ENCINITAS, CALIFORNIA SUPPORTING A FEDERAL REVENUE-NEUTRAL CARBON FEE AND DIVIDEND PROGRAM (CFD)

- WHEREAS**, The Intergovernmental Panel on Climate Change (IPCC) has stated in its recently released 5th Assessment Report, *Climate Change 2013: The Physical Science Basis*, that "Warming of the climate system is unequivocal," and "It is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century;" and
- WHEREAS**, Conservative estimates by the world's climate scientists state that to achieve climate stabilization and avoid cataclysmic climate change, emissions of greenhouse gases (GHGs) must be brought to 80% below 1990 levels by 2050; and
- WHEREAS**, The Global Warming Solutions Act of 2006 commits the State of California to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020, and the Governor's Executive Order S-3-05 further calls on the State to reduce GHG emissions 80% below 1990 levels by 2050; and
- WHEREAS**, Presently the environmental, health, and social costs of carbon emissions are not included in prices paid for fossil fuels, but rather these externalized costs are borne directly and indirectly by all Americans and global citizens; and
- WHEREAS**, To begin to correct this market failure, Congress can enact a national carbon tax on fossil fuels, based on the amount of CO₂ the fuel will emit when burned; and
- WHEREAS**, For efficient administration, fossil fuels can be taxed once, as far upstream in the economy as practical, or at the port of entry into the United States; and
- WHEREAS**, A national, revenue-neutral carbon tax starting at a relatively low rate and increasing steadily over future years is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use non-carbon-based energy resources; and
- WHEREAS**, The Citizens' Climate Education Corporation (CCEC) contracted a third party, Regional Economic Modeling, Inc. (REMI) to do a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and
- WHEREAS**, REMI's study predicted that, after 10 years, a revenue-neutral carbon tax would lead to a decrease in CO₂ emissions by 33 percent, an increase in national employment of 2.1 million jobs, and an average monthly dividend for a family of four of \$288; and
- WHEREAS**, Border adjustments - carbon content-based tariffs on products imported from countries without comparable carbon pricing, and refunds to our exporters of carbon taxes paid - can maintain the competitiveness of U.S. businesses in global markets; and
- WHEREAS**, A national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place

mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax, and already collects taxes from fossil fuel producers and importers; and

WHEREAS, A national carbon tax would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21st Century, and would provide incentive to other countries to enact similar carbon taxes, reducing global CO₂ emissions without the need for complex international agreements;

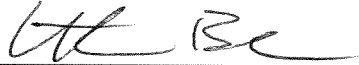
NOW, THEREFORE, the City Council of the City of Encinitas hereby does resolve as follows:

1. That the City of Encinitas urges the United States Congress to enact without delay a tax on carbon-based fossil fuels;
2. That the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States;
3. That the tax rate should start low and increase steadily and predictably, to achieve the goal of reducing U.S. CO₂ emissions to 10% of 1990 levels by 2050;
4. That all tax revenue should be returned to households to protect low- and middle-income Americans from the impact of rising prices due to the tax;
5. That the international competitiveness of U.S. businesses should be protected by using carbon content-based border tariffs and tax refunds; and,
6. That a certified copy of this Resolution will be sent to State and Federal representatives.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the City Council of the City of Encinitas does, hereby, adopt

PASSED AND ADOPTED this 22nd day of March, by the following vote, to wit:

AYES: Blakespear, Boerner Horvath, Kranz, Mosca
NAYS: Muir
ABSENT: None
ABSTAIN: None



Catherine S. Blakespear, Mayor
City of Encinitas

ATTEST:



Kathy Hollywood, City Clerk