

**HOUSE . . . . . No. 872**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Steven Owens*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing a climate change superfund and promoting polluter responsibility.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Steven Owens</i>	<i>29th Middlesex</i>	<i>1/18/2023</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>1/27/2023</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>1/27/2023</i>
<i>Samantha Montaño</i>	<i>15th Suffolk</i>	<i>2/2/2023</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>2/2/2023</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>2/6/2023</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>2/7/2023</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>2/7/2023</i>
<i>David Allen Robertson</i>	<i>19th Middlesex</i>	<i>2/8/2023</i>
<i>James C. Arena-DeRosa</i>	<i>8th Middlesex</i>	<i>2/8/2023</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>	<i>2/8/2023</i>
<i>Margaret R. Scarsdale</i>	<i>1st Middlesex</i>	<i>2/9/2023</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>2/9/2023</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/10/2023</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>2/23/2023</i>
<i>Simon Cataldo</i>	<i>14th Middlesex</i>	<i>3/3/2023</i>

**HOUSE . . . . . No. 872**

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By Representative Owens of Watertown, a petition (accompanied by bill, House, No. 872) of Steven Owens and others relative to establishing a climate change superfund and promoting polluter responsibility. Environment and Natural Resources.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
\_\_\_\_\_

An Act establishing a climate change superfund and promoting polluter responsibility.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. The General Laws are hereby amended by inserting after Chapter 21O the  
2 following chapter:

3           CHAPTER 21P

4           CLIMATE CHANGE ADAPTATION COST RECOVERY ACT

5           Section 1. Definitions.

6           For purposes of this chapter, the following terms shall have the following meanings  
7 unless the context clearly requires otherwise:

8           "Applicable payment date", July first of the calendar year following the year in which this  
9 chapter is enacted into law.

10 "Climate change adaptive infrastructure project", an infrastructure project designed to  
11 avoid, moderate, repair or adapt to negative impacts of climate change or to assist communities,  
12 households and businesses in preparing for future climate change-driven disruptions. Such  
13 projects include but are not limited to restoring coastal wetlands and developing other nature-  
14 based solutions and coastal protections; upgrading storm water drainage systems; making  
15 defensive upgrades to roads, bridges, subways, and transit systems; preparing for and recovering  
16 from hurricanes and other extreme weather events; undertaking preventive health care programs  
17 and providing medical care to treat illness or injury caused by the effects of climate change;  
18 relocating, elevating, or retrofitting sewage treatment plants vulnerable to flooding; installing  
19 energy efficient cooling systems and other weatherization and energy efficiency upgrades and  
20 retrofits in public and private buildings, including schools and public housing; upgrading parts of  
21 the electrical grid to increase stability and resilience, including supporting the creation of self-  
22 sufficient clean energy microgrids; addressing urban heat island effects through green spaces,  
23 urban forestry, and other interventions; and responding to toxic algae blooms, loss of agricultural  
24 topsoil, and other climate-driven ecosystem threats to forests, farms fisheries, and food systems.

25 "Commissioner", commissioner of the department of environmental protection.

26 "Controlled group", two or more entities treated as a single employer under section 52(a)  
27 or (b) or section 414(m) or (o) of the internal revenue code. Subsections (a) and (b) of section 52,  
28 section 1563 of the internal revenue code shall be applied without regard to subsection(b)(2)(c).  
29 For purposes of this article, entities in a controlled group are treated as a single entity for  
30 purposes of meeting the definition of responsible party and are jointly and severally liable for  
31 payment of any cost recovery demand owed by any entity in the controlled group.

32 "Cost recovery demand", a charge asserted against a responsible party for cost recovery  
33 payments under the program for payment to the fund.

34 "Covered greenhouse gas emissions", with respect to any entity, the total quantity of  
35 greenhouse gasses released into the atmosphere during the covered period, expressed in metric  
36 tons of carbon dioxide equivalent, resulting from the use of fossil fuels or petroleum products  
37 extracted, produced, refined, or sold by such entity.

