



General Assembly

February Session, 2026

***Raised Bill No. 5156***

LCO No. 1079



Referred to Committee on ENVIRONMENT

Introduced by:  
(ENV)

***AN ACT CONCERNING A CLIMATE CHANGE SUPERFUND.***

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) For purposes of this  
2 section:

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

5 (2) "Climate change adaptive infrastructure project" means an  
6 infrastructure project designed to avoid, moderate, repair or adapt to  
7 negative impacts caused by climate change and to assist communities,  
8 households and businesses in preparing for future climate change-  
9 driven disruptions, including, but not limited to, restoring coastal  
10 wetlands and developing other nature-based solutions and coastal  
11 protections, 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, upgrading  
20 parts of the electrical grid to increase reliability and resilience, including  
21 supporting the creation of self-sufficient microgrids, addressing urban  
22 heat island effects through green spaces, urban forestry and other  
23 interventions and responding to toxic algae blooms, loss of agricultural  
24 topsoil, crop loss and other climate-driven ecosystem threats to forests,  
25 farms, fisheries and food systems;

26 (3) "Climate superfund cost recovery program" or "program" means  
27 the climate adaptation cost recovery program established pursuant to  
28 this section;

29 (4) "Climate superfund cost recovery fund" or "fund" means the  
30 climate change adaptation fund established pursuant to this section;

31 (5) "Coal" means bituminous coal, anthracite coal and lignite;

32 (6) "Commissioner" means the Commissioner of the Department of  
33 Energy and Environmental Protection;

34 (7) "Controlled group" means two or more entities treated as a single  
35 employer under 26 USC 52(a) or (b), without regard to 26 USC  
36 1563(b)(2)(C), or, alternatively, 26 USC 414(m) or (o), provided for  
37 purposes of this section, entities in a controlled group shall be treated as  
38 a single entity for purposes of meeting the definition of "responsible  
39 party" and shall be jointly and severally liable for payment of any cost  
40 recovery demand owed by any entity in the controlled group;

41 (8) "Cost recovery demand" means a charge asserted against a  
42 responsible party for cost recovery payments under the program for  
43 payment to the fund;

44 (9) "Covered greenhouse gas emissions" means, with respect to any

45 entity, the total quantity of greenhouse gases released into the  
46 atmosphere during the covered period, expressed in metric tons of  
47 carbon dioxide equivalent, including, but not limited to, releases of  
48 greenhouse gases resulting from the extraction, storage, production,  
49 refinement, transport, manufacture, distribution, sale and use of fossil  
50 fuels, that are extracted, produced, refined or sold by an entity;

51 (10) "Covered period" means the period that began on January 1,  
52 1995, and ended on December 31, 2024;

53 (11) "Crude oil" means oil or petroleum of any kind and in any form,  
54 including bitumen, oil sands, heavy oil, conventional and  
55 unconventional oil, shale oil, natural gas liquids, condensates and  
56 related fossil fuels;

57 (12) "Entity" means any individual, trustee, agent, partnership,  
58 association, corporation, company, municipality, political subdivision  
59 or other legal organization that holds or held an ownership interest in a  
60 fossil fuel business during the covered period;

61 (13) "Environmental justice community" has the same meaning as  
62 provided in section 22a-20a of the general statutes;

63 (14) "Fossil fuel" means coal, crude oil, fuel gases or petroleum  
64 products;

65 (15) "Fossil fuel business" means a business engaged in the extraction  
66 of fossil fuels or the refining of petroleum products;

67 (16) "Fuel gas" means methane, natural gas, liquified natural gas or  
68 manufactured fuel gases;

69 (17) "Greenhouse gas" has the same meaning as provided in section  
70 22a-200 of the general statutes;

71 (18) "Nature-based solutions" means projects that utilize or mimic  
72 nature or natural processes and functions and that may also offer

73 environmental, economic and social benefits while increasing resilience.  
74 "Nature-based solutions" includes both green and natural  
75 infrastructure;

76 (19) "Notice of cost recovery demand" means the written  
77 communication from the department informing a responsible party of  
78 the amount of the cost recovery demand payable to the fund;

79 (20) "Notice of intent" means the written communication from the  
80 department informing a responsible party of such party's potential  
81 liability for such party's share of emissions during the covered period;

82 (21) "Petroleum product" means any product refined or re-refined  
83 from synthetic or crude oil or crude oil extracted from natural gas  
84 liquids or other sources;

85 (22) "Qualified expenditure" means an authorized payment from the  
86 fund to pay reasonable expenses associated with the administration of  
87 the program and to pay for a climate change adaptation project,  
88 including such project's operation, monitoring and maintenance;

89 (23) "Public registry" means the official database maintained by the  
90 department to collect and store information about responsible parties  
91 solely for the purposes of the program; and

92 (24) "Responsible party" means any entity, or a successor in interest  
93 to any entity, that, during any part of the covered period, was engaged  
94 in the trade or business of extracting fossil fuel or refining crude oil and  
95 is determined by the department to be attributable for more than one  
96 billion metric tons of covered greenhouse gas emissions during the  
97 covered period. "Responsible party" does not include any person who  
98 lacks sufficient connection with the state to satisfy the nexus  
99 requirements of the Constitution of the United States.

