

.....
(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R.

To amend title 11 of the United States Code to ensure oil, gas, and coal companies that are debtors in bankruptcy fulfill environmental reclamation obligations.

IN THE HOUSE OF REPRESENTATIVES

Mr. MIN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 11 of the United States Code to ensure oil, gas, and coal companies that are debtors in bankruptcy fulfill environmental reclamation obligations.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Ending Fossil Fuel
5 Bailouts Act of 2026”.

6 **SEC. 2. DEFINITIONS.**

7 Section 101 of title 11 of the United States Code is
8 amended—

1 (1) by inserting after paragraph (5) the fol-
2 lowing:

3 “(5A) The term ‘coal’ has the meaning given
4 such term in section 2 of chapter 1156 of the Act
5 of August 31, 1954 (68 Stat. 1009; 30 U.S.C.
6 552).”;

7 (2) by inserting after paragraph (17) the fol-
8 lowing:

9 “(17A) The term ‘executive officer’ with respect
10 to a fossil fuel company means—

11 “(A) the president, or any officer in
12 charge, of a principal business unit, division or
13 function of the fossil fuel company, such as
14 sales, administration or finance;

15 “(B) any officer of the fossil fuel company
16 who performs a policy-making function; or

17 “(C) any other individual who performs
18 similar policy making functions for a fossil fuel
19 company.”;

20 (3) by inserting after paragraph (26) the fol-
21 lowing:

22 “(26A) The term ‘fossil fuel company’ means
23 an entity that has engaged in the exploration, pro-
24 duction, refinement, or distribution of oil, gas, coal,
25 or any derivative of oil, gas, or coal for profit.

1 “(26B) The term ‘gas’ means natural gas as
2 defined in section 2(1) of the Natural Gas Policy
3 Act of 1978.”;

4 (4) by redesignating paragraphs (40A) and
5 (40B) as paragraphs (40B) and (40C), and

6 (5) by inserting after paragraph (40) the fol-
7 lowing:

8 “(40A) The term ‘oil’ has the meaning given
9 such term in section 311(a)(1) of the Federal Water
10 Pollution Control Act.”.

11 **SEC. 3. PRIORITIZATION OF EXPENSES.**

12 (a) **COST RECOVERY.**—Section 506 of title 11 of the
13 United States Code is amended—

14 (1) in subsection (c) by inserting “Unless other-
15 wise provided by this section,” before “The trustee
16 may recover from property”; and

17 (2) by inserting after subsection (d) the fol-
18 lowing:

19 “(e) With respect to the accumulated and projected
20 reclamation costs associated with the complete cleanup of
21 fossil fuel operations and retirement of fossil fuel assets
22 pursuant to applicable Federal, State, and local laws and
23 reclamation requirements, the trustee shall—

24 “(1) consider such costs as necessary costs and
25 expenses for preserving, or disposing of, such prop-

1 erty securing an allowed secured claim pursuant to
2 subsection (c); and

3 “(2) recover from the property securing an al-
4 lowed secured claim such sums necessary to fulfill all
5 fossil fuel reclamation costs.”.

6 (b) PRIORITIZATION OF UNSECURED CLAIMS.—Sec-
7 tion 507 of title 11 of the United States Code is amended
8 by adding at the end the following:

9 “(e) With respect to a debtor that is a fossil fuel com-
10 pany, the following expenses and claims have priority in
11 the following order:

12 “(1) Wages, salaries, commissions, and benefits
13 pursuant to subsections (4) and (5) owed to an em-
14 ployee that is not an executive officer of the com-
15 pany.

16 “(2) Accumulated and projected reclamation
17 costs associated with the complete cleanup of fossil
18 fuel operations and retirement of fossil fuel assets
19 pursuant to applicable Federal, State, and local laws
20 and reclamation requirements, with priority given to
21 costs in the following order:

22 “(A) Any unfulfilled environmental bond
23 obligation.

24 “(B) Environmental reclamation require-
25 ments or administrative or civil penalties ad-

1 ministered by Federal, State, or local govern-
2 ments, including requirements or penalties pur-
3 suant to—

4 “(i) Federal Water Pollution Control
5 Act (33 U.S.C. 1251 et seq.);

6 “(ii) the Clean Air Act (42 U.S.C.
7 7401 et seq.);

8 “(iii) the Comprehensive Environ-
9 mental Response, Compensation, and Li-
10 ability Act of 1980 (42 U.S.C. 9601 et
11 seq.);

12 “(iv) the Endangered Species Act of
13 1973 (16 U.S.C. 1531 et seq.);

14 “(v) the Surface Mining Control and
15 Reclamation Act of 1977 (30 U.S.C. 1201
16 et seq.);

17 “(vi) the Outer Continental Shelf
18 Lands Act (43 U.S.C. 1331 et seq.);

19 “(vii) the Mineral Leasing Act (30
20 U.S.C. 181 et seq.);

21 “(viii) the Safe Drinking Water Act
22 (42 U.S.C. 300f et seq.); or

23 “(ix) any similar environmental law of
24 a State where such operations and assets
25 are situation.

1 “(3) Any unsecured claim.