38 "Covered period", the period that began January first, two thousand and ended on  
39 December thirty-first, two thousand eighteen.

40 "Crude oil", oil or petroleum of any kind and in any form, including bitumen, oil sands,  
41 heavy oil, conventional and unconventional oil, shale oil, natural gas liquids, condensates, and  
42 related fossil fuels.

43 "Department", department of environmental protection.

44 "Entity", any individual, trustee, agent, partnership, association, corporation, company,  
45 municipality, political subdivision, or other legal organization, including a foreign nation, that  
46 holds or held an ownership interest in a fossil fuel business during the covered period.

47 "Environmental justice population", a neighborhood that meets 1 or more of the  
48 following criteria: (i) the annual median household income is not more than 65 per cent of the  
49 statewide annual median household income; (ii) minorities comprise 40 per cent or more of the  
50 population; (iii) 25 per cent or more of households lack English language proficiency; or (iv)  
51 minorities comprise 25 per cent or more of the population and the annual median household  
52 income of the municipality in which the neighborhood is located does not exceed 150 per cent of

53 the statewide annual median household income; provided, however, that for a neighborhood that  
54 does not meet said criteria, but a geographic portion of that neighborhood meets at least 1  
55 criterion, the secretary may designate that geographic portion as an environmental justice  
56 population upon the petition of at least 10 residents of the geographic portion of that  
57 neighborhood meeting any such criteria; provided further, that the secretary may determine that a  
58 neighborhood, including any geographic portion thereof, shall not be designated an  
59 environmental justice population upon finding that: (A) the annual median household income of  
60 that neighborhood is greater than 125 per cent of the statewide median household income; (B) a  
61 majority of persons age 25 and older in that neighborhood have a college education; (C) the  
62 neighborhood does not bear an unfair burden of environmental pollution; and (D) the  
63 neighborhood has more than limited access to natural resources, including open spaces and water  
64 resources, playgrounds and other constructed outdoor recreational facilities and venues.

65 "Fossil fuel", coal, petroleum products and fuel gasses.

66 "Fossil fuel business", a business engaging in the extraction of fossil fuels or the refining  
67 of petroleum products.

68 "Fuel gasses", shall include but not be limited to methane, natural gas, liquefied natural  
69 gas, and manufactured fuel gasses.

70 "Fund", the climate change adaptation superfund.

71 "Greenhouse gas", any chemical or physical substance that is emitted into the air and that  
72 the department may reasonably anticipate will cause or contribute to climate change including,  
73 but not limited to, carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons  
74 and sulfur hexafluoride.

75 “Nature-based solutions”, projects that utilize or mimic nature or natural processes and  
76 functions and that may also offer environmental, economic, and social benefits, while increasing  
77 resilience. Nature-based solutions include both green and natural infrastructure.

78 "Notice of cost recovery demand", the written communication informing a responsible  
79 party of the amount of the cost recovery demand payable to the fund.

80 "Petroleum products", a product that is obtained from distilling and processing crude oil  
81 and that is capable of being used as a fuel for the propulsion of a motor vehicle, boat or aircraft.  
82 The term does not include naphtha-type jet fuel, kerosene-type jet fuel, a petroleum product  
83 destined for use in chemical manufacturing or feedstock of that manufacturing or fuel oil used  
84 for heating purposes.

85 "Program", the climate change adaptation cost recovery program.

86 "Qualifying expenditure", an authorized payment from the fund in support of a climate  
87 change adaptive infrastructure project, including its operation and maintenance, as defined by the  
88 department.

89 "Responsible party", any entity or a successor in interest to such entity described herein,  
90 which, during any part of the covered period, was engaged in the trade or business of extracting  
91 fossil fuel or refining crude oil and is determined by the department to be responsible for more  
92 than one billion tons of covered greenhouse gas emissions. The term responsible party shall not  
93 include any person who lacks sufficient connection with the state to satisfy the nexus  
94 requirements of the United States Constitution.