100 (b) There is established the climate superfund cost recovery program  
101 administered by the Department of Energy and Environmental

102 Protection. The purpose of the program shall be to: (1) Secure  
103 compensatory payments from responsible parties based on a standard  
104 of strict liability to provide a source of revenue for climate change  
105 adaptive infrastructure projects within the state; (2) determine  
106 proportional liability of responsible parties pursuant to this section; (3)  
107 impose cost recovery demands on responsible parties and issue notices  
108 of cost recovery demands; (4) accept and collect payment from  
109 responsible parties; (5) identify climate change adaptative infrastructure  
110 projects; (6) disperse funds to implement climate change adaptive  
111 infrastructure projects; and (7) allocate funds in a way to achieve a goal  
112 of not less than forty per cent of the qualified expenditures from the  
113 program being expended on climate change adaptive infrastructure  
114 projects that directly benefit environmental justice communities.

115 (c) Not later than six months after the effective date of this section,  
116 the department shall determine, by order, the complete list of projects  
117 that constitute climate change adaptive infrastructure projects, in  
118 accordance with the provisions of this section.

119 (d) (1) Not later than six months after the effective date of this section,  
120 the department shall adopt regulations, in accordance with the  
121 provisions of chapter 54 of the general statutes, to establish the  
122 methodology for obtaining and utilizing credible data that will aid the  
123 department in making the assessments and estimates required by this  
124 section.

125 (2) Not later than six months after the adoption of the regulations  
126 described in subdivision (1) of this subsection, the department shall  
127 issue notices of intent to responsible parties and create a registry of  
128 responsible parties. Any such notice shall inform such party of their  
129 status and shall include the following information:

130 (A) The definition of "responsible party", as defined in this section;

131 (B) The responsible party's total covered greenhouse gas emissions  
132 for the covered period;

133 (C) The responsible party's rights to contest their status; and

134 (D) Information regarding the public registry of responsible parties;

135 (3) Not later than six months after the issuance of such notices  
136 pursuant to subdivision (2) of this subsection, the department shall issue  
137 notices of cost recovery demand to responsible parties informing such  
138 parties of:

139 (A) The cost recovery demand amount;

140 (B) How and where cost recovery demands can be paid;

141 (C) The potential consequences of nonpayment and late payment;  
142 and

143 (D) The responsible party's right to contest such an assessment; and

144 (4) Not later than three months after the issuance of cost recovery  
145 demands pursuant to subdivision (3) of this subsection, the department  
146 shall accept payments from, pursue collection efforts against and  
147 negotiate settlements with responsible parties.

148 (e) Not later than eighteen months after the effective date of this  
149 section, the department shall submit to the joint standing committee of  
150 the General Assembly having cognizance of matters relating to the  
151 environment an assessment of the cost to the state and its residents of  
152 covered greenhouse gas emissions during the covered period. The  
153 department shall hold not less than one in-person and one virtual public  
154 hearing concerning this assessment, with a minimum thirty day public  
155 notice prior to such hearings. Such assessment shall include:

156 (1) A summary of the cost-driving effects of covered greenhouse gas  
157 emissions in the state, including any effects on public health, natural  
158 resources, biodiversity, agriculture, economic development, flood  
159 preparedness and safety, housing and any other effect that the  
160 department determines is relevant;

161 (2) A categorized calculation of the costs incurred and that are  
162 projected to be incurred in the future within the state of each of the  
163 effects identified in subdivision (1) of this subsection; and

164 (3) A categorized calculation of the costs incurred and that are  
165 projected to be incurred in the state to abate the effects of covered  
166 greenhouse gas emissions from the covered period.

167 (f) Not later than two years after the effective date of this section, the  
168 department, in consultation with Connecticut Equity and  
169 Environmental Justice Advisory Council, shall adopt regulations, in  
170 accordance with the provisions of chapter 54 of the general statutes, for  
171 identifying and selecting climate change adaptive infrastructure  
172 projects eligible to receive qualified expenditures and for the related  
173 issuance of requests for proposals from municipalities and nonprofit  
174 and community organizations and the provision of grants to private  
175 individuals, or other methods as determined by the department, for  
176 dispersing revenues from the fund for qualified expenditures. The  
177 department shall hold not less than three public hearings in the state  
178 regarding the regulations proposed pursuant to this subsection,  
179 including not less than one virtual hearing, with a minimum of thirty  
180 days' public notice prior to such public hearings.

