

FAQs and Talking Points for City Officials and Staff

Q: What is the Health and Climate Tax and Credit Ballot Measure?

A Proposal to have **City Councils place a measure on the November 2020 ballot to lower the energy utility user tax by 1% for Residential Ratepayers and raise by 2-5% for large Commercial Ratepayers of Natural Gas** and designate this additional tax revenue toward specified local health and climate resilience programs and technologies.

Main Talking Points/ Messaging:

1. Funds City's Health (Covid-19) and Climate Response **(critical needs)**
2. Increasing natural gas pricing encourages less CO2 emissions; Funds people's health & climate resilience & creates jobs. **(equity and fairness)**
3. Provides the first annual funding for carbon reduction and local climate resilience in the world! **(next step after declaring a Climate Emergency)**
4. Puts a price on carbon. **(emission reduction and pays for sequestration of CO2)**
5. Can be implemented in most Cities **(scalable)**

More FAQs

Why is this tax and credit measure needed and good for my City?

Cities are facing a dual emergency of Covid-19 and climate crises, with wildfires, smoke, blackouts, droughts and flooding. Yet there is no annual funding to respond to these emergencies. The additional revenue will

provide significant funds to enable cities to solve Covid-19, health and climate challenges.

The responses could include supporting the homeless, buying Personal Protective Equipment (PPE), insulating buildings, upgrading HVAC, planting fruit trees, building soil, capturing and utilizing CO2 in building materials. This will create local jobs and carbon credits that will earn money for the city.

The measure will place a greater financial responsibility on larger users of natural gas, who have contributed largely to the climate crisis.

The higher tax rate for the larger ratepayers will also incentivize them to move toward greener, healthier energy.

How will this Measure help the City respond to Covid-19 and make the City Healthier?

It will provide critical funding for health initiatives during a declared health emergency, including support for the sanitary needs of the homeless, protective gear for health workers and testing, treatment and vaccine purchases. The healthier the residents are, the more resilient we all are to any epidemic.

The city will be healthier if less natural gas is burned indoors because it can create carbon monoxide, a deadly chemical, and can leak and explode.

As we reverse the climate emergency, there will be less wildfires, smoke, blackouts and extreme weather that all threaten health.

Who will be taxed by this measure?

This tax will not apply to residential ratepayers, only large commercially zoned properties that use over \$1,000 per month in natural gas.

Here are the **existing utility taxes** in the Bay Area:

<https://docs.google.com/viewer?a=v&pid=forums&srcid=MDk3MzQyMzMzNTMxOTQ0MzAzNzQBMTE0MTc4MzMxNDQzMjUwMDc4MDQBWDQ2a1BzSHpBUUFKATAuMQEBdjl&authuser=0>

Will this help or hurt businesses in my city?

Businesses that provide green services such as solar, insulation and Heating and Air Conditioning (HVAC) will grow.

This measure will encourage less use of energy by businesses and provide low interest loans for them to upgrade their HVAC, install solar panels and insulate their buildings. As their buildings transition to net zero emissions their utility bills will go down.

For example, a 5% utility tax increase and a monthly energy bill of \$2,000, a business will pay an extra \$100 a month. This \$100 could easily be offset by making the building more efficient.

Also, PG&E and State of California have programs for businesses to lower their gas bills.

Currently, natural gas prices have fallen and businesses often already pay a lower rate for energy than residential users.

Many jobs will be created to install solar panels, insulation and sequester carbon. Businesses that shift toward greening the city will grow.
(energy savings, more jobs and profit)

How will the increased tax proceeds be spent?

The proceeds will be spent on specified climate relief programs, green technology programs for residential users and local CO2 sequestration. Programs for planting fruit trees, building soil and capturing and utilizing

CO2 in building materials will create jobs and carbon credits that will earn money for the city.

Who will receive a credit from this measure?

Residential ratepayers will receive a 1% decrease in their electric and gas utility taxes and 20% of the tax proceeds for local purchases such as fruit trees, solar panels, battery backup and HEPA filters.

Businesses can apply for low interest loans or rebates for more efficient buildings.

How will this measure make my City more Climate resilient?