95 SECTION 2. The Climate Change Adaptation Cost Recovery Program.

96 (a) There is hereby established a climate change adaptation cost recovery program  
97 administered by the department.

98 (b) The purposes of the program shall be the following

99 (1) To secure compensatory payments from responsible parties based on a standard of  
100 strict liability to provide a source of revenue for climate change adaptive infrastructure projects  
101 within the state;

102 (2) To determine proportional liability of responsible parties;

103 (3) To impose cost recovery demands on responsible parties and issue notices of cost  
104 recovery demands;

105 (4) To accept and collect payment from responsible parties;

106 (5) To identify climate change adaptive infrastructure projects;

107 (6) To disperse funds to climate change adaptive infrastructure projects; and

108 (7) To allocate funds in such a way as to achieve a goal that at least forty percent of the  
109 qualified expenditures from the program, but not less than thirty-five percent of such  
110 expenditures shall go to climate change adaptive infrastructure projects that directly benefit  
111 environmental justice populations

112 (c)(1) A responsible party shall be strictly liable, without regard to fault, for a share of the  
113 costs of climate change adaptive infrastructure projects, including their operation and  
114 maintenance, supported by the fund.

115 (d) With respect to each responsible party, the cost recovery demand shall be equal to an  
116 amount that bears the same ratio to seventy-five billion dollars as the responsible party's  
117 applicable share of covered greenhouse gas emissions bears to the aggregate applicable shares of  
118 covered greenhouse gas emissions of all responsible parties.

119 (e) The applicable share of covered greenhouse gas emissions taken into account under  
120 this section for any responsible party shall be the amount by which the covered greenhouse gas  
121 emissions attributable to such responsible party exceeds one billion metric tons.

122 (f) Where an entity owns a minority interest in another entity of ten percent or more, the  
123 calculation of the entity's applicable share of greenhouse gas emissions taken into account under  
124 this section shall include the applicable share of greenhouse gas emissions taken into account  
125 under this section by the entity in which the responsible party holds a minority interest,  
126 multiplied by the percentage of the minority interest held.

127 (g) In determining the amount of greenhouse gas emissions attributable to any entity, an  
128 amount equivalent to nine hundred forty-two and one-half metric tons of carbon dioxide  
129 equivalent shall be treated as released for every million pounds of coal attributable to such entity;  
130 an amount equivalent to four hundred thirty-two thousand one hundred eighty metric tons of  
131 carbon dioxide equivalent shall be treated as released for every million barrels of crude oil  
132 attributable to such entity; and an amount equivalent to fifty-three thousand four hundred forty  
133 metric tons of carbon dioxide equivalent shall be treated as released for every million cubic feet  
134 of fuel gasses attributable to such entity.

135 (h) The commissioner may adjust the cost recovery demand amount of a responsible  
136 party refining petroleum products, or its successor, if such responsible party establishes to the



137 satisfaction of the commissioner that a portion of the cost recovery demand amount was  
138 attributable to the refining of crude oil extracted by another responsible party, or its successor  
139 that accounted for such crude oil in determining its cost recovery demand amount.

140 (i) Payment of a cost recovery demand shall be made in full on the applicable payment  
141 date unless a responsible party elects to pay in installments pursuant to paragraph j of this  
142 subdivision.

143 (j) A responsible party may elect to pay the cost recovery demand amount in twenty-four  
144 annual installments, ten percent of the total due in the first installment and the balance to be paid  
145 in equal installments over the remaining years. If an election is made under this paragraph, the  
146 first installment shall be paid on the applicable payment date and each subsequent installment  
147 shall be paid on the same date as the applicable payment date in each succeeding year.

