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VAN HOLLEN
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The Polluters Pay Climate Fund Act of 2025

Senator Chris Van Hollen, Congressman Jerry Nadler, & Congresswoman Judy Chu

Background: As the devastating impacts of climate change continue to worsen – from increasing sea level rise to more frequent and catastrophic floods, heat waves, and drought – the urgency of the climate crisis demands comprehensive action to address the harmful impact of excessive greenhouse gas emissions. [For decades](#), fossil fuel companies have been fully aware of their industry’s contributions to climate change, and despite this knowledge took little to no action to remediate the negative environmental and human health impacts of their business practices. It is time to hold the largest fossil fuel companies accountable for their actions.

Polluters Pay Climate Fund Act

The concept of Polluters Pay is simple: those most responsible for creating the climate crisis should pay the most to address its harmful impacts. Modeled after the Superfund law, the Polluters Pay Climate Fund Act would hold polluters accountable for climate pollution by:

- Authorizing the Treasury Department to impose a fee, collected over 10 years, on the top-polluting fossil fuel companies to establish a \$1 trillion Polluters Pay Climate Fund.
 - This fee would apply to fossil fuel companies that are U.S.-based, or are foreign companies engaged in trade or business in the U.S., and are responsible for generating over 1 billion tons of carbon dioxide (CO₂) emissions from 2000-2023.
 - The amount each company would pay into the Fund would be proportional to its emissions in excess of 1 billion metric tons of CO₂.
- Creating a fund to be used to combat the impacts of climate change in a variety of ways, such as rebuilding and upgrading infrastructure, cleaning up the impacts of pollution in frontline communities, and providing climate-related disaster assistance.
 - Set aside 40% of the fund for investments that benefit environmental justice communities.

Impact on Energy Costs: The Polluters Pay Climate Fund Act **would not** raise costs for consumers. The market price of gasoline is determined by supply and demand. The fund would not affect the demand for gasoline, which is based on consumer preferences and other factors like the overall state of the economy. The fund would also not affect the supply of gasoline. The tax assessment is based on past, not current, activity, so it does not impact the ongoing costs of production. It is charged only to those with the highest past production, leaving some companies that are not subject to the assessment to act as price competitors and rivals for market share. Collusion by covered companies to raise prices would be illegal under antitrust laws.

Impact on Climate Lawsuits: The Polluters Pay Climate Fund Act **is not** a substitute for or designed to preempt state-level climate superfund laws or lawsuits seeking to hold the fossil fuel industry accountable for deception about the causes and consequences of climate change.

Senate cosponsors: Senators Ed Markey (D-Mass.), Jeff Merkley (D-Ore.), Bernie Sanders (I-Vt.), and Elizabeth Warren (D-Mass.).

Endorsing organizations

Chesapeake Climate Action Network
Sierra Club
League of Conservation Voters
Earthjustice
Center for Biological Diversity
Food & Water Watch
Climate Accountability Institute
Union of Concerned Scientists
Working Families Party
The Rachel Carson Council
Greenpeace USA
CASA
Climate Action California
Vermont Public Interest Research Group
Evergreen Action
Oxfam America
Sunrise Movement
Surfrider Foundation
Clean Water Action
Action for the Climate Emergency
Oil and Gas Action Network
South Seattle Climate Action Network
350 Conejo / San Fernando Valley
Human Impact Partners
Sustainable Mill Valley
350Brooklyn
Climate Hawks Vote
Gen-Z for Change
Physicians for Social Responsibility
Maine
Better Future Project
Third Act Upstate New York
Third Act Virginia
Third Act Maryland
Third Act
350 Mass

Physicians for Social Responsibility
Waterkeeper Alliance
San Francisco Bay Physicians for Social
Responsibility
Texas Physicians for Social
Responsibility
Elders Climate Action (ECA) Northern
California (NorCal) Chapter
Elders Climate Action (ECA) Southern
California (SoCal) Chapter
350 Bay Area Action
Concerned Health Professionals of PA
NC League of Conservation Voters
MoveOn
350 Seattle
New Jersey League of Conservation
Voters
Environmental Advocates NY
California Environmental Voters
Bold Alliance
Maine Conservation Voters
198 methods
Alliance of Maine Health Professionals
for Climate Action
NY Public Interest Research Group
Zero Hour
Vermont Natural Resources Council
350.org
Voices for Progress
New York Communities for Change
Ohio Environmental Council Action
Fund (OEC Action Fund)
Center for Popular Democracy /
CPDAction
Climate Policy Equity Center
Vessel Project of Louisiana