It will start to lower the CO2 in the atmosphere, lower climate risk and have programs to make the residents more resilient from wildfires and droughts.

How does it get on the ballot and pass?

The local city council can decide to place measures on the ballot. A simple majority will pass these measures and the additional revenue from the measure goes to the city's general fund. For the Health and Climate Tax Ballot, we are working with the city councils to pass pre-election ordinances or other binding measures to ensure the additional tax revenue is specifically designated for health and climate resilience.

What is the text the voter will see on their ballot?

Health and Climate Resilience. Shall the City of _____ decrease the Utility User Tax for Natural Gas and Electricity by 1% for Residential Zoned ratepayers, and to provide critical funding to prepare, adapt and respond to health and climate emergencies, increase the Utility User Tax for Natural Gas and Electricity by ___ % for Commercially Zoned ratepayers?

The Voters recommend the revenues from this measure be for City's Health and Climate Initiatives.

How do allocations get decided?

The City Council passes an ordinance before the election that allocates the tax proceeds and is overseen by a Advisory Committee with audits.

Why a high percentage allocation to sequester CO2?

Science tells us that we need to remove billions of tons of CO2 from the atmosphere to avoid a complete climate disaster. Solidifying CO2 into use such as trees, soil and building materials will create local jobs and be a profit center for the City to sell the resulting Carbon Credits (currently about \$20 per ton of CO2 sequestered). (local jobs and city revenue)

Does the new Credits and Tax have an end date?

No sunset because it will take 30 years or longer to stabilize the Earth's Climate.

Script for YouTube video produced early March 2020

Hi, I'm Warren Linney, cofounder of the San Francisco Bay area climate. restoration circle. I want to introduce to you a way to fund climate action in your city through a ballot measure for the November 2020 election.

Many cities have instituted climate action plans and passed Climate emergency declarations because science tells us we need to

achieve net zero emissions in the next 15 years and sequester a trillion tons of CO2 in order to meet the Paris accords and prevent planet wide climate disaster.

But where is the funding for cities to do their part? The climate restoration Circle believes the best pathway for Cities to fund climate action plans and sequester CO2 is to raise natural gas utility taxes on large polluters.

We propose doubling the natural gas tax for large ratepayers who pay over \$1,000 monthly. This would encourage less emissions, fund climate action plans and fund the transition to renewable energy.

People have been affected by fires, smoke and blackouts and want something to be done to stabilize Climate.

We think this Tax Credit will pass because most voters don't use \$1000 per month of natural gas so they won't pay any increased tax. And we propose that 20% of the increased tax proceeds go to the small ratepayers to make their home more climate resilient. Examples are solar panels, battery backup, home insulation and HEPA filters which will create local jobs as well as sustainable commerce.

We propose that the Climate tax credit proceeds go to the City's general fund which means that only 50% +1 of the vote is needed to pass this measure.

To assure voters that the proceeds will fund both climate resilience for the citizens as well as their cities, we propose the city pass a law or resolution specifying that the increased utility tax will be used for

climate action. Preferably this would pass at the same time as placing the measure on the November 2020 ballot

We propose a 20% of the tax proceeds fund or create a city climate action plan and Accelerate the implementation.

Lastly, 60% of the tax would fund the sequestration of CO2 into for example fruit trees, soil, building materials etc.

In addition, The city or residents would receive revenue of over \$10 for every ton of Carbon sequestered from the carbon markets.

We're excited about this proposal because...

- 1. This is something we can all work on in most cities.**
- 2. Reduces CO2 emissions**
- 3. Provides some of the first continuous funding for local climate resilience in the world!**
- 4. Puts a price on carbon.**

We are requesting that you refer this to the appropriate City Council committee for review so the Council can vote on it by June to get it on the November 2020 ballot.

We would love for you to join our weekly Zoom conference calls at 4pm Tuesdays for City Officials and Staff.

And for any NGOs, we are

Hosting a Zoom Conference Calls at 6pm Tuesdays

Please reach out to us with any questions and comments so we can keep improving our climate finance proposal.

Thank you!

--Warren Linney - Climate Restoration Circle SF Bay