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ICYMI: *Capital Public Radio*: California Appeals Court Questions Don't Bode Well For Cap-And-Trade

(SACRAMENTO)— Yesterday, *Capital Public Radio* reported on recently released court documents from the California Chamber of Commerce and Morning Star Packing Company's lawsuit questioning the ability of the state to collect revenue from the cap-and-trade auction program. The lawsuit claims it is an unconstitutional tax since AB 32, the legislation that created the cap-and-trade program, was not approved by a 2/3 vote of the Legislature. According to the news report, questions asked by the court could imply a ruling against the state. However, that hasn't stopped the Legislature from introducing myriad bills to spend the billions collected by the auction fund so far. In fact, tomorrow the Assembly Budget Subcommittee 3 (Resources and Transportation) will meet to review proposals by the governor's administration to spend more than \$3 billion in cap-and-trade auction revenue proceeds.

***Capital Public Radio*: California Appeals Court Questions Don't Bode Well For Cap-And-Trade**

A state appeals court is considering a challenge to the constitutionality of California's cap-and-trade system for reducing greenhouse gases. Some legal experts say the questions the court is asking in a recent document could imply a ruling against the state.

The California Chamber of Commerce and Morning Star Packing Company filed a suit that claimed that the auction portion of the state's cap-and-trade program is an unconstitutional tax.

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Rick Frank, director of the California Environmental Law and Policy Center at UC Davis School of Law, says the court is now asking questions that don't look good for the Air Resources Board.

"If the court is asking the parties to provide legal arguments as to how the court implements a decision against the ARB should it choose to do so, that definitely doesn't bode well for ARB it would seem," says Frank

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The state's cap-and-trade auction has raised more than \$4 billion to date.

To read more, please [click here](#).