

**CITY OF SAN MATEO  
RESOLUTION NO. 111 (2018)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MATEO IN SUPPORT OF  
THE CARBON FEE AND DIVIDEND**

WHEREAS, greenhouse gas (GHG) emissions from human activities, including the burning of fossil fuels, are causing rising global temperatures; and

WHEREAS, the average surface temperature on Earth has been increasing steadily, with the sixteen hottest years ever recorded all occurring since 1998, and the hottest of all years to date being 2016; and

WHEREAS, the global atmospheric concentration of carbon dioxide (CO<sub>2</sub>) exceeded 410 parts per million (ppm) in April 2017, the highest level in three million years; and

WHEREAS, the average global temperature by the year 2100 is predicted to be 2 degrees Fahrenheit to 11.5 degrees Fahrenheit higher than the current average global temperature, depending on the level of GHG emissions trapped in the atmosphere; and

WHEREAS, scientific evidence indicates that it is necessary to reduce the global atmospheric concentration of CO<sub>2</sub> from the current concentration of more than 400 ppm to 350 ppm or less in order to slow or stop the rise in global temperature; and

WHEREAS, global warming is already leading to large-scale problems including ocean acidification and rising sea levels; more frequent, extreme, and damaging weather events such as heat waves, storms, heavy rainfall and flooding, and droughts; more frequent and intense wildfires; disrupted ecosystems affecting biodiversity and food production; and an increase in heat-related deaths; and

WHEREAS, further global warming poses an unacceptable risk of catastrophic impacts to the ecosystems on which all life depends; and

WHEREAS, conservative estimates by the world's climate scientists state that to achieve climate stabilization and avoid cataclysmic climate change, by the year 2050 GHG emissions must be reduced to levels that are 80% below 1990 levels; and

WHEREAS, the Global Warming Solutions Act of 2006 (AB 32) commits the State of California to reduce GHG emissions to 1990 levels by 2020, and the State has further established goals to reduce GHG emissions by 40 percent below 1990 levels by 2030 (SB 32), and to 80 percent below 1990 levels by 2050 (Executive Order S-3-05).

WHEREAS, the San Mateo City Council adopted Resolution No. 036 (2015) committing the City to reduce GHG emissions to 1990 levels by 2020 or equivalent to 15% below 2005 levels by 2020, in accordance with the City's Climate Action Plan; and

WHEREAS, the environmental, health, and social costs of CO<sub>2</sub> emissions are not currently included in the price paid for fossil fuels, and these negative externalities are borne by all global inhabitants, particularly those in disadvantaged communities; and

WHEREAS, a national carbon tax will benefit the economy, human health, the environment, and national security as a result of correcting market distortions, reducing toxic pollutants, reducing the outflow of dollars to oil-producing countries, and improving the energy security of the United States; and

WHEREAS, a phased-in carbon tax on GHG emissions 1) is an efficient, transparent, and enforceable mechanism to drive an effective and fair transition to a renewable energy economy, 2) will incentivize manufacturers, businesses, and consumers throughout the economy to produce and use less fossil fuel, and 3) will stimulate investment in alternative-energy; and

WHEREAS, equal monthly dividends (or “rebates”) from the funds generated by the carbon tax paid to every American household can help ensure that families and individuals can afford the energy they need during the transition to a GHG-free economy, and these dividends also will stimulate the economy; and

WHEREAS, enacting a national carbon tax would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21<sup>st</sup> century, and would incentivize other countries to enact a similar carbon tax, reducing global GHG emissions; and

WHEREAS, a national carbon tax, starting at a low rate and increasing steadily over future years, is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use non-carbon-based energy resources; and

WHEREAS, fossil fuels can be taxed once, as far upstream as possible in the economy as practical, or at the port of entry to the United States, for efficient administration; and

WHEREAS, border adjustments levied on carbon-based products imported from countries without comparable carbon pricing, and refunds to exporters, will help level the playing field and maintain the competitiveness of United States’ businesses in global markets; and

WHEREAS, a national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax, and already collects taxes from fossil fuel producers and importers; and

WHEREAS, the Citizens’ Climate Education Corporation contracted with Regional Economic Modeling, Inc. (REMI) to undertake a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

WHEREAS, REMI’s research predicts that, after 10 years, a revenue-neutral carbon tax would lead to a decrease of CO<sub>2</sub> emissions by 33 percent, an increase in national employment of 2.8 million jobs, and an average monthly dividend for a family of four of \$288; and

WHEREAS, if 100% of the carbon tax revenue is returned to households in equal shares, approximately two-thirds of Americans will break even or come out ahead, as their dividends will match or exceed direct and indirect price increases due to the tax, protecting lower and middle income households; and

WHEREAS, continued widespread use of fossil fuels and impacts due to climate change pose a present and growing risk to the residents of San Mateo, and a nation-wide, revenue-neutral carbon tax

will significantly mitigate those risks and promote the health, safety, and prosperity of communities in San Mateo, across the United States, and around the world.


NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that:

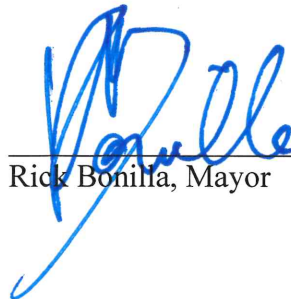
1. The City Council urges the Congress of the United State to enact, without delay, a revenue-neutral tax on carbon-based fossil fuels.
2. The tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States.
3. The tax rate should start low and increase steadily and predictably with the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050,
4. All tax revenue should be returned to households to protect low and middle income Americans from the impact of rising prices due to the tax.
5. The international competitiveness of the United States businesses should be protected by using border tariffs and tax refunds.
6. In accordance with CEQA Guidelines section 15378 (b)(5), participating in the effort is an administrative activity that will not impact the environment and is therefore not a project subject to CEQA.

RESOLUTION NO. 111 (2018) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on November 5, 2018, by the following vote of the City Council:

AYES: Council Members Bonilla, Papan, Freschet, Goethals and Rodriguez  
NOES: None  
ABSENT: None

ATTEST:

  
Patrice M. Olds, City Clerk

  
Rick Bonilla, Mayor