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SENATE BILL NO. 420

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to amend and reenact § 10.1-107 of the Code of Virginia and to amend the Code of Virginia by adding in Title 10.1 a chapter numbered 10.4, consisting of sections numbered 10.1-1028 through 10.1-1034, relating to Extreme Weather Taxpayer Protection Act established.

Patrons—Boysko, Carroll Foy, Salim and Srinivasan

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That § 10.1-107 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 10.1 a chapter numbered 10.4, consisting of sections numbered 10.1-1028 through 10.1-1034, as follows:

§ 10.1-107. General powers and duties of the Board.

A. The Board shall advise the Governor and the Director on activities of the Department. Upon the request of the Governor, or the Director, the Board shall institute investigations and make recommendations.

The Board shall formulate recommendations to the Director concerning:

- 1. Requests for grants or loans pertaining to outdoor recreation.
- 2. Designation of recreational sites eligible for recreational access road funds.
- 3. Designations proposed for scenic rivers, scenic highways, and Virginia byways.
- 4. Acquisition of real property by fee simple or other interests in property for the Department including, but not limited to, state parks, state recreational areas, state trails, greenways, natural areas and natural area preserves, and other lands of biological, environmental, historical, recreational, or scientific interest.
- 5. Acquisition of bequests, devises, and gifts of real and personal property, and the interest and income derived therefrom.
- 6. Stage one and stage two plans, master plans, and amendments to master plans as provided in § 10.1-200.1.

B. The Board shall have the authority to promulgate regulations necessary for the execution of the Public Beach Conservation and Development Act, Article 2 (§ 10.1-705 et seq.) of Chapter 7 of this title.

C. The Board shall assist the Department in the duties and responsibilities described in Subtitle I (§ 10.1-100 et seq.) of Title 10.1.

D. The Board is authorized to conduct ~~fund-raising~~ fundraising activities as deemed appropriate and will deposit such revenue into the State Parks Projects Fund pursuant to subsection C of § 10.1-202.

E. The Board shall advise the Governor and the Director concerning the protection or management of the Virginia Scenic Rivers System as defined in § 10.1-400. Upon the request of the Governor, or the Director, the Board shall institute investigations and make recommendations. The Board shall have general powers and duties to (i) advise the Director on the appointment of Scenic River Advisory Committees or other local or regional committees pursuant to § 10.1-401; (ii) formulate recommendations concerning designations for proposed scenic rivers or extensions of existing scenic rivers; (iii) consider and comment to the Director on any federal, state, or local governmental plans to approve, license, fund, or construct facilities that would alter any of the assets that qualified the river for scenic designation; (iv) assist the Director in reviewing and making recommendations regarding all planning for the use and development of water and related land resources including the construction of impoundments, diversions, roadways, crossings, channels, locks, canals, or other uses that change the character of a stream or waterway or destroy its scenic assets, so that full consideration and evaluation of the river as a scenic resource will be given before alternative plans for use and development are approved; (v) assist the Director in preserving and protecting the natural beauty of the scenic rivers, assuring the use and enjoyment of scenic rivers for fish and wildlife, scenic, recreational, geologic, historic, cultural, or other assets, and encouraging the continuance of existing agricultural, horticultural, forestal and open space land and water uses; (vi) advise the Director and the affected local jurisdiction on the impacts of proposed uses of each scenic river and its related land resources; and (vii) assist local governments in solving problems associated with the Virginia Scenic Rivers System, in consultation with the Director.

F. The Board shall adopt regulations necessary to implement the provisions of the Extreme Weather Taxpayer Protection Act (§ 10.1-1028 et seq.).

CHAPTER 10.4.

EXTREME WEATHER TAXPAYER PROTECTION ACT.

§ 10.1-1028. Definitions.

