STATE OF NEW YORK

4598

2017-2018 Regular Sessions

IN SENATE

February 21, 2017

Introduced by Sen. KRUEGER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT authorizing a study on implementing a greenhouse gas or carbon emissions fee or tax

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. 1. The New York state energy research and development authority (NYSERDA) is hereby directed to prepare a report for submission to the environmental conservation committees of the Senate and Assembly related to implementing a statewide greenhouse gas or carbon emission fee or tax (hereinafter a carbon fee or tax) related to assisting the state in reducing or eliminating such greenhouse gases.

The report shall:

(a) analyze the current and future environmental impact of greenhouse emissions, including carbon and methane, and the dangers posed to residents for climate change;

(b) analyze the potential environmental and policy benefits derived from a carbon tax;

(c) identify an effective structure for a carbon fee or tax to generate revenue;

(d) evaluate the direct and indirect impact of a carbon fee or tax on low-income households, consumers, industries and localities;

(e) evaluate the direct and indirect regional and statewide impact of a carbon fee or tax;

(f) evaluate whether the level of greenhouse gas emissions reductions might vary based on different rates of a carbon fee or tax, including determining the minimum level of such fee or tax needed to ensure a significant reduction in greenhouse gas emissions;

(g) evaluate how to treat imported and exported energy sources under a carbon fee or tax;

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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(h) evaluate the impact of a carbon fee or tax on jobs and wages;

(i) evaluate the impact of a carbon fee or tax on existing fees, state revenue and state income taxes, including the regional greenhouse gas initiative;

(j) evaluate the per unit costs of specific types of fuels that would be subject to a carbon fee or tax; and

(k) evaluate revenue allocation options, including assisting in funding a transition to clean renewable energy, maximizing positive impacts and mitigating detrimental or unequal impacts on low and moderate income households, improving mass transit, implementing climate change adaptation measures such as making improvements in infrastructure, implementing agricultural adaptation measures, increasing protection of low-lying areas including coastlines, and enhancing emergency health response to extreme weather events.

2. NYSERDA shall submit a written preliminary report to the state legislature related to revenue and the environment on or before December 1, 2018, and a final report on or before March 1, 2019. NYSERDA may contract with third parties as necessary to prepare the reports and any related recommendations.

3. NYSERDA shall provide for public input in the study, including holding at least two public hearings before the final report is released.

§ 2. This act shall take effect immediately.