



# CITY OF LAKE FOREST PARK

## CITY COUNCIL

### AGENDA COVER SHEET

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<b>Meeting Date</b>	August 8, 2024
<b>Originating Department</b>	Vice Chair, Tracy Furutani
<b>Contact Person</b>	Vice Chair, Tracy Furutani
<b>Title</b>	Resolution 24-1960/Concerning State Ballot initiative 2117 concerning carbon tax credit trading

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#### Legislative History

- First Presentation July 11, 2024 Work Session
  - Second Presentation August 8, 2024 Regular Meeting
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#### Attachments:

1. Resolution 24-1960
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#### Executive Summary

Initiative 2117 would prohibit state agencies from implementing a cap-and-trade or cap-and-tax program. Additionally, it would repeal the 2021 Washington Climate Commitment Act (CCA), a state law that created a cap-and-invest carbon program to reduce greenhouse gas emissions by 95% by 2050 and prepare the state for a future low-carbon economy.

#### Background

Under Washington's cap-and-invest program, a cap is set on the total carbon emissions in the state. Businesses exceeding 25,000 metric tons of carbon dioxide equivalent a year must obtain allowances equal to their emissions. Allowances are purchased through the Department of Ecology's quarterly auctions or buying and selling on a secondary market. The cap will be reduced over time to ensure emissions reduction goals are met, resulting in fewer emissions allowances each year. Approximately 75% of statewide greenhouse gas emissions will be covered under the program.

The revenue generated from the auctions must be invested in climate projects across the state. In 2023, \$1.8 billion was received for reinvestment. The funds are divided into 3 primary accounts to be appropriated for specific projects: the Carbon Emissions Reduction Account, the Climate Investment Account, and the Air Quality & Health Disparities Improvement Account. The Office of Financial

Management reports that approximately 43% of funds are directed to overburdened communities and 7.3% to tribes.

RCW 42.17A.555(1) authorizes the City Council to take action to express a collective decision, or to actually vote upon a motion, proposal, or ordinance, or to support or oppose a ballot measure so long as (a) the agenda includes the title and number of the ballot proposition, and (b) members of the public and councilmembers are afforded an approximately equal opportunity to express an opposing view.

### **Fiscal & Policy Implications**

Two current city projects have received funding through the Department of Commerce, to help the city address the effects of climate change. Neither of those projects would lose that funding if Initiative 2117 is passed by Washington voters repealing the 2021 Washington Climate Commitment Act (CCA).

Funding opportunities for future projects addressing climate change would be limited to resources existing prior to passage of the CCA.

### **Staff Recommendation**

Consider adopting Resolution 24-1960 in support or opposition to Initiative 2117.