

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Natural Resources, Fish, and Wildlife to which was  
3 referred House Bill No. 763 entitled “An act relating to a study of approaches  
4 to greenhouse gas reduction” respectfully reports that it has considered the  
5 same and recommends that the bill be amended by striking out all after the  
6 enacting clause and inserting in lieu thereof the following:

7 Sec. 1. GREENHOUSE GAS REDUCTION; JOINT FISCAL OFFICE;  
8 STUDY; REPORT

9 (a) Study. The Joint Fiscal Office shall conduct a study to analyze the  
10 fiscal impacts of adopting and implementing various approaches to reducing  
11 greenhouse gas (GHG) emissions caused by Vermont’s consumption of fuels  
12 used in transportation, heating, cooling, and ventilation **and the relationship**  
13 **of those approaches to Vermont’s consumption of electric energy.**

14 (1) The study shall evaluate:

15 (A) the costs and benefits for Vermont of applying a carbon charge,  
16 including an analysis of similar charges enacted in other jurisdictions, such as  
17 British Columbia and Ireland;

18 (B) the costs and benefits for Vermont of a cap-and-trade approach,  
19 including an analysis of programs such as the Western Climate Initiative or an  
20 expansion of the Regional Greenhouse Gas Initiative (RGGI); and

1           (C) the costs and benefits for Vermont of other regulatory or market-  
2 based approaches that may exist.

3           (2) The study shall compare the approaches evaluated under subdivision  
4 (1) of this subsection, including their comparative ability to achieve significant  
5 reductions in GHG emissions; the impact on economic development,  
6 innovation, and job creation in the State; and the effect on the cost of living in  
7 Vermont.

8           (3) The study shall consider both interstate and Vermont-only  
9 approaches to GHG reduction.

10           (4) The study shall evaluate tax incentives and tax structures that may  
11 spur economic development and include an analysis of the effects of a  
12 regressive carbon tax.

13           (5) The study shall evaluate the feasibility and outcome of expanding  
14 RGGI to include emissions from transportation, heating, cooling, and  
15 ventilation.

16           (6) The study shall evaluate whether revenues may offset the sales,  
17 income, or property tax.

18           (7) The study shall evaluate ~~methods to provide assistance to mitigate~~  
19 ~~effects on Vermonters with low income~~ **distributional impacts, by income**  
20 **and region of the State, of the different approaches to GHG reduction and**  
21 **analyze methods to mitigate income- or location-based inequities.**

1        (b) Funds. In conducting the study, the Joint Fiscal Office shall retain  
2        independent, professional assistance for which up to \$100,000.00 is authorized.

3        Persons retained shall work under the direction of the Joint Fiscal Office.

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

6        (d) Executive Branch. In conducting this study, the Joint Fiscal Office  
7        shall be entitled such assistance and relevant information from the Executive  
8        Branch or any agency thereof as the Office considers necessary.

9        (e) Report. On or before January 15, 2019, the Joint Fiscal Office shall  
10       submit a report of the study with its findings to the Senate Committees on  
11       Finance and on Natural Resources and Energy, the House Committees on  
12       Natural Resources, Fish, and Wildlife and on Ways and Means, and the Senate  
13       and House Committees on Transportation.

14       Sec. 2. GOVERNOR; ADVOCACY; REGIONAL CARBON SOLUTIONS

15       The Governor or designee shall use all available fora to advocate for  
16       regional or interstate solutions to reducing GHG emissions, such as a regional  
17       carbon tax or cap-and-trade system. Such fora include the Coalition of  
18       Northeastern Governors, the annual conference of New England Governors  
19       and Eastern Canadian Premiers and its regional climate change initiative, and  
20       the RGGI.

1       Sec. 3. EFFECTIVE DATE

2           This act shall take effect on passage.

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4           (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE