THE MOUNTAINEERS CONSERVATION & ADVOCACY COMMITTEE PRE-READ

To: Conservation and Advocacy Committee

From: Conor Marshall, Advocacy & Engagement Manager

Date: May 6, 2024, 12-1pm via Zoom Conference

Re: Should The Mountaineers oppose Washington state ballot initiative 2117?



Washington's recent progress to fight climate change by reducing statewide carbon emissions through the Climate Commitment Act (CCA) will be put to the test this fall via the November 5 general election ballot. If approved by voters, <u>ballot initiative 2117</u> would repeal key elements of the CCA and significantly halt and reverse efforts to fight the climate crisis across the state.

In our May 6 Conservation & Advocacy Committee meeting, we'd like to discuss ballot initiative I-2117 and solicit your feedback and advice on whether The Mountaineers should take a formal position opposing the initiative, sign on to the No on I-2117 campaign, and engage in advocacy efforts to defeat the initiative. Prior to our meeting, please read the following background on this issue and our analysis of why The Mountaineers should oppose the initiative, and come ready to discuss in our meeting. If you are unable to join the meeting, we welcome your feedback on this topic via email or Basecamp message.

Executive Summary

The Climate Commitment Act's cap and invest program requires the state's largest carbon emitters to cap and reduce their emissions, toward the target goal of reducing 95% of the state's greenhouse gas emissions. Revenue generated from this program is invested back in efforts to fight the climate crisis here in Washington.

If approved by voters in November, <u>Initiative 2117</u> would prohibit state agencies from imposing any type of carbon tax credit trading, including "cap and trade" or "cap and tax" programs, regardless of whether the resulting increased costs are imposed on fuel recipients or fuel suppliers. Importantly, the initiative would not only repeal the CCA but would also prohibit Washington state from enacting any future cap and trade or cap and tax program in the future.

We believe that the Mountaineers should formally oppose I-2117, sign on to the No on I-2117 campaign, and join in advocacy to defend Climate Commitment Act programs and funding. After analyzing this issue, we've determined that it is indeed relevant to our mission, strategic plan and conservation priorities and it does affect Pacific Northwest lands and waters where our activities occur. The law is clear that nonprofits can support or oppose ballot initiatives.

Taking a position on I-2117 represents a discrete opportunity to live out our organizational values and priorities and engage in climate advocacy on an issue of significant impact to Washington's communities, lands, and waters and one that will shape the future of meaningful emissions reductions efforts in our state.

We're seeking the insight, guidance, and recommendation of the Conservation and Advocacy Committee on whether The Mountaineers should take a position on this issue, as outlined in our <u>decision-making</u> framework. We look forward to discussing this important issue with you in the May 6 Conservation and Advocacy Committee meeting.

Additional Background

Climate Commitment Act Background

In 2021, the <u>Climate Commitment Act</u> created a market-based <u>cap and invest program</u> to help reach the state's target goal of reducing 95% of the state's greenhouse gas (GHG) emissions by 2050. The program requires the state's largest carbon emitters to reduce greenhouse gas pollution. The CCA is being implemented across Washington with the aim to protect community health and safety; reduce indoor air pollution and energy costs; reduce outdoor air pollution, with an emphasis on workers and overburdened communities; and expand clean transportation options that reduce smog.

Through the CCA's cap and invest program, greenhouse gas emissions are capped and reduced. The state's largest emitters of carbon emissions are required to purchase allowances – the more they pollute, the more they must purchase. Over time as the cap on pollution goes down, fewer allowances are available, and large carbon emitters find ways to operate more cleanly. The CCA covers 75% of statewide emissions.

The state reinvests payments from large carbon emitters back into communities. CCA funding helps more Washingtonians switch to climate-friendly options for their homes, schools, businesses, vehicles, and more. A percentage of CCA funds go toward Tribally led or focused projects.

Washington Initiative 2117 - Prohibit Carbon Tax Trading and Reap Cap and Invest Program Measure In May 2023, Washington State Representative Jim Walsh (R-19) <u>filed ballot initiative 2117</u> to the legislature to significantly repeal the Climate Commitment Act and stall current efforts to reduce carbon emissions. Last November, initiative proponent <u>Let's Go Washington</u> submitted the required signatures for the initiative to the Secretary of State's office. Let's Go Washington frames their campaign to pass the initiative as an effort to stop a hidden gas tax, equating the carbon tax with higher gas prices.

The initiative would prohibit state agencies from imposing any type of carbon tax credit trading, including "cap and trade" or "cap and tax" programs, regardless of whether the resulting increased costs are imposed on fuel recipients or fuel suppliers. Importantly, the initiative would not only repeal the CCA but would also prohibit Washington state from enacting any future cap and trade or cap and tax program in the future. Here is the official ballot language:

A "yes" vote supports prohibiting any state agencies from implementing a cap and trade or cap and tax program and repealing the 2021 Washington Climate Commitment Act (CCA), a state law that provided for a cap and invest program designed to reduce greenhouse gas (GHG) emissions by 95% by 20250.

A "no" vote opposes prohibiting state agencies from implementing a cap and trade or cap and tax program and opposes repealing the 2021 Washington Climate Commitment Act (CCA), a state law that provided for a cap and invest program designed to reduce greenhouse gas (GHG) emissions by 95% by 2050.

No on I-2117 Campaign

The <u>No on I-2117 We Can't Afford It campaign</u> has coalesced in defense of the CCA and in direct opposition to the initiative to protect clean air and water, forests and farmland, and investments in jobs and transportation. <u>Here</u> is more from the campaign on the implications of passing I-2117.

The coalition has broad support across Washington-based climate action and clean energy groups. Several of our conservation partners have signed on to the campaign as well, including Conservation Northwest, Washington Wild, Sierra Club Washington State Chapter, and The Nature Conservancy. Other notable No on I-2117 coalition partners are Washington Conservation Action, REI, The Methow Valley Citizens Council, the Colville Tribes, and the Suquamish Tribe. Several Mountaineers donors have also donated to the No on I-2117 campaign.

Washington Trails Association is currently exploring whether to take an organizational position on the issue and endorse the campaign. While there are a few recreation groups already involved, like Eastrail Partners and Washington Bikes, The Mountaineers and WTA would add key human-powered recreation constituencies to the coalition of supporters.

Defending the CCA - Why The Mountaineers Should Oppose I-2117

We believe that the Mountaineers should formally oppose I-2117, sign on to the No on I-2117 campaign, and join in advocacy to defend Climate Commitment Act programs and funding. Climate change and the need to reduce our organization's carbon footprint are called out in The Mountaineers <u>strategic plan</u> and our organizational <u>net zero vision</u>.

As you know, The Mountaineers is strategic about what advocacy issues it takes on. Our <u>decision-making framework</u> guides this process. After analyzing this issue, we've determined that it is indeed relevant to our mission, strategic plan and conservation priorities and it does affect Pacific Northwest lands and waters where our activities occur. Additionally, we feel taking a position and raising this issue with our community can help continue to build a broad coalition of support for the Climate Commitment Act and its funding. While the Mountaineers is not well-positioned to lead on this issue, we feel it's appropriate to engage as a member of a coalition, through the No on I-2117 campaign.

Given the hyper-political nature of the initiative and the potential public perception that ballot initiative advocacy is out of bounds for 501c3 non-profits, we're seeking the insight, guidance, and recommendation of the Conservation and Advocacy Committee on whether The Mountaineers should take a position on this issue, as outlined in our framework.

Climate action is a key component of the The Mountaineers advocacy agenda. One of the ways we're

working to advance state and federal climate policy is by monitoring implementation of the funding for natural climate solutions and other bold climate investments included in the CCA. We've also supported similar efforts at the federal level, like the <u>Inflation Reduction Act</u>.

The CCA Funds Conservation

There are several cases where <u>funding</u> for state land managers to conserve and protect public public lands and leverage nature-based climate solutions to enhance the climate resiliency of our landscapes is tied to various accounts of revenue generated by the CCA's cap and invest program. The availability of CCA-generated revenue moving forward is subject to the outcome of I-2117. Two of 2024 funding requests tied to the CCA we supported are: DNR's <u>Trust Land Transfer</u> program and the <u>Community Forests Program</u>.

As we continue our tribal engagement work through The Mountaineers and Outdoor Alliance Washington, it's increasingly important for us to act on our commitment to supporting tribal conservation and climate priorities, including <u>tribal-supported projects</u> that leverage CCA funding for fish passage and other important tribal priorities.

The Mountaineers Engaging in Ballot Advocacy

The law is clear that nonprofits can support or oppose ballot initiatives. Activity on ballot measures is considered lobbying, not electioneering. As a tax-exempt organization, we must follow both IRS rules and Washington state lobbying laws. We regularly engage with our staff leadership and legal counsel to ensure we're following appropriate lobbying disclosure procedures.

- The IRS considers supporting or opposing a ballot measure as lobbying, which is the same as our other grassroots and direct advocacy. We filed the 501(h) form with the IRS, which gives us the ability to spend up to 20% of our annual expenditures on lobbying. We are well within that limit.
- Washington state law regulates ballot measure advocacy under campaign finance law, not lobbying disclosure law. Washington state does not limit the amount of resources nonprofits can devote to ballot measure work, however, nonprofits must disclose if they are planning to spend over \$25,000 on a ballot measure campaign. We will not spend anywhere near that amount and therefore do not have to disclose.

The Mountaineers has engaged in advocacy around a ballot initiative before. In 2018, The Mountaineers endorsed Initiative 1631, a Washington state ballot measure that would have imposed a fee on some of the biggest emitters of carbon pollution. The Mountaineers Executive Committee approved our taking a position in favor of that initiative.

If we oppose I-2117, there is the potential for negative reactions and feedback from individual Mountaineers members. However, given our organizational priorities and previous climate advocacy, we feel like we can easily articulate the case for Mountaineers involvement to our wider community.

Taking a position on I-2117 represents a discrete opportunity to live out our organizational values and priorities and engage in climate advocacy on an issue of significant impact to Washington's communities, lands, and waters and one that will shape the future of meaningful emissions reductions efforts in our state. Likely actions we would take include adding our organization to the No on I-2117 campaign, sharing our position and reasoning for it publicly through a blog post and likely social media, and encouraging our members to pledge to vote no - either using the coalition's pledge or with our own digital petition.

Meeting Discussion

In our May 6 meeting, we'll discuss ballot initiative I-2117 and solicit your feedback and advice on whether The Mountaineers should take a formal position opposing the initiative, sign on to the No on I-2117 campaign, and engage in advocacy efforts to defeat it. At the end of the discussion, we're hoping for a consensus recommendation from the Committee on our course of action. Here are some questions to guide our conversation:

- Do you think The Mountaineers should formally oppose I-2117?
- In addition to taking a position on this issue, do you feel The Mountaineers should actively engage in grassroots advocacy around it?
- What concerns would you have with The Mountaineers opposing I-2117 and engaging in advocacy to defeat it?
- If and when communicating about this issue to our wider community, what approach and messaging should we consider?
- Is there any other advice or guidance you would counsel if we engage on this issue?

Next steps

The Mountaineers Executive Committee approved our organization's support of I-1631 in 2018, and we would follow a similar process here. Following the C&A Committee's recommendation of support, we would share a similar memo with the Executive Committee requesting approval of our action on this issue at their next meeting. We are also exploring Outdoor Alliance Washington's potential engagement on this issue with Outdoor Alliance (national) staff and leadership.

Thank you for reading. We look forward to our conversation!