



General Assembly

January Session, 2025

Committee Bill No. 6280

LCO No. 4800



Referred to Committee on ENVIRONMENT

Introduced by:
(ENV)

***AN ACT CONCERNING THE ESTABLISHMENT OF A CLIMATE
CHANGE SUPERFUND.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2025*) (a) For purposes of this
2 section:

3 (1) "Department" means the Department of Energy and
4 Environmental Protection;

5 (2) "Climate change adaptation project" means a project designed to
6 respond to, avoid, moderate, repair or adapt to negative impacts caused
7 by climate change and to assist human and natural communities,
8 households and businesses in preparing for future climate-change-
9 driven disruptions. "Climate change adaptation project" includes
10 implementing nature-based solutions and flood protections, home
11 buyouts, upgrading stormwater drainage systems, making defensive
12 upgrades to roads, bridges, railroads and transit systems, preparing for
13 and recovering from extreme weather events, undertaking preventive
14 health care programs and providing medical care to treat illness or
15 injury caused by the effects of climate change, relocating, elevating or

16 retrofitting sewage treatment plants and other infrastructure vulnerable
17 to flooding, installing energy-efficient cooling systems and other
18 weatherization and energy-efficiency upgrades and retrofits in public
19 and private buildings, including schools and public housing, designed
20 to reduce the public health effects of more frequent heat waves and
21 forest fire smoke, upgrading parts of the electrical grid to increase
22 stability and resilience, including supporting the creation of self-
23 sufficient microgrids, and responding to toxic algae blooms, loss of
24 agricultural topsoil, crop loss and other climate-driven ecosystem
25 threats to forests, farms, fisheries and food systems;

26 (3) "Climate Superfund Cost Recovery Program" or "program" means
27 the program established pursuant to this section;

28 (4) "Coal" means bituminous coal, anthracite coal and lignite;

29 (5) "Controlled group" means two or more entities treated as a single
30 employer under 26 USC 52(a) or (b), without regard to 26 USC
31 1563(b)(2)(C), or, alternatively, 26 USC 414(m) or (o), provided for
32 purposes of this section, entities in a controlled group shall be treated as
33 a single entity for purposes of meeting the definition of responsible
34 party and shall be jointly and severally liable for payment of any cost
35 recovery demand owed by any entity in the controlled group;

36 (6) "Cost recovery demand" means a charge asserted against a
37 responsible party for cost recovery payments under the program for
38 payment to the fund;

39 (7) "Covered greenhouse gas emissions" means the total quantity of
40 greenhouse gases released into the atmosphere during the covered
41 period, expressed in metric tons of carbon dioxide equivalent, resulting
42 from the use of fossil fuels extracted or refined by an entity;

43 (8) "Covered period" means the period that began on January 1, 1995,
44 and ended on December 31, 2025;

45 (9) "Crude oil" means oil or petroleum of any kind and in any form,

46 including bitumen, oil sands, heavy oil, conventional and
47 unconventional oil, shale oil, natural gas liquids, condensates and
48 related fossil fuels;

49 (10) "Entity" means any individual, trustee, agent, partnership,
50 association, corporation, company, municipality, political subdivision
51 or other legal organization, including a foreign nation, that holds or held
52 an ownership interest in a fossil fuel business during the covered period;

53 (11) "Environmental justice community" has the same meaning as
54 provided in section 22a-20a of the general statutes;

55 (12) "Fossil fuel" means coal, petroleum products or fuel gases;

56 (13) "Fossil fuel business" means a business engaging in the extraction
57 of fossil fuels or the refining of petroleum products;

58 (14) "Fuel gas" means: (A) Methane, (B) natural gas, (C) liquified
59 natural gas, or (D) manufactured fuel gases;

60 (15) "Fund" means the Climate Superfund Cost Recovery Program
61 Fund established pursuant to this section;

62 (16) "Greenhouse gas" has the same meaning as provided in section
63 22a-200 of the general statutes;

64 (17) "Nature-based solutions" means projects that utilize or mimic
65 nature or natural processes and functions and that may also offer
66 environmental, economic and social benefits while increasing resilience.
67 "Nature-based solutions" includes both green and natural
68 infrastructure;

69 (18) "Notice of cost recovery demand" means the written
70 communication from the department informing a responsible party of
71 the amount of the cost recovery demand payable to the fund;

72 (19) "Petroleum product" means any product refined or re-refined
73 from: (A) Synthetic or crude oil, or (B) crude oil extracted from natural

74 gas liquids or other sources;

75 (20) "Qualifying expenditure" means an authorized payment from
76 the fund to pay reasonable expenses associated with the administration
77 of the fund and the program and to pay for a climate change adaptation
78 project, including such project's operation, monitoring and
79 maintenance;

80 (21) "Responsible party" means any entity or a successor in interest to
81 an entity that during any part of the covered period was engaged in the
82 trade or business of extracting fossil fuel or refining crude oil and that
83 is determined by the department to be attributable for more than one
84 billion metric tons of covered greenhouse gas emissions during the
85 covered period. "Responsible party" does not include any person who
86 lacks sufficient connection with the state to satisfy the nexus
87 requirements of the Constitution of the United States; and

88 (22) "Strategy" means the resilience implementation strategy adopted
89 by the department.

