

California's Polluters Pay Climate Superfund Act

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Who's Going to Pay for the Climate Crisis? California taxpayers are facing an unprecedented and escalating financial burden from the climate crisis. Tens of thousands of Angelenos are returning to their communities to find homes, businesses and infrastructure destroyed. The recent devastation in L.A. alone is estimated to cost Californians \$250 billion.

Insurance giants are abandoning Californians. Communities are shouldering unaffordable insurance rates, housing costs, property taxes, utility bills, and medical and health expenses. State and local budgets are stretched to the brink as climate risks rise, jeopardizing public services, and forcing taxpayers to carry the burden.

Across the state, climate costs are hurting working families. Unless something changes, Californians will continue to suffer the burden of escalating multibillion-dollar costs.

Polluters Pay Climate Superfund: A Common-Sense Solution. Fossil fuels account for nearly 90% of all CO₂ emissions and >75% of global greenhouse gas emissions. The climate crisis is a fossil-fuel crisis. A small number of the world's largest corporations have emitted the bulk of global greenhouse pollution, raking in immense profits while we all pay the price. This bill would assess a fee to the largest greenhouse gas emitters to pay their fair share of the damage caused by their products, relieving taxpayers who otherwise bear these costs. Funds collected will prioritize projects that benefit communities hit hardest by fossil fuel pollution, most often Black and Brown communities. This legislation ensures polluters pay to protect Californians and lower costs by funding critical climate solutions, including transitioning to clean energy, disaster resilience, sustainable infrastructure, and support for workers and communities suffering climate harms. California is one of several states considering such legislation, with Vermont and New York becoming the first states to pass climate superfund laws last year.

This legislation would raise hundreds of billions of dollars to protect Californians and fund solutions that build affordable and sustainable communities!

This bill is separate and distinct from important climate accountability lawsuits brought by California local governments and the state of California to hold polluters accountable for lying about climate change and violating the law.

How California's Climate Superfund Would Work:

- **Directs CalEPA to complete a climate cost study:** to quantify total damages to the state (through 2045), caused by fossil fuel emissions.
- **Directs CalEPA to identify responsible parties and assess compensatory fees:** on the largest fossil fuel polluters, proportional to their fossil fuel emissions 1990 through 2024, to address damages quantified in the cost study.
- **Funds California's future:** Fees collected will fund projects and programs to mitigate, remedy, or prevent climate change costs and harms. The bill prioritizes labor and job standards and dedicates at least 40% of the funds to benefit disadvantaged communities. These funds provide an opportunity to invest, for example, in home hardening against wildfire risk, solar panel and energy storage installation in low-income communities, stormwater system upgrades, and community resilience, including support for essential workers in climate disaster response, among other possible investments. At a time when working families are struggling to pay their

bills, the Climate Superfund will ensure polluters pay at least some portion of their profits toward the climate disasters their fossil fuel pollution caused.

Distinct from Cap-and-Trade: The Climate Superfund seeks recompense to address damage caused by past fossil fuel emissions. Cap-and-Trade is a market-based program to incentivize future emissions reductions. Funds paid into the Cap-and-Trade system are *not* recompense for past damage caused by their emissions; polluters pay into cap-and-trade for others to reduce emissions in their place, so they don't have to. These companies have not remedied the harm caused by their past emissions. The state and taxpayers have never been made whole; the Climate Superfund Act seeks some relief for that injustice.

Supporting Organizations

Sponsors: Center for Biological Diversity, California Environmental Voters.

[list of supporting orgs]

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