

119TH CONGRESS
2^D SESSION

H. R. 9035

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

MAY 26, 2026

Mr. MIN (for himself, Mr. HUFFMAN, Ms. ANSARI, Mrs. GRIJALVA, and Ms. DEXTER) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Natural Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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”.

1 **SEC. 2. DEFINITIONS.**

2 Section 101 of title 11 of the United States Code is
3 amended—

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

6 “(5A) The term ‘coal’ has the meaning given
7 such term in section 2 of chapter 1156 of the Act
8 of August 31, 1954 (68 Stat. 1009; 30 U.S.C.
9 552).”;

10 (2) by inserting after paragraph (17) the fol-
11 lowing:

12 “(17A) The term ‘executive officer’ with respect
13 to a fossil fuel company means—

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

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

20 “(C) any other individual who performs
21 similar policy making functions for a fossil fuel
22 company.”;

23 (3) by inserting after paragraph (26) the fol-
24 lowing:

25 “(26A) The term ‘fossil fuel company’ means
26 an entity that has engaged in the exploration, pro-

1 duction, refinement, or distribution of oil, gas, coal,
2 or any derivative of oil, gas, or coal for profit.

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

6 (4) by redesignating paragraphs (40A) and
7 (40B) as paragraphs (40B) and (40C); and

8 (5) by inserting after paragraph (40) the fol-
9 lowing:

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

13 **SEC. 3. PRIORITIZATION OF EXPENSES.**

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

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

19 (2) by inserting after subsection (d) the fol-
20 lowing:

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

1 “(1) consider such costs as necessary costs and
2 expenses for preserving, or disposing of, such prop-
3 erty securing an allowed secured claim pursuant to
4 subsection (c); and

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

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

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

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

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

24 “(A) Any unfulfilled environmental bond
25 obligation.

1 “(B) Environmental reclamation require-
2 ments or administrative or civil penalties ad-
3 ministered by Federal, State, or local govern-
4 ments, including requirements or penalties pur-
5 suant to—

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

8 “(ii) the Clean Air Act (42 U.S.C.
9 7401 et seq.);

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

14 “(iv) the Endangered Species Act of
15 1973 (16 U.S.C. 1531 et seq.);

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

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

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

23 “(viii) the Safe Drinking Water Act
24 (42 U.S.C. 300f et seq.); or

1 “(ix) any similar environmental law of
2 a State where such operations and assets
3 are situation.

4 “(3) Any unsecured claim.

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

7 “(5) The order of claims described in section
8 507(a).

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

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

17 “(2) the following entities shall be strictly liable
18 under the rules of joint and several liability to cover
19 those claims:

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

22 “(B) A parent company of the fossil fuel
23 company debtor.

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

1 **SEC. 4. LIMITATIONS ON DISCHARGEABILITY.**

2 Section 523(a) of title 11 of the United States Code
3 is amended—

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

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

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

9 “(21) for an environmental bond; or

10 “(22) for the accumulated and projected ree-
11 clamation costs associated with the complete cleanup
12 of fossil fuel operations and retirement of fossil fuel
13 assets pursuant to applicable Federal, State, and
14 local laws and reclamation requirements, including—

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

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

19 “(C) the Comprehensive Environmental
20 Response, Compensation, and Liability Act of
21 1980 (42 U.S.C. 9601 et seq.);

22 “(D) the Endangered Species Act of 1973
23 (16 U.S.C. 1531 et seq.);

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

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

3 “(G) the Mineral Leasing Act (30 U.S.C.
4 181 et seq.);

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

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

10 **SEC. 5. PROHIBITION ON ABANDONMENT OF FOSSIL FUEL**
11 **ASSETS.**

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

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

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

21 Section 548(a) of title 11 of the United States Code
22 is amended—

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

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

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

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

14 (a) DEFINITIONS.—In this section:

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

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

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

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

1 (b) **LIMITATION.**—The Secretary shall include in each
2 covered lease issued after the date of enactment of this
3 Act a provision prohibiting the leaseholder from transfer-
4 ring the covered lease to another person if the lessee has
5 filed a petition for bankruptcy under title 11 of the United
6 States Code.

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

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

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

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