181 (g) Not later than thirty months after the effective date of this section,  
182 the department shall complete a state-wide climate change adaptation  
183 master plan for the purpose of guiding the dispersal of funds in a timely,  
184 efficient and equitable manner to all regions of the state in accordance  
185 with the provisions of this section. In completing such plan, the  
186 department shall:

187 (1) Identify and consult relevant state agencies and offices, including,  
188 but not limited to, the Connecticut Equity and Environmental Justice  
189 Advisory Council and the Departments of Administrative Services,  
190 Agriculture, Economic and Community Development, Housing, Public  
191 Health and Transportation;

192 (2) Assess the adaptation needs and vulnerabilities of areas vital to  
193 the state's economy, normal functioning and the health and well-being  
194 of state residents, including, but not limited to, agriculture, biodiversity,  
195 ecosystem services, education, finance, healthcare, manufacturing,  
196 housing and real estate, retail, tourism, transportation and municipal  
197 government;

198 (3) Identify major potential, proposed and ongoing climate adaptive  
199 infrastructure projects throughout the state;

200 (4) Identify opportunities for alignment with existing federal, state  
201 and local funding streams;

202 (5) Consult with stakeholders, including local governments,  
203 businesses, environmental advocates, relevant subject area experts and  
204 environmental justice communities; and

205 (6) Provide opportunities for public engagement in all regions of the  
206 state consistent with the provisions of section 22a-20a of the general  
207 statutes, including, but not limited to, environmental justice  
208 communities and other communities that have the most significant  
209 exposure to the impacts of climate change.

210 (h) The department shall conduct an independent evaluation of the  
211 program to determine the effectiveness of the program in achieving its  
212 purposes as described in this section. Such evaluation shall be provided  
213 to the Governor, the president pro tempore of the Senate, and speaker  
214 of the House of Representatives, on or before January first of the second  
215 calendar year following the effective date of this section and annually,  
216 on or before, January first thereafter. Any entity contracted by the  
217 department to conduct such evaluation shall receive prompt payment  
218 of all moneys due upon completion of the evaluation from the fund.

219 (i) Each responsible party shall be strictly liable, without regard to  
220 fault, for a share of the costs of climate change adaptive infrastructure  
221 projects, including such party's operation and maintenance, and all

222 qualified expenditures supported by the fund.

223 (j) For the purposes of this section, entities in a controlled group:

224 (1) Shall be treated by the department as a single entity for the  
225 purpose of identifying responsible parties; and

226 (2) Are jointly and severally liable for payment of any cost recovery  
227 demand owed by an entity in the controlled group.

228 (k) With respect to each responsible party:

229 (1) The cost recovery demand shall be equal to an amount that bears  
230 the same ratio to the cost to the state, as calculated by the department  
231 pursuant to this section, from the emission of covered greenhouse gases  
232 during the covered period as the responsible party's applicable share of  
233 covered greenhouse gas emissions bears to the aggregate applicable  
234 shares of covered greenhouse gas emissions resulting from the use of  
235 fossil fuels extracted or refined during the covered period;

236 (2) The applicable share of covered greenhouse gas emissions taken  
237 into account under this section for any responsible party shall be the  
238 amount by which the covered greenhouse gas emissions attributable to  
239 such responsible party exceeds one billion metric tons; and

240 (3) Whenever an entity owns a minority interest in another entity of  
241 ten per cent or more, the calculation of the entity's applicable share of  
242 greenhouse gas emissions taken into account under this section shall  
243 include the applicable share of greenhouse gas emissions taken into  
244 account under this section by the entity in which the responsible party  
245 holds a minority interest, multiplied by the percentage of minority  
246 interest held.

247 (l) In determining the amount of greenhouse gas emissions  
248 attributable to any entity:

249 (1) An amount equivalent to nine hundred forty-two and one-half

250 metric tons of carbon dioxide equivalent shall be treated by the  
251 department as released for every million pounds of coal attributable to  
252 such entity;

253 (2) An amount equivalent to four hundred thirty-two thousand one  
254 hundred eighty metric tons of carbon dioxide equivalent shall be treated  
255 by the department as released for every million barrels of crude oil  
256 attributable to such entity;

257 (3) An amount equivalent to fifty-three thousand four hundred forty  
258 metric tons of carbon dioxide equivalent shall be treated by the  
259 department as released for every million cubic feet of fuel gases  
260 attributable to such entity; and

261 (4) The department shall have the authority to issue information  
262 requests to responsible parties for any calculation undertaken by the  
263 department pursuant to this section.

