

TOWN OF MORRISTOWN

RESOLUTION R-150-2018

**RESOLUTION URGING THE UNITED STATES CONGRESS TO ADDRESS
CLIMATE CHANGE BY ENACTING REVENUE-NEUTRAL CARBON FEE AND
DIVIDEND LEGISLATION**

WHEREAS, overwhelming scientific evidence indicates that the Earth's climate is changing. Thousands of studies conducted by researchers around the world have documented increases in temperature on the Earth's surface, in the atmosphere, and in the oceans. In New Jersey, the changes are associated with sea level rise, severe storms, drought, heat waves, and flooding. Those effects are resulting in damage to infrastructure, agriculture, water quality and quantity, and natural ecosystems; and

WHEREAS, by its Resolution R-92-2017, the Town of Morristown ("Morristown") joined other US cities in the Climate Mayors network in adopting and supporting the goals of the Paris Agreement, which Agreement resulted in a commitment from almost every nation to enact programs to limit global temperature increase to less than 2°C; and

WHEREAS, the Fourth National Climate Assessment ([\(<https://science2017.globalchange.gov/>](https://science2017.globalchange.gov/)) states, "The magnitude of climate change beyond the next few decades will depend primarily on the amount of greenhouse gases (especially CO₂) emitted globally. Without major reductions in greenhouse gas emissions, the increase in annual average global temperature relative to preindustrial times could reach 5°C or more by the end of this century. With significant reductions in emissions, the increase in annual average global temperature could be limited to 2°C or less."; and

WHEREAS, by its Resolution R-92-2017, Morristown committed to reducing greenhouse gas (GHG) emissions through implementation of a Climate Action Plan and to exploring the potential benefits and costs of adopting policies and programs that promote the long-term goal of GHG emissions reduction while maximizing economic and social co-benefits of such action; and

WHEREAS, the environmental, health, and social costs of GHG emissions are not included in prices paid for fossil fuels, but rather, those externalized costs are borne by all persons without their consent; and

WHEREAS, to begin to correct this market failure, Congress can impose a national carbon fee on the extraction, production, or import of fossil fuels, based on the amount of CO₂ the fuel will emit when burned. Starting this uniform fee at a low rate and increasing it steadily

would cause minimum disruption to the economy while encouraging businesses to develop and use non-carbon-based energy sources; and

WHEREAS, the Citizens' Climate Education Corporation (a non-partisan organization) contracted a third party, Regional Economic Modeling, Inc. (REMI) to carry out a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax or fee. The study assumed that costs of administering the program would be deducted from the revenue, with the net total being distributed equally as a dividend to all US households. REMI's analysis concluded that, during the first 20 years, a carbon fee and dividend (CF&D) policy would lead to a reduction in carbon emissions to 50% below 1990 levels; the addition of 2.8 million jobs, driven by the steady economic stimulus of the dividend; and the avoidance of 230,000 premature deaths due to reduction in air pollutants that often accompany carbon emissions; and

WHEREAS, a revenue-neutral national CF&D can be implemented quickly and efficiently using existing federal agencies such as the Internal Revenue Service and the Social Security Administration; and

WHEREAS, with a national CF&D program, the United States would join approximately 40 countries and more than 20 cities, states, and provinces that already use carbon pricing mechanisms (<http://www.worldbank.org/en/programs/pricing-carbon>); and

WHEREAS, border tariffs on products imported from countries without carbon pricing and refunds to US exporters for carbon fees can maintain the competitiveness of US businesses in global markets;

NOW THEREFORE BE IT RESOLVED, by the Town Council of the Town of Morristown, in the County of Morris, State of New Jersey, that Morristown's Mayor and Town Council urge the United States Congress to enact without delay a fee on carbon-based fuels to be collected as far upstream in the economy as practical; and

BE IT FURTHER RESOLVED, that all revenue, net of administrative costs, should be returned as a dividend to all US households in equal measure, to protect low- and middle-income families from the impact of rising prices due to the carbon fee; and

BE IT FURTHER RESOLVED, that the international competitiveness of US businesses should be protected by using carbon-content-based border tariffs and tax refunds; and

BE IT FURTHER RESOLVED, that copies of this resolution be distributed to US Senators Robert Menendez and Cory Booker and US Representative Rodney Frelinghuysen.

I do hereby certify the above to be a true and exact copy of a Resolution duly passed and adopted by the Town Council of the Town of Morristown at the Regular meeting of the Town Council held on August 7, 2018 in the Morristown Council Room, 200 South Street, Morristown, New Jersey, beginning at 7:30 PM, prevailing time.

DATED: August 7, 2018



Margot G. Kaye, Town Clerk