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 DC Catholic Conference · DC Divest · DC Environmental Network · DC for Democracy · DC Fiscal Policy Institute · DC SUN · Green America
 Jews United for Justice · Moms Clean Air Force · Neighborhood Sun · ONE DC · Organic Consumers Association · Pleasant Pops · Public Citizen
 Rising Hearts Coalition · SEIU 32BJ · Sierra Club DC Chapter · U.S. Climate Plan · Up Top Acres · Universal Child Care Now - DC Coalition
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The Climate and Community Reinvestment Act of DC

A Robust Policy Proposal to Reduce Carbon, Increase Incomes, and Create Jobs in the District

Unprecedented support for a carbon “fee-and-rebate” policy in DC

On May 11th, local faith leaders, economic justice advocates, labor organizers, environmentalists, and others gathered on the front steps of DC’s city hall to unveil a dynamic “carbon fee-and-rebate” plan to reduce global warming pollution in the city of Washington, DC. The plan would charge polluters for their carbon emissions and rebate the overwhelming majority of the revenue back to every resident of the District.



The groundbreaking plan, released in the wake of April’s massive climate march in DC, outlines how the District of Columbia can reduce carbon pollution in the city while increasing employment. The plan will also boost incomes in the District through a universal “carbon rebate” paid to every resident on a quarterly basis, including an enhanced rebate to low-income District residents. The plan would also make investments in green infrastructure throughout the city. Finally, the plan proposes using a small share of the carbon revenue to create a tax credit for local businesses.

Unlike last autumn’s unsuccessful carbon tax initiative in Washington State, the DC campaign to put a “price” on carbon is backed by a unified alliance of labor leaders, environmentalists, and economic justice advocates. These include the DC Sierra Club, the Service Employees International Union (SEIU), Interfaith Power and Light, the Working Families Party of DC, Chesapeake Climate Action Network, Black Millennials for Flint, and [more](#). The groups are unified under the “Put a Price On It DC” campaign.

The details: Rebates, investments, tax cuts equal a 23% drop in carbon emissions

The proposed policy would apply to natural gas and oil consumed in the District as well as carbon-intensive electricity and emissions linked to transportation (exempting public transportation). It would rebate 75% of the carbon revenue to all DC residents, invest 20% in green energy projects, and use 5% to reduce property taxes for local businesses. Legislation proposed by the group would be called “The Climate and Community Reinvestment Act of DC.”

Advocates have released [economic data](#) showing how a rebate-oriented carbon fee – beginning at \$20 per ton of CO₂ in 2019 and rising to \$150 per ton in 2032 – would benefit local businesses, workers, and household incomes in DC. Advocates enlisted the services of the well-known DC-based think tank called the [Center for Climate Strategies](#) (CCS) to run sophisticated computer model runs based on these carbon fees for the District. For this purpose, CCS employed an energy/economic computer model from the highly respected company [Regional Economic Models, Inc.](#), and found that the mix of 75% rebate, 20% investments, and a 5% property tax cut for businesses produced maximum benefits while reducing carbon pollution by 23% in the city by 2032.

In June 2017, Mayor Bowser publicly pledged to uphold the goals of the Paris climate accord by reducing city-wide emissions by 80% by 2050. However, no plans have been released on how the District will meet this target. By passing the Climate and Community Reinvestment Act of DC, the DC Council can utilize a carbon fee-and-rebate policy as an effective vehicle to meet this strong reduction goal.

How much money will DC residents get back from the rebates?

Starting on day one, the money raised through carbon pricing would be returned to every DC resident through a quarterly rebate, with extra money earmarked for low-income residents. In just the first year of this policy, every family would receive over \$500/year, and every low-income family would receive nearly \$900. This amount would steadily increase over time to more than \$1,600 and \$2,750 by 2032 for average families and low-income families respectively. Roughly 75% of DC residents would see their net incomes increase, with low-income residents seeing a rebate of roughly four dollars for every dollar they pay through the carbon fee. Only the wealthiest DC residents, who use substantially more energy than average households, would pay more through the fee than they see in rebate. This progressive rebate structure, combined with green investments and local business tax reductions, will ensure that DC reduces carbon while creating net job growth and boosting average incomes. This proposal, for example, would create new jobs in construction, food service, and other high-employment sectors of the economy.

Putting a price on carbon will put more money into the pockets of DC families, while putting less carbon into the atmosphere. And because of the progressive structure of the rebate, 75% of residents will come out ahead on net, with low-income users coming out very ahead, receiving between and three and four times as much in rebates as they would pay in fees. By encouraging efficient energy use and clean energy, the carbon rebate will empower *all* to participate in the green economy.ⁱ The interrelated crises of income inequality and climate pollution put DC residents' health, homes, and pocketbooks at risk. We have the power to turn these trends around by passing a carbon rebate for all.

Other Carbon Pricing Bills Being Considered or in place in Other States

Across the US, Canada, and Mexico, there are a range of proposals to put a price on carbon at various stages of development. More and more, these initiatives are rebating the majority of the collected money to residents.

Below is a list of those initiatives:

- Massachusetts Senate Bill 1821 & House Bill 1726
- Vermont House Bill 533
- Energize Rhode Island Act of 2015, House Bill 5369
- New York Assembly Bill 8372 / Senate Bill 6037
- Oregon Senate Bill 557
- Alberta's Carbon Tax (Enacted in 2015)
- British Columbia's Carbon Tax (Enacted in 2008)
- Boulder Colorado's Carbon Tax (Enacted in 2006)
- Washington State Carbon Tax (proposed by Gov. Inslee 2016)
- Mexico's National Carbon Tax (Passed in 2013)

By pledging to cut greenhouse gas emissions dramatically by 2032, Washington, DC has one of the boldest climate action goals in the country. Now it's time to get it done. The most equitable, efficient, and effective way to lead on climate is by putting a price on carbon and rebating the proceeds back to District residents and small businesses. Join the campaign to make DC the healthiest, greenest, and most livable city in the United States. Let's go!

ⁱ Alaska's "Permanent Fund" works like the proposed carbon rebate by giving equal payments to all residents in the state. These payments have helped Alaska's economy grow, reduced poverty, and made Alaska one of the most socioeconomically equal states in the country.



TAKE ACTION! To get involved, contact: Camila Thorndike, Carbon Pricing Coordinator, at camila@chesapeakeclimate.org or 240-396-2029. Learn more at www.carbonpricedc.org