



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Board of Supervisors - Third District and Second District

Subject: Support for AB 1243--the Polluters Pay Climate Superfund Act of 2025

Meeting Date: June 10, 2025

Formal Title: Direct the Chair to send a letter of support for Assembly Bill 1243, the Polluters Pay Climate Superfund Act of 2025, to the bill's author and our legislative delegation

Recommended Actions

Direct the Chair to send a letter of support for Assembly Bill 1243 (Addis), the Polluters Pay Climate Superfund Act of 2025, to the bill's author and our legislative delegation.

Executive Summary

Assembly Bill 1243 (AB 1243), authored by Assemblymember Addis, establishes the Polluters Pay Climate Superfund Program, which directs the California Environmental Protection Agency (CalEPA) to calculate and recover the cost of climate-related damages resulting from fossil fuel emissions in California between 1990 and 2045. The revenues generated would fund efforts to prepare for, prevent, and respond to the climate crisis, with a minimum of 40% of funds designated for disadvantaged communities.

Modeled after the federal Superfund law (CERCLA), AB 1243 applies the “polluter pays” principle to climate damages, shifting some of the financial responsibility from taxpayers to fossil fuel companies. This approach supports climate resilience, justice, and equity while aligning with Santa Cruz County’s Climate Action and Adaptation Plan goals.

Discussion

California is already grappling with severe and escalating climate impacts—including record-breaking heat, prolonged droughts, catastrophic wildfires, and sea level rise—that are placing immense pressure on local governments and frontline communities. These impacts not only undermine public health and safety but also result in enormous economic costs. The 2020 CZU Fires cost \$68 million for suppression and caused over \$2.4 billion in (reported) losses. The January 2025 wildfires in Los Angeles has been estimated to have caused up to \$53.8 billion in property losses and climate related damages are expected to dramatically increase in coming years

AB 1243 responds to these realities. Specifically, it would:

- Hold major polluters accountable by requiring CalEPA to identify fossil fuel entities responsible for a significant share of the state’s emissions and demand cost recovery proportionate to the climate damages caused.
- Establish a dedicated Climate Superfund to support statewide resilience and adaptation projects, including investments in green job training, energy efficiency, regenerative agriculture, and community preparedness.
- Ensure equity by requiring that at least 40% of fund expenditures benefit disadvantaged communities most vulnerable to climate change.
- Promote transparent implementation through regular program evaluations by the

Legislative Analyst's Office and coordinated efforts across state departments and tribal governments.

Supporting AB 1243 would directly advance Santa Cruz County's climate priorities, particularly those articulated in the County's Climate Action and Adaptation Plan. By holding fossil fuel corporations accountable for the harm caused by their emissions, the bill helps ensure that those most responsible contribute to the solution—easing the financial strain on local governments and enhancing the state's capacity to protect communities from further climate disruption.

Financial Impact

The recommended action does not have a financial impact.

Strategic Initiatives

Operational Plan - Sustainable Environment

Submitted By:

Justin Cummings, Third District Supervisor and Kimberly De Serpa, Second District Supervisor

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.