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59 *As used in this chapter, unless the context requires a different meaning:*  
60 *"Board" means the Board of Conservation and Recreation.*  
61 *"Coal" means bituminous coal, anthracite coal, and lignite.*  
62 *"Controlled group" means two or more entities treated as a single employer under (i) 26 U.S.C. § 52(a)*  
63 *or (b), without regard to 26 U.S.C. § 1563(b)(2)(C), or (ii) 26 U.S.C. § 414(m) or (o).*  
64 *"Cost recovery demand" means a charge asserted against a responsible party for cost recovery payments*  
65 *under the Program for payment to the Fund.*  
66 *"Covered greenhouse gas emissions" means the total quantity of greenhouse gases released into the*  
67 *atmosphere during the covered period, expressed in metric tons of carbon dioxide equivalent, resulting from*  
68 *the use of fossil fuels extracted or refined by an entity.*  
69 *"Covered period" means the period that began on January 1, 1995, and ended on December 31, 2025.*  
70 *"Crude oil" means oil or petroleum of any kind and in any form, including bitumen, oil sands, heavy oil,*  
71 *conventional and unconventional oil, shale oil, natural gas liquids, condensates, and related fossil fuels.*  
72 *"Entity" means any individual, trustee, agent, partnership, association, corporation, company,*  
73 *municipality, political subdivision, or other legal organization, including a foreign nation, that holds or held*  
74 *an ownership interest in a fossil fuel business during the covered period.*  
75 *"Environmental justice community" means the same as that term is defined in § 2.2-234.*  
76 *"Extreme weather events" means observed or anticipated severe and unseasonable atmospheric*  
77 *conditions, including drought, heavy precipitation, hurricanes, tornadoes and other windstorms, large hail,*  
78 *extreme heat, extreme cold, flooding, or sustained temperatures or precipitation that deviate substantially*  
79 *from historical averages.*  
80 *"Extreme weather relief project" means a project designed to respond to, repair, or adapt to negative*  
81 *impacts caused by climate change-fueled extreme weather events. "Extreme weather relief project" includes*  
82 *repairing disaster-damaged public infrastructure, including roads, bridges, railroads, and transit systems;*  
83 *repairing stormwater drainage systems; providing direct relief in the form of monetary payments to*  
84 *individuals and businesses impacted by extreme weather events; providing direct assistance to localities*  
85 *recovering from extreme weather events; providing medical care to treat illness or injury caused by the*  
86 *effects of extreme weather; relocating, elevating, or retrofitting sewage treatment plants and other*  
87 *infrastructure impacted by flooding; restoring public services affected by extreme weather events; upgrading*  
88 *parts of the electrical grid to increase stability and resilience, including resilient clean energy infrastructure;*  
89 *and providing efforts to remediate disaster-damaged wetlands, forests, waterways, and other natural*  
90 *resources.*  
91 *"Fossil fuel" means coal, petroleum products, and fuel gases.*  
92 *"Fossil fuel business" means a business engaging in the extraction of fossil fuels or the refining of*  
93 *petroleum products.*  
94 *"Fuel gas" means methane, natural gas, liquefied natural gas, and manufactured fuel gases.*  
95 *"Fund" means the Extreme Weather Relief Fund established pursuant to § 10.1-1030.*  
96 *"Greenhouse gas" means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,*  
97 *and sulfur hexafluoride or any other greenhouse gas identified by the Department of Environmental Quality*  
98 *pursuant to § 10.1-1307.04.*  
99 *"Notice of cost recovery demand" means the written communication from the Department informing a*  
100 *responsible party of the amount of the cost recovery demand payable to the Fund.*  
101 *"Petroleum product" means any product refined or re-refined from synthetic or crude oil or crude oil*  
102 *extracted from natural gas liquids or other sources.*  
103 *"Program" means the Extreme Weather Taxpayer Protection Program established under this chapter.*  
104 *"Qualifying expenditure" means an authorized payment from the Fund to pay reasonable expenses*  
105 *associated with the implementation and administration of the Fund and the Program and to pay for an*  
106 *extreme weather relief project, including its operation, monitoring, and maintenance.*  
107 *"Resilient clean energy infrastructure" means any energy resource that is consistent with the*  
108 *Commonwealth Clean Energy Policy established in § 45.2-1706.1 and does not require interconnection to*  
109 *the transmission system.*  
110 *"Responsible party" means any entity or a successor in interest to an entity that during any part of the*  
111 *covered period was engaged in the trade or business of extracting fossil fuel or refining crude oil and is*  
112 *determined by the Department to be attributable for more than one billion metric tons of covered greenhouse*  
113 *gas emissions during the covered period. "Responsible party" does not include any person who lacks*  
114 *sufficient connection with the Commonwealth to satisfy the nexus requirements of the Constitution of the*  
115 *United States.*  
116 **§ 10.1-1029. Extreme Weather Taxpayer Protection Program.**  
117 *There is hereby established the Extreme Weather Taxpayer Protection Program administered by the*  
118 *Department, in consultation with the Department of Environmental Quality, the Department of Energy, and*  
119 *the Department of Emergency Management. The purposes of the Program shall be to:*  
120 *1. Secure compensatory payments from responsible parties based on a standard of strict liability to*

