

1 H.394

2 Introduced by Representatives Burke of Brattleboro, Colburn of Burlington,  
3 Masland of Thetford, McCormack of Burlington, O'Sullivan of  
4 Burlington, Sheldon of Middlebury, Sullivan of Burlington, and  
5 Yantachka of Charlotte

6 Referred to Committee on

7 Date:

8 Subject: Energy; carbon tax; cap and trade; study

9 Statement of purpose of bill as introduced: This bill proposes to require the  
10 Joint Fiscal Office to study the costs and benefits to Vermont of carbon pricing  
11 and cap and trade models to reduce greenhouse gas emissions, and submit a  
12 report of its findings to the General Assembly.

13 An act relating to a carbon tax and cap and trade study by the Joint Fiscal  
14 Office

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. CARBON TAX; CAP AND TRADE; JOINT FISCAL OFFICE;  
17 STUDY; REPORT

18 (a) Study. The Joint Fiscal Office shall conduct a study to analyze the  
19 fiscal impacts of adopting and implementing carbon pricing and cap and trade

1 programs in Vermont in order to reduce greenhouse gas emissions caused by  
2 fuels used in transportation, heating, cooling, and ventilation. The study shall:

3 (1) evaluate the costs and benefits for Vermont of a carbon tax model,  
4 including an analysis of the carbon taxes enacted in other jurisdictions such as  
5 British Columbia and Ireland;

6 (2) evaluate the costs and benefits for Vermont of a cap and trade  
7 model, including an analysis of programs such as the Western Climate  
8 Initiative or an expansion of the Regional Greenhouse Gas Initiative (RGGI);

9 (3) compare the two types of models set forth in subdivisions (1) and (2)  
10 of this subsection and identify which model would be most likely to boost  
11 economic development, innovation, and job creation in the State;

12 (4) evaluate tax incentives and the matrix of tax structures that may spur  
13 economic development, including an analysis of the effects of a regressive  
14 carbon tax;

15 (5) evaluate the feasibility and outcome of expanding RGGI to include  
16 emissions from transportation, heating, cooling, and ventilation;

17 (6) evaluate whether revenues may offset the sales, income, or property  
18 tax; and

19 (7) evaluate other possible ways to provide assistance to mitigate effects  
20 on Vermonters with low income.

1        (b) Retain services; funds. The Joint Fiscal Committee may authorize up to  
2        \$100,000.00 for the Joint Fiscal Office to retain services or resources to assist  
3        the Joint Fiscal Office with the study. Persons retained shall work under the  
4        direction of the Joint Fiscal Office.

5        (c) Legislative Council. The Office of Legislative Council shall be  
6        available to the Joint Fiscal Office to provide legal assistance.

7        (d) Report. On or before January 15, 2018, the Joint Fiscal Office shall  
8        submit a report with its findings to the House Committee on Energy and  
9        Technology; Senate Committee on Finance; Senate Committee on Natural  
10       Resources and Energy; House Committee on Natural Resources, Fish and  
11       Wildlife; Senate and House Committees on Transportation; and House  
12       Committee on Ways and Means.

13       Sec. 2. EFFECTIVE DATE

14       This act shall take effect on passage.