

Polluters Pay Climate Fund Act Discussion Draft Section-By-Section

Section 1. Short Title.

- The bill title is the “Polluters Pay Climate Fund Act”

Section 2. Findings.

- Climate change, resulting primarily from the combustion of fossil fuels, is an immediate, grave threat to the communities, environment, and economy of the United States
- Severe consequences of climate change have already materialized and the United States must now take action to prevent further consequences, protect communities, and transition to clean energy sources
- The consequences of climate change include rising sea levels, increasing temperatures, extreme weather events, flooding, heat waves, loss of biodiversity, and other climate-change-driven ecosystem threats
- The Federal government jointly with States and localities must develop and implement protective measures to counteract the adverse effects of climate change
- The protective measures necessary to mitigate the adverse effects of climate change and help expedite the transition away from fossil fuels with require new investments in the trillions of dollars during the two decades after the date of enactment of this Act
- Peer-reviewed research can now determine with great accuracy the share of carbon dioxide and methane released into the atmosphere by the operations and products of specific fossil fuel companies
- The fossil fuel industry should now increase their contribution to government expenditures to protect the Nation from climate disaster
- This Act and assessments under this Act are not intended to be a determination of fault or to have any impact on the ability of any person to hold polluters accountable for harms caused

Section 3. Imposition of Assessment for Past Fossil Fuel Emissions.

- The Department of Treasury implements the program.
- The covered period for the assessment is January 1, 2000 through December 31, 2019.
- The total assessment is \$50 billion each year for ten years.
- Assessments are determined based on the ratio of the assessable person’s applicable share of carbon dioxide and methane emissions to the aggregate carbon dioxide and methane emissions of all assessable entities.
- The applicable share is determined based on publicly-reported data on the operations and production of the fossil fuel industry.
- An “Assessable Person” is

- A U.S. person or someone engaged in a trade or a business within the United States during the calendar year in which the assessment is imposed, and
- During the covered period, engaged in the trade or business of extracting fossil fuels or refining petroleum, and
- Who is responsible for at least 0.05 percent of total global carbon dioxide and methane emissions during the covered period, OR
- The successor in interest to that entity
- An “Assessable Person” would be exempt if it is in financial distress
REQUEST FOR FEEDBACK – Should the text provide a more specific definition of financial distress or continue to empower the Department of Treasury to define it?
- This section requires the Department of Treasury to promulgate regulations as necessary relating to:
 - Registering Assessable Parties
 - Adopting methodologies that use the best available public information to determine Assessable Persons and pro-rata shares
 - Issuing notices of assessment
 - Establishing criteria for determining whether an Assessable Party is in financial distress
 - Accepting payments from, and pursuing collection efforts against, Assessable Parties, including the use of fines for late payment.
REQUEST FOR FEEDBACK – Are there additional areas where regulation would be necessary to effectively assess and collect assessments?

Section 4. Polluters Pay Climate Fund.

- The Polluters Pay Climate Fund is established in the Treasury of the United States
- Congress appropriates funds from the Polluters Pay Climate Fund to support a comprehensive response to climate change.
- Not less than 40% of funds shall be directed to environmental justice communities
REQUEST FOR FEEDBACK – What are the most urgent and effective uses for the Fund? How can Congress best ensure that funds are channeled to frontline communities and reflect the needs of those communities?

Section 5. Availability of Remedies.

- The bill includes a Savings Clause to ensure that it does not preempt, displace, or restrict any right or remedy of any person, State, unit of local government, or Tribal government to pursue damages from the fossil fuel industry.

Section 6. Non-Preemption of Authorities

- The bill includes a clause to make clear that it does not preempt or supersede any Federal, state, or local law, regulation, policy, or program to limit, set, or enforce greenhouse gas emissions; monitor, report, and keep records of greenhouse gas emissions; or conduct or support investigations.