



TO: Elizabeth Pauli, City Manager
FROM: Council Member Kristina Walker and Christina Caan, Policy Analyst, City Manager’s Office
COPY: City Council and City Clerk
SUBJECT: Resolution Expressing Opposition to Initiative 2117 on the November 5 General Election Ballot
DATE: September 18, 2024

SUMMARY AND PURPOSE

City Council sponsors have requested a resolution expressing opposition to the passage of Initiative 2117 on the November 5 General Election ballot, which reads 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. This measure would decrease funding for investments in transportation, clean air, renewable energy, conservation, and emissions-reduction.

Should this measure be enacted into law? Yes No

COUNCIL SPONSORS

Council Member Kristina Walker, Deputy Mayor John Hines, and Council Member Olgy Diaz

BACKGROUND

City Council sponsors ask for a resolution expressing opposition to Initiative 2117, which will appear on the November 5 General Election ballot in Washington.¹ The ballot measure proposes a prohibition on State agencies from imposing any type of carbon tax credit trading, including “cap and trade” or “cap and tax” programs.² It also proposes a repeal of sections of the 2021 Washington Climate Commitment Act (CCA) as amended, including repealing the creation and modification of a “cap and invest” program to reduce greenhouse gas emissions by specific entities.

As currently in place, the CCA sets a cap for carbon emissions that decreases over time and requires companies to either reduce their emissions or purchase allowances based on their emissions amount. Businesses that reduce emissions are allowed to sell their remaining emission allowance permits to other companies. All funds raised through the CCA can be allocated by the State Legislature to communities statewide for climate projects focused on improving clean transportation options, increasing climate resilience, and addressing issues of environmental justice and health inequity.³

In 2023, the first CCA auction enabled the State Legislature to appropriate \$2.1 billion for climate projects in the 2023-2025 biennium budget, including support for a variety of programs in Tacoma. The allocations benefiting Tacoma included projects such as:

¹ [Washington Initiative 2117, Prohibit Carbon Tax Credit Trading and Repeal Carbon Cap-and-Invest Program Measure \(2024\) - Ballotpedia](#)

² [Initiative Measure No. 2117 \(wa.gov\)](#)

³ [Climate Commitment Act - Washington State Department of Ecology](#)



- The Home Electrification Appliance Rebates Grant Program, which provided \$1.94 million to help income-constrained residents in Tacoma transition from using natural gas or oil-powered appliances to energy-efficient electric space and water heating appliances;⁴ and
- The Washington Families Clean Energy Grant Program, which enabled Tacoma Power customers whose annual income does not exceed 150 percent of the area median income to receive a \$200 credit.⁵ This program had a total funding of \$150 million statewide.

Passage of Initiative 2117 would eliminate the opportunity for similar awards to the City of Tacoma, as well as to other agencies and governments providing services to the Tacoma community, going forward.

ALTERNATIVES

The City Council could choose not to adopt the proposed resolution expressing opposition to the initiative.

SPONSOR RECOMMENDATION

Sponsors recommend the City Council consider the resolution on September 24, 2024.

FISCAL IMPACT

There is no fiscal impact related to advancing the proposed resolution expressing opposition to Initiative 2117.

What Funding is being used to support the expense?

N/A

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

N/A

Are there financial costs or other impacts of not implementing the legislation?

NO

Will the legislation have an ongoing/recurring fiscal impact?

NO

Will the legislation change the City's FTE/personnel counts?

NO

ATTACHMENTS:

None

⁴ [City of Tacoma Receives \\$1.94M to Support Residential Transition from Fossil Fuels to Clean, Energy-Efficient Appliances - City of Tacoma](#)

⁵ [You may qualify for a \\$200 credit on your power bill - Tacoma Public Utilities \(mytpu.org\)](#)