148 (k) If there is any addition to the original amount of the cost recovery demand for failure  
149 to timely pay any installment required under this subdivision, a liquidation or sale of  
150 substantially all the assets of the responsible party, including in a proceeding under u.s. code:  
151 title 11 or similar case, a cessation of business by the responsible party, or any similar  
152 circumstance, then the unpaid balance of all remaining installments shall be due on the date of  
153 such event, or in the case of a proceeding under u.s. code: title 11 or similar case, on the day  
154 before the petition is filed. The preceding sentence shall not apply to the sale of substantially all  
155 of the assets of a responsible party to a buyer if such buyer enters into an agreement with the  
156 department under which such buyer is liable for the remaining installments due under this  
157 subdivision in the same manner as if such buyer were the responsible party.

158 (l) Within one year of the effective date of this article, the department shall promulgate  
159 such regulations as are necessary to carry out this article, including but not limited to:

160 (i) Adopting methodologies using the best available science to determine responsible  
161 parties and their applicable share of covered greenhouse gas emissions consistent with the  
162 provisions of this article;

163 (ii) Registering entities that are responsible parties under the program;

164 (iii) Issuing notices of cost recovery demand to responsible parties informing them of the  
165 cost recovery demand amount; how and where cost recovery demands can be paid; the potential  
166 consequences of nonpayment and late payment; and information regarding their rights to contest  
167 an assessment;

168 (iv) Accepting payments from, pursuing collection efforts against, and negotiating  
169 settlements with responsible parties; and

170 (v) Adopting procedures for identifying and selecting climate change adaptive  
171 infrastructure projects eligible to receive qualifying expenditures, including legislative budget  
172 appropriations, issuance of requests for proposals from localities and not-for-profit and  
173 community organizations, grants to private individuals, or other methods as determined by the  
174 department, and for dispersing moneys from the fund for qualifying expenditures. When  
175 considering projects intended to stabilize tidal shorelines, the department shall encourage using  
176 nature-based solutions. Total qualifying expenditures shall be allocated in such a way as to  
177 ensure at least forty percent of the qualified expenditures from the program shall go to climate  
178 change adaptive infrastructure projects that benefit environmental justice populations.

179 (m). Within two years of the effective date of this article, the department shall complete a  
180 statewide climate change adaptation master plan for the purpose of guiding the dispersal of funds  
181 in a timely, efficient, and equitable manner to all regions of the state in accordance with the  
182 provisions of this chapter. In completing such plan, the department shall:

183 (i) Collaborate with the secretary of state, department of housing and community  
184 development, the department of agriculture, the department of energy resources, and the  
185 department of public utilities.

186 (ii) Assess the adaptation needs and vulnerabilities of various areas vital to the state's  
187 economy, normal functioning, and the health and well-being of residents, including but not  
188 limited to: agriculture, biodiversity, ecosystem services, education, finance, healthcare,  
189 manufacturing, housing and real estate, retail, tourism (including state and municipal parks),  
190 transportation, and municipal and local government.

191 (iii) Identify major potential, proposed, and ongoing climate change adaptive  
192 infrastructure projects throughout the state;

193 (iv) Identify opportunities for alignment with existing federal, state, and local funding  
194 streams;

195 (v) Consult with stakeholders, including local governments, businesses, environmental  
196 advocates, relevant subject area experts, and representatives of disadvantaged communities;

197 (vi) Provide opportunities for public engagement in all regions of the state.

198

199 (n) The department and the attorney general are hereby authorized to enforce the  
200 provisions of this article.

201 (o) The department shall provide an opportunity to be heard to any responsible parties  
202 that seek to contest a cost recovery demand.determinations made in favor of a petitioner after  
203 such hearing shall be final and conclusive.

204 (p) Moneys received from cost recovery demands shall be deposited in the climate  
205 change adaptation super fund

206 (q) Projects funded pursuant to this article shall require compliance with prevailing wage  
207 requirements pursuant to section two hundred twenty of the labor law.