2 “(4) A claim by a shareholder of the fossil fuel
3 company debtor.

4 “(5) The order of claims described in section
5 507(a).

6 “(f) With respect to a debtor that is a fossil fuel com-
7 pany, the estate of which has insufficient funds to cover
8 the claims described in paragraphs (1) and (2) of sub-
9 section (e)—

10 “(1) the court may recover the compensation of
11 the executive officers of the debtor that is a fossil
12 fuel company during the 5-year period preceding the
13 date of the filing of the petition; and

14 “(2) the following entities shall be strictly liable
15 under the rules of joint and several liability to cover
16 those claims:

17 “(A) A private equity firm that owns a
18 share in the fossil fuel company debtor.

19 “(B) A parent company of the fossil fuel
20 company debtor.

21 “(C) A hedge fund that owns a share in
22 the fossil fuel company debtor.”.

23 **SEC. 4. LIMITATIONS ON DISCHARGEABILITY.**

24 Section 523(a) of title 11 of the United States Code
25 is amended—

1 (1) in paragraph (19) by striking “or” at the
2 end;

3 (2) in paragraph (20) by striking the period at
4 the end and inserting a semicolon; and

5 (3) by adding at the end the following:

6 “(21) for an environmental bond; or

7 “(22) for the accumulated and projected rec-
8 lamation costs associated with the complete cleanup
9 of fossil fuel operations and retirement of fossil fuel
10 assets pursuant to applicable Federal, State, and
11 local laws and reclamation requirements, including—

12 “(A) the Federal Water Pollution Control
13 Act (33 U.S.C. 1251 et seq.);

14 “(B) the Clean Air Act (42 U.S.C. 7401 et
15 seq.);

16 “(C) the Comprehensive Environmental
17 Response, Compensation, and Liability Act of
18 1980 (42 U.S.C. 9601 et seq.);

19 “(D) the Endangered Species Act of 1973
20 (16 U.S.C. 1531 et seq.);

21 “(E) the Surface Mining Control and Rec-
22 lamation Act of 1977 (30 U.S.C. 1201 et seq.);

23 “(F) the Outer Continental Shelf Lands
24 Act (43 U.S.C. 1331 et seq.);

1 “(G) the Mineral Leasing Act (30 U.S.C.
2 181 et seq.);

3 “(H) the Safe Drinking Water Act (42
4 U.S.C. 300f et seq.); and

5 “(I) any similar environmental law of a
6 State where such operations and assets are sit-
7 uated.”.

8 **SEC. 5. PROHIBITION ON ABANDONMENT OF FOSSIL FUEL**
9 **ASSETS.**

10 Section 554 of title 11 of the United States Code is
11 amended by adding at the end the following:

12 “(e) No property of the estate may be abandoned as
13 burdensome to the estate under this section if the property
14 was or may be utilized to facilitate the exploration, pro-
15 duction, refinement, or distribution of oil, gas, coal, or any
16 derivative of oil, gas, or coal.”.

17 **SEC. 6. EXTENSION TO LOOK-BACK PERIOD FOR FRAUDU-**
18 **LENT TRANSFERS AND OBLIGATIONS.**

19 Section 548(a) of title 11 of the United States Code
20 is amended—

21 (1) in paragraph (1) by striking “The trustee”
22 and inserting “Unless specified otherwise in this sec-
23 tion, the trustee”; and

24 (2) by adding at the end the following:

1 “(3) With respect to a debtor that is a fossil
2 fuel company, the trustee may avoid any transfer
3 (including any transfer to or for the benefit of an in-
4 sider under an employment contract) of an interest
5 of the debtor in property, or any obligation (includ-
6 ing any obligation to or for the benefit of an insider
7 under an employment contract) incurred by the
8 debtor, that was made or incurred on or within 10
9 years before the date of the filing of the petition if
10 the debtor acted pursuant to subparagraphs (A) and
11 (B) of paragraph (1).”.

12 **SEC. 7. LIMITATION ON TRANSFER OF CERTAIN LEASES.**

13 (a) DEFINITIONS.—In this section:

14 (1) COVERED LEASE.—The term “covered
15 lease” means—

16 (A) an oil, gas, or coal lease issued under
17 the Mineral Leasing Act (30 U.S.C. 181 et
18 seq.); and

19 (B) a lease issued under the Outer Conti-
20 nental Shelf Lands Act (43 U.S.C. 1331 et
21 seq.).

22 (2) SECRETARY.—The term “Secretary” means
23 the Secretary of the Interior.

24 (b) LIMITATION.—The Secretary shall include in each
25 covered lease issued after the date of enactment of this

1 Act a provision prohibiting the leaseholder from transfer-
2 ring the covered lease to another person if the lessee has
3 filed a petition for bankruptcy under title 11 of the United
4 States Code.

5 **SEC. 8. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

6 (a) EFFECTIVE DATE.—Except as provided in sub-
7 section (b), this Act and the amendments made by this
8 Act shall take effect on the date of the enactment of this
9 Act.

10 (b) APPLICATION OF AMENDMENTS.—The amend-
11 ments made by this Act shall apply only to cases com-
12 menced under title 11 of the United States Code on and
13 after the date of enactment of this Act.