

SJM 5 -1 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Meeting Dates: 2/25, 3/4, 3/9

WHAT THE MEASURE DOES:

Urges Congress to pursue viable solutions to the threat posed by climate change and to pass House Resolution 763, the Energy Innovation and Carbon Dividend Act.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Removes whereas clauses related to effects of 1.1 degrees Celsius increase above late 19th century levels and the sixth mass extinction of species. Clarifies references to the Energy Innovation and Carbon Dividend Act.

- No revenue impact
- No fiscal impact

BACKGROUND:

In January, 2019, House Resolution 763, the Energy Innovation and Carbon Dividend Act (Act) was introduced. The Act imposes a fee on the carbon content of fuels, including crude oil, natural gas, coal, or any other product derived from those fuels that will be used so as to emit greenhouse gases into the atmosphere. The fee is imposed on the producers or importers of the fuels and is equal to the greenhouse gas content of the fuel multiplied by the carbon fee rate. The rate begins at \$15 in 2019, increases by \$10 each year, and is subject to further adjustments based on the progress in meeting specified emissions reduction targets. The Act also imposes a specified fee on fluorinated greenhouse gases. The fees must be deposited into a Carbon Dividend Trust Fund and used for administrative expenses and dividend payments to U.S. citizens or lawful residents. The Act would decommission fees once emission levels and monthly dividend payments fall below specified levels.

Senate Joint Memorial 5 would urge Congress to pursue viable solutions to the threat posed by climate change and to pass House Resolution 763, the Energy Innovation and Carbon Dividend Act.