121 provide a source of revenue for extreme weather relief projects within the Commonwealth;

122 2. Determine proportional liability of responsible parties;

123 3. Impose cost recovery demands on responsible parties and issue notices of cost recovery demands;

124 4. Accept and collect payment from responsible parties; and

125 5. Disburse funds to implement extreme weather relief projects.

126 **§ 10.1-1030. Extreme Weather Relief Fund.**

127 There is hereby created in the state treasury a special nonreverting fund to be known as the Extreme

128 Weather Relief Fund. The Fund shall be established on the books of the Comptroller. All payments made by a

129 responsible party in response to a cost recovery demand pursuant to § 10.1-1031, all funds appropriated for

130 such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid

131 into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the

132 Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each

133 fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used

134 solely for the purposes of implementing and administering the Program and for extreme weather relief

135 projects, including their operation, monitoring, and maintenance. At least 50 percent of moneys in the Fund

136 shall be dedicated to projects in environmental justice communities. Expenditures and disbursements from

137 the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request

138 signed by the Director.

139 **§ 10.1-1031. Liability of responsible parties.**

140 A. A responsible party shall be strictly liable for a share of the costs of extreme weather relief projects

141 and all qualifying expenditures supported by the Fund. For purposes of this chapter, entities in a controlled

142 group shall be treated as a single entity for the purposes of identifying responsible parties, and are jointly

143 and severally liable for payment of any cost recovery demand owed by any entity in the controlled group.

144 B. For each responsible party, the cost recovery demand shall be equal to an amount that bears the same

145 ratio to the cost to the Commonwealth and its residents, as calculated by the State Treasurer pursuant to

146 § 10.1-1032, from the emission of covered greenhouse gases during the covered period as the responsible

147 party's applicable share of covered greenhouse gas emissions bears to the aggregate applicable shares of

148 covered greenhouse gas emissions resulting from the use of fossil fuels extracted or refined during the

149 covered period.

150 C. If a responsible party owns a minority interest of 10 percent or more in another entity, the responsible

151 party's applicable share of covered greenhouse gas emissions shall be increased by the applicable share of

152 covered greenhouse gas emissions for the entity in which the responsible party holds a minority interest

153 multiplied by the percentage of the minority interest held by the responsible party.

154 D. The Department shall use the U.S. Environmental Protection Agency's Emissions Factors for

155 Greenhouse Gas Inventories as applied to fossil fuel volume data for the purpose of determining the amount

156 of covered greenhouse gas emissions attributable to any entity from the fossil fuels attributable to the entity.

157 E. The Department may adjust the cost recovery demand amount of a responsible party who refined

158 petroleum products or who is a successor in interest to an entity that refines petroleum products if the

159 responsible party establishes to the satisfaction of the Department that (i) a portion of the cost recovery

160 demand amount was attributable to the refining of crude oil extracted by another responsible party and (ii)

161 the crude oil extracted by the other entity was accounted for when the Department determined the cost

162 recovery demand amount for the other entity or a successor in interest of the other entity.

163 F. The Department shall issue the cost recovery demands required under this section not later than six

164 months following the adoption of the regulations issued by the Board pursuant to § 10.1-1033.

165 G. A responsible party shall pay the cost recovery demand amount in full not later than six months

166 following the Department's issuance of the cost recovery demand unless the responsible party elects to pay

167 the cost recovery demand amount in nine annual installments pursuant to subsection H.

