

SB 1187 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Meeting Dates: 4/7, 4/9

WHAT THE MEASURE DOES:

Establishes the **Climate Superfund Cost Recovery Program** as an interagency response to the effects of climate change with the **purpose** of adapting to and mitigating effects of climate change and hold responsible parties strictly liable for the costs of climate change caused by covered greenhouse gas emissions. Directs the Department of Land Conservation and Development to serve as the **lead agency** of an interagency team that includes but is not limited to, Department of Environmental Quality (DEQ), Oregon Department of Emergency Management, Oregon Health Authority, Department of the State Fire Marshal (OSFM) and the State Department of Agriculture.

Requires DLCD, and other agencies, to develop, adopt, implement and update a **resilience implementation strategy** to identify eligible climate change adaptation projects; and disperse funds to implement eligible projects. Delegates responsibility for developing certain portions of the resilience implementation strategy to certain agencies. Requires DLCD to established resilience implementation strategy by rule that includes certain practices, criteria and procedures. Requires DLCD in adopting the strategy to consult with DEQ and Environmental Justice Council to assess the adaptation needs and vulnerabilities of geographic areas vital to state's economy, health, and well-being; identify climate change adaptation projects; identify opportunities for alignment with federal, state and local funding streams; consult with certain entities; and conduct public engagement in communities with most significant exposure.

Requires DLCD, DEQ, Oregon Climate Action Commission, Oregon Climate Change Research Institute, and any other relevant agency or person to conduct **assessment** to determine cost to state of covered greenhouse gas emissions for the covered period by January 1, 2028. Requires Assessment to include analysis of various cost-driving effects and itemized descriptions of costs incurred or projected to be incurred as a result of effects and to abate the effects of greenhouse gas emissions.

Provides that remedies provided in Act are in addition to and not in lieu of other available remedies; Act does not relieve liability under any applicable law or preempt, displace, or restrict any rights or remedies; or limits existing authority of any agency.

Requires Secretary of State to **audit** the Climate Superfund Cost Recovery Program, no less than once every five years and shall make recommendations on program efficiency and cost effectiveness.

Establishes **Climate Superfund Cost Recovery Program Account** consisting of cost recovery payments, moneys appropriate by Legislative Assembly, and money from other public or private sources. Moneys in the Account are appropriate to DLCD for the purposes of distributing to climate change adaptation projects, administering Act, and transfer to OSFM. Stipulates that 30 percent of money be deposited to OSFM for wildfire resilience and recovery activities; and 40 percent expended on climate change adaptation projects that benefit environmental justice communities.

Requires Environmental Quality Commission to establish, by rule, methodologies to identify responsible parties and determine their applicable share of covered Greenhouse gas emissions. Stipulates that a responsible party shall be strictly **liable for the costs of climate change** caused by their emissions. Stipulates that the cost recovery demand be equal to the party's proportional share of costs to the state. Authorizes DEQ to adjust cost recovery

demand under certain circumstances. Provides for payment structure. Establishes appeal process.

Requires DLCD to submit **report** to certain committees within the Legislative Assembly no later than January 1, 2028. **Appropriates** \$300,000 to DLCD for purpose of carrying out Act. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In May, 2024 Vermont became the first state to enact a Climate Superfund Cost Recovery Program. The Act's state purpose is to hold parties responsible for covered greenhouse gas emissions between the covered period of January 1, 1995 and December 31, 2024 for the entity's share of the State's costs due to climate change.

New York enacted S.2129/A.3351 which was signed into law on December 26, 2024 established the climate change adaptation cost recovery program. The stated purpose of New York's program is to require companies that have contributed to the greenhouse gases to bear a share of the costs of needed infrastructure investments to adapt to climate change.