90 (b) There is established the Climate Superfund Cost Recovery
91 Program administered by the Department of Energy and Environmental
92 Protection. The purpose of the program shall be to: (1) Secure
93 compensatory payments from responsible parties based on a standard
94 of strict liability to provide a source of revenue for climate change
95 adaptation projects within the state, (2) determine proportional liability
96 of responsible parties, (3) impose cost recovery demands on responsible
97 parties and issue notices of cost recovery demands, (4) accept and collect
98 payment from responsible parties, (5) develop, adopt, implement and
99 update the strategy that will identify and prioritize climate change
100 adaptation projects, and (6) disperse funds to implement climate change
101 adaptation projects identified in the strategy.

102 (c) Each responsible party shall be strictly liable for a share of the costs
103 of climate change adaptation projects and all qualifying expenditures
104 supported by the fund. For purposes of this section, entities in a

105 controlled group shall be: (1) Treated by the department as a single
106 entity for the purpose of identifying responsible parties; and (2) jointly
107 and severally liable for payment of any cost recovery demand owed by
108 any entity in the controlled group. For any responsible party, the cost
109 recovery demand shall be equal to an amount that bears the same ratio
110 to the cost to the state and the state's residents, as calculated by the State
111 Treasurer pursuant to this section, from the emission of covered
112 greenhouse gases during the covered period as the responsible party's
113 applicable share of covered greenhouse gas emissions bears to the
114 aggregate applicable shares of covered greenhouse gas emissions
115 resulting from the use of fossil fuels extracted or refined during the
116 covered period. If a responsible party owns a minority interest of ten per
117 cent or more in another entity, the responsible party's applicable share
118 of covered greenhouse gas emissions shall be increased by the
119 applicable share of covered greenhouse gas emissions for the entity in
120 which the responsible party holds a minority interest multiplied by the
121 percentage of the minority interest held by the responsible party. The
122 department shall use the United States Environmental Protection
123 Agency's Emissions Factors for Greenhouse Gas Inventories as applied
124 to the fossil fuel volume data for the purpose of determining the amount
125 of covered greenhouse gas emissions attributable to any entity from the
126 fossil fuels attributable to the entity.

127 (d) The department may adjust the cost recovery demand amount of
128 a responsible party who refined petroleum products or who is a
129 successor in interest to an entity that refines petroleum products if the
130 responsible party establishes to the satisfaction of the department that:
131 (1) A portion of the cost recovery demand amount was attributable to
132 the refining of crude oil extracted by another responsible party, and (2)
133 the crude oil extracted by the other entity was accounted for when the
134 department determined the cost recovery demand amount for the other
135 entity or a successor in interest of the other entity.

136 (e) The department shall issue the cost recovery demands required
137 under this section not later than six months following the adoption of

138 the regulations required pursuant to this section.

139 (f) (1) Except as provided in subdivision (2) of this subsection, a
140 responsible party shall pay the cost recovery demand amount in full not
141 later than six months following the department's issuance of the cost
142 recovery demand.

143 (2) A responsible party may elect to pay the cost recovery demand
144 amount in nine annual installments in accordance with this subdivision,
145 provided the first installment shall be paid not later than six months
146 following the department's issuance of the cost recovery demand and
147 shall be equal to twenty per cent of the total cost recovery demand
148 amount. Each subsequent installment shall be paid one year from the
149 initial payment each subsequent year and shall be equal to ten per cent
150 of the total cost recovery demand amount. The department may charge
151 reasonable interest on each installment payment or a payment delayed
152 for any other reason and may adjust the amount of a subsequent
153 installment payment or a payment delayed for any other reason to
154 reflect increases or decreases in the consumer price index. The unpaid
155 balance of all remaining installments shall become due immediately if:
156 (A) The responsible party fails to pay any installment in a timely
157 manner, as specified in regulations adopted pursuant to this section; (B)
158 there is a liquidation or sale of substantially all the assets of the
159 responsible party; or (C) the responsible party ceases to do business. In
160 the case of a sale of substantially all the assets of a responsible party, the
161 remaining installments shall not become due immediately if the buyer
162 enters into an agreement with the department under which the buyer
163 assumes liability for the remaining installments due under this
164 subdivision in the same manner as if the buyer were the responsible
165 party.

166 (g) The department shall deposit cost recovery payments collected
167 under this section in the Climate Superfund Cost Recovery Program
168 Fund established pursuant to this section.

169 (h) Any responsible party aggrieved by the issuance of a notice of cost

170 recovery demand shall exhaust administrative remedies by filing a
171 request for reconsideration with the department not later than thirty
172 days following issuance of the notice of cost recovery demand. A
173 request for reconsideration shall state grounds for the request and
174 include supporting documentation. The department shall notify the
175 responsible party of the final decision by issuing a subsequent notice of
176 cost recovery demand. A responsible party aggrieved by the issuance of
177 a final notice of cost recovery demand may bring an action in the
178 Superior Court.