168 H. For a responsible party that elects to pay the cost recovery demand amount in nine annual

169 installments, the first installment shall be paid not later than six months following the Department's issuance

170 of the cost recovery demand and shall be equal to 20 percent of the total cost recovery demand amount. Each

171 subsequent installment shall be paid one year from the initial payment and annually thereafter and shall be

172 equal to 10 percent of the total cost recovery demand amount. The Department may charge reasonable

173 interest on each installment payment or a payment delayed for any other reason and, at the Department's

174 discretion, may adjust the amount of a subsequent installment payment or a payment delayed for any other

175 reason to reflect increases or decreases in the Consumer Price Index.

176 The unpaid balance of all remaining installments shall become due immediately if (i) the responsible

177 party fails to pay any installment in a timely manner, as specified in Board regulations; (ii) there is a

178 liquidation or sale of substantially all the assets of the responsible party; or (iii) the responsible party ceases

179 to do business.

180 In the case of a sale of substantially all the assets of a responsible party, the remaining installments shall

181 not become due immediately if the buyer enters into an agreement with the Department under which the

182 buyer assumes liability for the remaining installments due under this subsection in the same manner as if the

183 *buyer were the responsible party.*

184 *I. A responsible party aggrieved by the issuance of a notice of cost recovery demand shall exhaust*  
185 *administrative remedies by filing a request for reconsideration with the Department within 30 days following*  
186 *issuance of the notice of cost recovery demand. A request for reconsideration shall state the grounds for the*  
187 *request and include supporting documentation. The Department shall notify the responsible party of the final*  
188 *decision by issuing a final notice of cost recovery demand. A responsible party aggrieved by the issuance of a*  
189 *final notice of cost recovery demand may bring an action in the Circuit Court of the City of Richmond.*

190 *J. Nothing in this section shall be construed to supersede or diminish any other remedies available to a*  
191 *person.*

192 **§ 10.1-1032. State treasurer report on the cost to the Commonwealth of covered greenhouse gas**  
193 **emissions.**

194 *On or before January 15, 2027, the State Treasurer, after consultation with the Department, and with any*  
195 *other person or entity with whom the State Treasurer decides to consult for the purpose of obtaining and*  
196 *utilizing credible data or methodologies that the State Treasurer determines may aid the State Treasurer in*  
197 *making the assessments and estimates required by this section, shall submit to the Governor and the General*  
198 *Assembly an assessment of the cost to the Commonwealth and its residents of the emission of covered*  
199 *greenhouse gases for the period that began on January 1, 1995, and ended on December 31, 2025. The*  
200 *assessment shall include:*

201 *1. A summary of the various cost-driving effects of covered greenhouse gas emissions on the*  
202 *Commonwealth, including effects on public health, natural resources, biodiversity, agriculture, economic*  
203 *development, flood preparedness and safety, housing, and any other effect that the State Treasurer, in*  
204 *consultation with the Department, determines is relevant;*

205 *2. A categorized calculation of the costs that have been incurred and are projected to be incurred in the*  
206 *future within the Commonwealth of each of the effects identified under subdivision 1; and*

207 *3. A categorized calculation of the costs that have been incurred and are projected to be incurred in the*  
208 *future within the Commonwealth to abate the effects of covered greenhouse gas emissions from between*  
209 *January 1, 1995, and December 31, 2025, on the Commonwealth and its residents.*

210 **§ 10.1-1033. Regulations.**

211 *The Board shall adopt regulations necessary to implement the provisions of this chapter. Such regulations*  
212 *shall include (i) methodologies using available science and publicly available data to identify responsible*  
213 *parties and determine their applicable share of covered greenhouse gas emissions and (ii) requirements for*  
214 *registering entities that are responsible parties and issuing notices of cost recovery demands under the*  
215 *Program.*

216 **§ 10.1-1034. Annual audit.**

217 *The Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the*  
218 *accounts of the Fund, and the cost of such audit services as shall be required shall be borne by the Fund. The*  
219 *audit shall be performed at least each fiscal year, in accordance with generally accepted auditing standards*  
220 *and, accordingly, include such tests of the accounting records and such auditing procedures as are*  
221 *considered necessary under the circumstances. The Department shall furnish copies of such audit to the*  
222 *Governor and the General Assembly.*