



MEMO TO: Members of the City Council

FROM: Mayor John Marchione

DATE: October 16, 2018

SUBJECT: Resolution Expressing a Collective Decision on Initiative No. 1631

Initiative Measure No. 1631

Initiative Measure No. 1631 concerns pollution. This measure would charge pollution fees on sources of greenhouse gas pollutants and use the revenue to reduce pollution, promote clean energy, and address climate impacts, under oversight of a public board. Should this measure be enacted into law? Yes No

I. RECOMMENDED ACTION

Hold a public hearing on Initiative 1631.

II. DEPARTMENT CONTACTS

| | |
|---|--------------|
| Erika Vandenbrande, Director, Planning, and Community Development | 425-556-2457 |
| Cathy Beam, AICP, Principal Planner | 425-556-2429 |

III. DESCRIPTION/BACKGROUND

At the September 18, 2018, City Council meeting under New Business, the Council agreed to hold a hearing on October 16, 2018, to hear public testimony regarding Initiative 1631.

Initiative 1631 was filed on March 13, 2018, and will appear on the November ballot. This initiative, called *Protect Washington Act*, but also known as the carbon fee initiative, attempts to put a price on carbon that will be invested to combat climate change. It is a legacy initiative in that the intent is to protect future generations and transition to cleaner air, cleaner energy, cleaner water, healthier forests, and healthier communities. The Initiative establishes a pollution fee to offset and alleviate impacts.

I-1631 sets up a Clean Up Pollution Fund through the state treasury. Monies in this fund are appropriated as follows: 70 percent of total expenditures must be used for clean air and clean energy investments; 25 percent of total expenditures must be used for clean water and health forests investments; five percent of the total expenditures must be used for healthy community investments. The Initiative describes the types of programs, activities, and projects that would qualify for each category of investment.

The pollution fee is to be imposed on and collected from large emitters based on the carbon content of fossil fuels sold or used within the state and electricity generated within or imported for consumption in the state. Beginning January 1, 2020, the pollution fee on large emitters is equal to fifteen dollars per metric ton of carbon content. Beginning January 1, 2021, the pollution fee increases by two dollars per metric ton of carbon content each January 1. However, there are a series of exemptions to this fee. Lastly, the Initiative establishes a public oversight board to be housed within the executive office of the governor in addition to investment advisory panels for each expenditure category which would be appointed by the governor.

According to the Office of Financial Management, the fee will raise \$2,295,785,000 during the first five fiscal years. The additional Utilities and Transportation Commission regulatory fee will raise \$9,685,072 during the first five fiscal years. As noted above, a public oversight board is established to supervise revenue expenditures to reduce carbon pollution, promote clean energy and address climate impacts on the environment and communities. Twelve state agencies and two higher education institutions are estimated to expend \$27,178,592. Local government program expenditures are estimated to be \$158,623,072. The remaining expenditures cannot be estimated until the public board approves investment plans.

Note that state statute prohibits the use of public facilities for the promotion of or opposition to any ballot measure except in limited instances. RCW 42.17.130 allows Council to express a collective position or vote to support or oppose a ballot proposition if (a) any required notice of the meeting includes the title and number of the ballot proposition; and (b) the members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of an opposing view.

IV. PREVIOUS DISCUSSIONS HELD

As previously stated, the Council directed at their September 8, 2018, Council Meeting that a public hearing on the Initiative be scheduled prior to the November elections.

V. IMPACT

A. Service/Delivery:

None. The action is to hold a public hearing.

B. Fiscal Note:

None. The action is to hold a public hearing.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

The Council could elect not to hold a public hearing.

VII. TIME CONSTRAINTS

As noted above, the Council directed that a Public Hearing be held before the November elections.

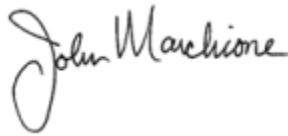
VIII. LIST OF ATTACHMENTS

Attachment A: Full text of Initiative 1631

Attachment B: Council Resolution



Erika Vandenbrande, Director of Planning and Community Development



Approved for Agenda _____
John Marchione, Mayor