

# “2019 Energy Innovation and Carbon Dividend Act”

## **Purpose:**

**(Causation):** Whereas the weight of scientific evidence indicates that greenhouse gas emissions from human activities including the burning of fossil fuels and other sources are causing rising global temperature,

**(Mitigation-Return to 350 ppm or below):** Whereas the weight of scientific evidence also indicates that a return from the current concentration of more than 410 parts per million (“ppm”) of carbon dioxide (“CO<sub>2</sub>”) in the atmosphere to 350 ppm CO<sub>2</sub> or less is necessary to slow or stop the rise in global temperatures,

**(Endangerment):** Whereas further increases in global temperatures pose an imminent and substantial dangers to human health, the natural environment, the economy, national security, and an unacceptable risk of catastrophic impact to human civilization,

**(Co-Benefits):** Whereas the measures proposed in this legislation will benefit the economy, human health, the environment, and national security, even without consideration of global temperatures, as a result of correcting market distortions, reductions in non-greenhouse-gas pollution, reducing the outflow of dollars to oil producing countries and improvements in the energy security of the United States,

**(Benefits of Carbon Fees):** Whereas phased-in carbon fees on greenhouse gas emissions (1) are the most efficient, transparent, and enforceable mechanism to drive an effective and fair transition to a domestic-energy economy, (2) will stimulate investment in alternative-energy technologies and (3) give all businesses powerful incentives to increase their energy-efficiency and reduce their carbon footprints in order to remain competitive,

**(Monthly Adult and Children Dividends):** Whereas equal monthly dividends (or “rebates”) from carbon fees paid to every adult living in America with a valid social security number and 1/2 of adult monthly dividend to children under 19, can help ensure that families and individuals can afford the energy they need during the transition to a greenhouse fossil fuel free economy and the dividends stimulate the economy,

## **Resolution:**

**THEREFORE**, be it resolved that the Minnesota Division of the Izaak Walton League of America supports the “2019 Energy Innovation and Carbon Dividend Act” which puts a steadily rising, revenue – neutral fee on greenhouse gas emissions and returns the revenue (minus expenses) to adults and 1/2 of this to children in equal, monthly dividends to help people get the energy they need during the transition to renewable energy, and to grow the economy in a manner that will be protective of our soil., air, woods, water , and wildlife.

## **Action:**

Furthermore, we envision that the “2019 Energy Innovation and Carbon Dividend Act” will:

**A. (Collection of Carbon Fees/Carbon Dividend Trust Fund):** Impose a carbon fee on all fossil fuels and greenhouse gases at the point where they first enter the economy. The fee shall start out at \$15 dollars/CO<sub>2</sub> equivalent (number of metric tons of carbon dioxide emissions with the same global warming potential as one metric ton of a greenhouse gas). Examples of greenhouse gases are CO<sub>2</sub>, nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), sulfur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>), and many fluorocarbons. The fees shall be deposited in the Carbon Dividend Trust Fund.

**B. (Emissions Reduction Targets):** For the next 10 years the fee shall be increased by \$10 dollars/year unless it is determined that the emissions reduction targets are being met or not met. If being met their will be no increase the following year and if not being met they will be increased \$15 dollars instead of \$10. After 10 years there will be a review by the National Academy of Science to assess the efficiency and effectiveness of a carbon fee on achieving the emission reductions goals.

“Year	Emissions Reduction Target
2016	Reference year
2020 to 2024	No emissions reduction target
2025 to 2034	5 percent of 2016 emissions per year
2035 to 2050	2.5 percent of 2016 emissions per year

**C: (*Monthly Adult and Children Dividends*)** Monthly, each adult living in America with a Social Security number will receive a carbon dividend payment of one pro-rata share, and children under 19 half a pro-rata share of the money in the Carbon Dividend Trust Fund after administration costs are deducted. Deductions for administration are limited to 8% of the Trust in any of the first 5 years and then 2% of the 5-year rolling average. Also, there is an administrative limit of 0.6% of the Trust for the Department of Treasury, State, Social Security Administration, and EPA.

**D. (*Border Adjustments*):** To ensure there isn't a domestic or international incentive to relocate production of goods or services to countries more permissive of greenhouse gas emissions, a fee on carbon will be assessed for all products entering the United States based on the amount of greenhouse gas fees the other country has enforced. A refund will be given for exported products based on the fees the other country is enforcing for their greenhouse gas emissions.

**E. (*Help for Agriculture*):** A carbon fee shall not be levied upon non-fossil fuel greenhouse gas emissions which occur on a farm, and farmers will be refunded the fees for farm use fuel.

**F. (*Other aspects of the bill*)** Payment is made for the sequestration and capture of carbon from the atmosphere at the same rate it is charged and a study will be done by the National academy of Science as to the impact of the carbon fee on biomass use and carbon sinks.

**References and FAQs:**

1. [https://www.washingtonpost.com/business/2019/01/17/this-is-not-controversial-bipartisan-group-economists-calls-carbon-tax/?noredirect=on&utm\\_term=.08b12877c706](https://www.washingtonpost.com/business/2019/01/17/this-is-not-controversial-bipartisan-group-economists-calls-carbon-tax/?noredirect=on&utm_term=.08b12877c706) *Bipartisan economists views*
2. <https://citizensclimatelobby.org/energy-innovation-and-carbon-dividend-act/> *info about bill*
3. <https://citizensclimatelobby.org/remi-report/> *Environmental, Economic and Health Impact*
4. <https://citizensclimatelobby.org/household-impact-study/> *Household Impact Study*
5. <https://citizensclimatelobby.org/dividend-delivery-study/> *Dividend Delivery Study*
6. <https://www.congress.gov/bill/116th-congress/house-bill/763/text/Bill>

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