264 (m) The department may adjust the cost recovery demand amount of  
265 a responsible party that refines petroleum products, or a successor in  
266 interest to such an entity, if such responsible party establishes to the  
267 satisfaction of the department that a portion of the cost recovery  
268 demand amount was attributable to the refining of crude oil extracted  
269 by another responsible party.

270 (n) Not later than two years after the effective date of this section, the  
271 department shall issue all cost recovery demands required by this  
272 section.

273 (o) Payment of a cost recovery demand shall be made in full not later  
274 than six months following the commissioner's issuance of the cost  
275 recovery demand, unless a responsible party elects to pay in  
276 installments in accordance with the provisions of subsection (p) of this  
277 section.

278 (p) Any responsible party may elect to pay a cost recovery demand

279 amount in nine annual installments, the first of which shall be due not  
280 later than six months after the commissioner's issuance of the cost  
281 recovery demand and subject to conditions established by the  
282 department.

283 (1) The first of any such installments shall be equal to twenty per cent  
284 of the total cost recovery demand amount. Each subsequent installment  
285 shall be paid one year after the initial payment and shall be equal to ten  
286 per cent of the total cost recovery demand amount.

287 (2) The commissioner may charge reasonable interest on each  
288 installment payment, or a payment delayed for any other reason, and,  
289 at the commissioner's discretion, may adjust the amount of a subsequent  
290 installment or a payment delayed for any other reason to reflect the  
291 increases or decreases in the consumer price index.

292 (q) If there is: (1) Any addition to the original amount of the cost  
293 recovery demand by the department for failure to timely pay any  
294 installment required under this section, (2) a liquidation or sale of  
295 substantially all the assets of the responsible party, including a  
296 proceeding under USC Title 11, as amended from time to time, or  
297 similar, (3) a cessation of business by the responsible party, or any  
298 similar circumstance, the unpaid balance of all remaining installments  
299 shall be due on the date of such event, or in the case of a proceeding  
300 under USC Title 11, as amended from time to time, or similar, on the  
301 day before the petition is filed. The provisions of this subsection shall  
302 not apply to the sale of substantially all of the assets of a responsible  
303 party to a buyer if such buyer enters into an agreement with the  
304 department under which such buyer remains liable for the remaining  
305 installments due as if such buyer were the responsible party.

306 (r) The department shall deposit cost recovery payments collected  
307 under this section in the climate superfund cost recovery program fund.

308 (s) Any responsible party aggrieved by a notice of cost recovery  
309 demand issued pursuant to this section may file a request for

310 reconsideration with the commissioner not later than thirty days after  
311 the date of issuance of such notice. Any request for reconsideration shall  
312 state the grounds for the request and include supporting  
313 documentation. The commissioner shall notify the responsible party of  
314 the final decision on any such request for reconsideration by issuing a  
315 subsequent notice of cost recovery demand. Following any such request  
316 for reconsideration, a responsible party may appeal a final decision of  
317 the commissioner to the Superior Court.

318 (t) (1) There is created the climate superfund cost recovery program  
319 fund to be administered by the commissioner to provide funding for  
320 climate change adaptive infrastructure projects in the state. The fund  
321 shall be nonlapsing and consist of:

322 (A) Cost recovery demand payments paid to the fund;

323 (B) Any funds appropriated, from time to time, to the fund by the  
324 General Assembly; and

325 (C) Any and all other gifts, donations or other funds received from  
326 any source, public or private, dedicated for deposit into the fund and  
327 approved by the Commissioner of Administrative Services.

328 (2) The fund may be used only to pay qualified expenditures for:

329 (A) Climate change adaptive infrastructure projects authorized by  
330 the department; and

331 (B) The reasonable administrative expenses of the program.

332 (u) Nothing in this section shall be construed to preclude the pursuit  
333 of any civil action or other remedy by any person. The remedies  
334 provided in this section are in addition to those otherwise provided by  
335 existing statutory or common law.

336 (v) Notwithstanding the authorized uses of the fund described in this  
337 section, the first three hundred thousand dollars deposited into the fund

338 shall be used to reimburse the General Fund for the funds appropriated  
339 to the fund pursuant to section 2 of this act.

340 (w) The provisions of this section, being necessary for the general  
341 health, safety and welfare of the people of this state, shall be liberally  
342 construed to effect its purpose.

343 Sec. 2. (*Effective July 1, 2026*) The sum of three hundred thousand  
344 dollars is appropriated to the Department of Energy and Environmental  
345 Protection from the General Fund, for the fiscal year ending June 30,  
346 2027, for the purpose of funding the climate superfund cost recovery  
347 program fund established pursuant to section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	New section
Sec. 2	<i>July 1, 2026</i>	New section

**Statement of Purpose:**

To establish a climate change superfund to be used to fund certain adaptive infrastructure 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.]*