208 (r) Any state entity or municipality receiving at least twenty-five million dollars  
209 (\$25,000,000) from funds allocated pursuant to this article for a project costing greater than fifty  
210 million dollars (\$50,000,000) shall require use of apprenticeship agreements as defined by article  
211 twenty-three of the labor law, with pre-apprenticeship direct entry providers registered with the  
212 department of labor.

213 (s). Any state entity or municipality receiving at least twenty-five million dollars  
214 (\$25,000,000) from funds allocated pursuant to this article for a project which involves the  
215 construction, reconstruction, alteration, maintenance, moving, demolition, excavation,  
216 development or other improvement of any building, structure or land, shall be subject to the  
217 prevailing wage law

218 (t).(1) Any municipality or state entity, or a third party acting on behalf and for the  
219 benefit of the municipality or state entity, in each contract for construction, reconstruction,

220 alteration, repair, improvement or maintenance of a project receiving funds under this article that  
221 is a public work, shall ensure that such contract contains a provision that the structural iron and  
222 structural steel used or supplied in the performance of the contract or any subcontract thereto and  
223 that is permanently incorporated into the public work, shall be produced or made in whole or  
224 substantial part in the United States, its territories or possessions. In the case of a structural iron  
225 or structural steel product, all manufacturing must take place in the United States, from the initial  
226 melting stage through the application of coatings, except metallurgical processes involving the  
227 refinement of steel additives. For the purposes of this subdivision, "permanently incorporated"  
228 shall mean an iron or steel product that is required to remain in place at the end of the project  
229 contract, in a fixed location, affixed to the public work to which it was incorporated. Iron and  
230 steel products that are capable of being moved from one location to another are not permanently  
231 incorporated into a public work.

232 (2) The provisions of paragraph (a) of this subdivision shall not apply if the head of the  
233 department, agency, or municipal entity constructing the public work, in his or her sole  
234 discretion, determines that the provisions would not be in the public interest, would result in  
235 unreasonable costs, or that obtaining such steel or iron in the United States would increase the  
236 cost of the contract by an unreasonable amount, or such iron or steel, including without  
237 limitation structural iron and structural steel, cannot be produced or made in the United States in  
238 sufficient and reasonably available quantities and of satisfactory quality.

239 (u)(1) The department shall conduct an independent evaluation of the climate change  
240 adaptation cost recovery program. the purpose of this evaluation is to determine the effectiveness  
241 of the program in achieving its purposes

242 (2) Such evaluation shall be provided to the governor, the temporary president of the  
243 senate and the speaker of the assembly on or before January first of the second calendar year  
244 following the year in which this article is enacted into law, and annually on or before September  
245 thirtieth thereafter.

246

247 SECTION 3. Climate Change Adaptation Fund.

248 (a) There is hereby established within the Department of Environmental Protection a  
249 special revolving fund to be known as the "climate change adaptation fund" for the purpose of  
250 receiving moneys through cost recovery demands and issuing funds for qualifying expenditures  
251 pursuant to the climate change adaptation cost recovery program

252 (b) No monies shall be expended from the fund for any project except qualifying  
253 expenditures pursuant to the program, including their operation and maintenance, as well as  
254 reasonable costs incurred by the department of environmental conservation for administering the  
255 program.

256 SECTION 4. Applicability of Chapter

257 (a) Nothing in this act shall be deemed to preclude the pursuit of a civil action or other  
258 remedy by any person. The remedies provided in this act are in addition to those provided by  
259 existing statutory or common law.

260 (b) If any word, phrase, clause, sentence, paragraph, section, or part of this act shall be  
261 adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect,  
262 impair, or invalidate the remainder thereof, but shall be confined in its operation to the word,

263 phrase, clause, sentence, paragraph, section, or part thereof directly involved in the controversy  
264 in which such judgment shall have been rendered.