



Memorandum

Date: 9/3/2024
Meeting of: City Council

File No. AM No. 24-123
Type: Public Hearing

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

N/A	Council President Kritzer	N/A
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DEPARTMENT STAFF:

Executive	Malisa Files	Chief Operating Officer
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TITLE:

This Public Hearing is being Held for the Purpose of Considering Passage of a Resolution Opposing Initiative 2117, the Ballot Title of Which is as Follows:

Initiative Measure No. 2117 concerns carbon tax credit trading.

This measure would prohibit state agencies from imposing any type of carbon tax credit trading, and repeal legislation establishing a cap and invest program to reduce greenhouse gas emissions.

Should this measure be enacted into law? Yes [] No []

- a. Resolution No. 1587: A Resolution of the City Council of the City of Redmond, Washington, Opposing Initiative No. 2117, Relating to the Repeal of the Climate Commitment Act and Prohibiting Carbon Tax Credit Trading, Scheduled for this November 5, 2024, General Election

OVERVIEW STATEMENT:

Attachment A contains a resolution opposing Initiative 2117 relating to the repeal of the Climate Commitment Act and prohibiting carbon tax trading. The initiative will go before the voters in November. Should the initiative pass, Redmond will lose \$1 million in Climate Commitment Act grant dollars for the City's first electric fire engine and support for the 148th Ave NE Bicycle and Pedestrian Overpass project (see Attachment B). This item has been brought forward to Council through the Council Policy Proposal process (see Attachment C). At the Business Meeting on September 3, 2024, there will be a hearing in which members of the legislative body or the public must be allowed an approximately equal opportunity to express opposing views. This will be a public hearing where public comment is allowed at the time of the agenda item and anyone with a comment will be allowed to speak for up to 3 minutes on this item.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information
- Provide Direction
- Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Council’s declaration of a climate emergency and the City’s Environmental Sustainability Action Plan.
- **Required:**
In order for Council to oppose an initiative certain requirements must be met, including:
 - The meeting agenda must include the ballot title and the number of the proposition to clearly provide notice to the public.
 - The members of the legislative body or the public must be allowed an approximately equal opportunity to express opposing views. This can be a public hearing where public comment is allowed at the time of the agenda item and anyone with a comment is allowed to speak. Each person speaking on the issue should be allowed three minutes to speak and the floor is open to whomever wants to comment.
- **Council Request:**
The proposal is a City Council Policy Proposal submitted by Council President Kritzer and sponsored by Council Vice-President Forsythe and Councilmember Stuart.
- **Other Key Facts:**
Additional information on Initiative 2117 can be found at the State of Washington website <https://app.leg.wa.gov/billsummary?BillNumber=2117&Initiative=true>.

OUTCOMES:

Initiative 2117, on the ballot in 2024, would prohibit any state agencies from implementing a *cap and trade* or *cap and tax* program. The initiative would repeal the 2021 Washington Climate Commitment Act (CCA), a state law that provided for a *cap and invest* program designed to reduce greenhouse gas (GHG) emissions by 95% by 2050. The cap and invest program sets a cap on the total carbon emissions in the state. Businesses with emissions exceeding 25,000 metric tons of carbon dioxide per year must purchase allowances equal to their allowed greenhouse gas emissions. The cap and invest program was designed to allow businesses that reduce emissions to sell their remaining carbon emission allowance permits to other companies, thereby incentivizing companies to lower their emissions.

The resolution in Attachment A would oppose Initiative 2117 due to the impacts to the City of Redmond. Redmond has been awarded a little over \$2.2 million in grants funded by Climate Commitment Act dollars (see Attachment B). A total of \$1,000,000 of the awarded dollars are contingent on the outcome of the vote on I-2117 in November. Of the \$1 million, \$250,000 is allocated to the City’s first electric fire engine and \$750,000 is dedicated to 148th Ave NE Bicycle and Pedestrian Overpass project. Should the Initiative pass, these dollars would not be available to the City.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

Redmond has been awarded approximately \$2.2 million from Climate Commitment Act dollars to fund a variety of projects and equipment. The City stands to lose \$1 million of those dollars if the initiative passes.

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

CIP and Fire Vehicle Equipment

Budget Priority:

Safe and Resilient and Healthy and Sustainable

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

N/A

Funding source(s):

Climate Commitment Act Grant Funds

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

If Council chooses to oppose Initiative 2117, the vote should occur before the November 2024 election.

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Attachment A: Resolution

Attachment B: Climate Commitment Act Funded Projects
Attachment C: Council Policy Proposal