179 (i) There is created the Climate Superfund Cost Recovery Program
180 Fund to be administered by the Commissioner of Energy and
181 Environmental Protection to provide funding for climate change
182 adaptation projects in the state. The fund shall consist of: (1) Cost
183 recovery payments deposited in the fund pursuant to this section, (2)
184 moneys from time to time appropriated to the fund by the General
185 Assembly, and (3) other gifts, donations or other moneys received from
186 any source, public or private, dedicated for deposit into the fund.

187 (j) The fund may be used only: (1) To pay qualified expenditures for
188 climate change adaptation projects identified by the department in the
189 strategy, and (2) for reasonable administrative expenses of the program,
190 including the cost to the state Auditors of Public Accounts associated
191 with the hiring of technical expertise necessary to complete the audits
192 required under this section.

193 (k) On or before February 15, 2026, the department, in consultation
194 with the State Treasurer, shall submit a report to the joint standing
195 committee of the General Assembly having cognizance of matters
196 relating to the environment detailing the feasibility and progress of
197 carrying out the requirements of this section, including any
198 recommendations for improving the administration of the program.

199 (l) The department, in accordance with the provisions of chapter 54
200 of the general statutes, shall adopt regulations necessary to implement
201 the requirements of this section, including, but not limited to: (1)

202 Adopting methodologies using available science and publicly available
203 data to identify responsible parties and determine their applicable share
204 of covered greenhouse gas emissions; (2) requirements for registering
205 entities that are responsible parties and issuing notices of cost recovery
206 demands under the program; and (3) the resilience implementation
207 strategy, which shall include: (A) Practices utilizing nature-based
208 solutions intended to stabilize floodplains, riparian zones, lake
209 shoreland, wetlands and similar lands, (B) practices to adapt
210 infrastructure to the impacts of climate change, (C) practices needed to
211 build out early warning mechanisms and support fast, effective
212 response to climate-related threats, (D) practices that support economic
213 and environmental sustainability in the face of changing climate
214 conditions, and (E) criteria and procedures for prioritizing climate
215 change adaptation projects eligible to receive moneys from the program.

216 (m) In adopting the strategy, the department shall: (1) Consult with
217 other state agencies and departments to assess the adaptation needs and
218 vulnerabilities of various areas vital to the state's economy, normal
219 functioning and the health and well-being of residents of the state; (2)
220 identify major potential, proposed and ongoing climate change
221 adaptation projects throughout the state; (3) identify opportunities for
222 alignment with existing federal, state and local funding streams; (4)
223 consult with stakeholders, including local governments, businesses,
224 environmental advocates, relevant subject area experts and
225 representatives of environmental justice communities; and (5) conduct
226 public engagement in areas and communities that have the most
227 significant exposure to the impacts of climate change, including
228 disadvantaged, low-income and rural communities and areas.

229 (n) Beginning on January 1, 2031, and every five years thereafter, the
230 state Auditors of Public Accounts shall evaluate the operation and
231 effectiveness of the Climate Superfund Cost Recovery Program. The
232 auditors shall make recommendations to the department on ways to
233 increase program efficacy and cost-effectiveness. The auditors shall
234 submit the results of the audit to the joint standing committee of the

235 General Assembly having cognizance of matters relating to the
 236 environment. The auditors shall be reimbursed from the fund for any
 237 costs associated with hiring technical expertise necessary to complete
 238 the audits required under this section.

239 (o) On or before January 1, 2027, the State Treasurer, after
 240 consultation with the department for the purpose of obtaining and
 241 utilizing credible data or methodologies that the Treasurer determines
 242 may aid in making the assessments and estimates required by this
 243 section, shall submit to the joint standing committee of the General
 244 Assembly having cognizance of matters relating to the environment an
 245 assessment of the cost to the state and its residents of the emission of
 246 covered greenhouse gases for the period that began on January 1, 1995,
 247 and ended on December 31, 2025. The assessment shall include: (1) A
 248 summary of the various cost-driving effects of covered greenhouse gas
 249 emissions on the state, including effects on public health, natural
 250 resources, biodiversity, agriculture, economic development, flood
 251 preparedness and safety, housing and any other effect that the
 252 Treasurer, in consultation with the department, determines is relevant,
 253 (2) a categorized calculation of the costs that have been incurred and are
 254 projected to be incurred in the future within the state for each of the
 255 effects identified under subdivision (1) of this subsection, and (3) a
 256 categorized calculation of the costs that have been incurred and are
 257 projected to be incurred in the future within the state to abate the effects
 258 of covered greenhouse gas emissions between January 1, 1995, and
 259 December 31, 2025, on the state and its residents.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2025	New section

Statement of Purpose:

To fund climate mitigation, resiliency and adaptation projects.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. WINTER, 94th Dist.; REP. MUSHINSKY, 85th Dist.
REP. SHANNON, 117th Dist.

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