## ASSEMBLY BILL NO. 312–ASSEMBLYWOMAN PETERS

# MARCH 16, 2023

#### Referred to Committee on Government Affairs

SUMMARY—Establishes provisions relating to environmental justice. (BDR 40-157)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material] is material to be omitted.

AN ACT relating to environmental justice; creating the Commission on Environmental Justice; setting forth certain duties of the Commission; establishing various requirements for agencies to determine the environmental impact of a proposed regulation on historically underserved communities; and providing other matters properly relating thereto.

### **Legislative Counsel's Digest:**

Existing law creates the Office of Minority Health and Equity within the Department of Health and Human Services to: (1) improve the quality of health care services for members of minority groups; (2) increase access to health care services for members of minority groups; (3) disseminate information to and educate the public on matters concerning health care issues of interest to members of minority groups; and (4) develop recommendations for changes in policy and advocate on behalf of minority groups on certain issues. (NRS 232.474) **Section 6** of this bill creates within the Office the Commission on Environmental Justice, which consists of nine members who must be selected by the Governor from a list of persons submitted by the Office.

Section 7 of this bill requires the Commission to: (1) make recommendations to the Governor and the Legislature on matters relating to environmental justice; and (2) adopt regulations setting forth a process and metrics to be used by agencies of this State in determining whether a proposed regulation will have a disproportionate environmental impact on historically underserved communities in this State. Section 18 of this bill requires the Commission to: (1) develop such a process and metrics; and (2) submit a report to the 83rd Session of the Legislature of its findings relating to such a process and metrics.

Sections 3, 4 and 5 of this bill define certain terms relating to the Commission.

Existing law requires any agency of this State, with certain exceptions, to determine whether a proposed regulation is likely to impose a direct and significant economic burden on small business or directly restrict the formation, operation or





expansion of a small business. If so, the agency must engage in certain actions and analysis and prepare a small business impact statement. (NRS 233B.0608) **Sections 9-17** of this bill set forth a similar process to require an agency to prepare an environmental justice impact statement for proposed regulations.

**Section 11** of this bill requires an agency to determine whether a proposed regulation is likely to impose a direct, indirect or cumulative environmental impact and whether that environmental impact is likely to disproportionately affect a historically underserved community. If so, **section 11** requires the agency to: (1) consult with members of the historically underserved community; (2) conduct an analysis of the likely impact on the historically underserved community; (3) consider methods to reduce or mitigate the environmental impact on the historically underserved community; and (4) prepare an environmental justice impact statement.

**Section 11** requires an agency to submit an environmental justice impact statement to the Commission for review. **Section 8** of this bill requires the Commission to review all environmental justice impact statements and, within 45 days, prepare and send the agency a letter indicating whether the Commission believes that the environmental justice impact statement has been prepared properly and is accurate.

**Section 12** of this bill authorizes a resident or representative of a historically underserved community to file a petition objecting to a regulation if the environmental justice impact statement is: (1) not prepared by the agency; or (2) inaccurate, incomplete or does not adequately consider or significantly underestimates the environmental impact on historically underserved communities.

**Section 14** of this bill requires a notice of intent to act upon a regulation to include: (1) a statement of any estimated environmental impact of a proposed regulation on historically underserved communities and the public; and (2) the methods used by the agency to identify the environmental impact on historically underserved communities. (NRS 233B.0603)

**Section 15** of this bill requires each adopted regulation submitted to the Legislative Counsel to include a description of how comment was solicited from affected historically underserved communities, a summary of their response and an explanation of how interested persons may obtain a copy of the summary. (NRS 233B.066)

**Section 16** of this bill provides that if a regulation for adoption submitted to the Legislative Counsel Bureau is not accompanied by an environmental justice impact statement, the Legislative Counsel is required to return the regulation to the agency and will not submit the regulation to the Legislative Commission or Subcommittee to Review Regulations until the environmental justice impact statement is supplied. (NRS 233B.0665)

Section 17 of this bill provides that if, after a regulation is submitted to the Legislative Commission or Subcommittee, either the Commission or Subcommittee objects to the regulation because the environmental justice impact statement is not included or is inaccurate, incomplete or does not adequately consider or significantly underestimates the environmental impact on historically underserved communities, the Legislative Counsel is required to attach a written notice of the objection and return the regulation to the agency. (NRS 233B.067)

**Section 19** of this bill provides that **sections 8-17** governing environmental justice impact statements do not take effect until the Commission on Environmental Justice adopts regulations setting forth the process and metrics for environmental justice impact statements.



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# THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** Chapter 439 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.
- Sec. 2. As used in sections 2 to 8, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.
- Sec. 3. "Agency" has the meaning ascribed to it in NRS 233B.031.
- Sec. 4. "Commission" means the Commission on Environmental Justice created by section 6 of this act.
- Sec. 5. "Office" means the Office of Minority Health and Equity of the Department of Health and Human Services created by NRS 232.474.
- Sec. 6. 1. The Commission on Environmental Justice is hereby created within the Office.
- 2. The Commission consists of nine members appointed by the Governor from a list of persons recommended by the Office.
- 3. A person seeking to serve on the Commission must submit his or her application to the Office for consideration.
- 4. Each member of the Commission serves a term of 4 years. Members may be reappointed for additional terms of 4 years. Any vacancy occurring in the membership of the Commission must be filled in the same manner as the original appointment.
- 5. At the first regular meeting of each odd-numbered year, the members of the Commission shall elect a Chair by majority vote who shall serve until the next Chair is elected.
- 6. A majority of the members of the Commission constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Commission.
- 7. While engaged in the business of the Commission, each member is entitled to receive:
- (a) A salary of not more than \$80 per day, as established by the Commission; and
- (b) The per diem allowance and travel expenses provided for state officers and employees generally.
- 8. The Office shall provide administrative support to the Commission as necessary to carry out the duties of the Commission.
  - Sec. 7. 1. The Commission shall:





(a) Advise the Governor and the Legislature on proposed legislation and make recommendations with respect to all matters relating to environmental justice in this State; and

(b) Adopt regulations setting forth a process and metrics for use by an agency to evaluate whether a proposed regulation will have a disproportionate environmental impact on a historically underserved community in this State.

2. As used in this section, "historically underserved community" has the meaning ascribed to it in NRS 445B.834.

Sec. 8. In addition to the requirements of section 7 of this act, the Commission shall:

1. Review environmental justice impact statements prepared by agencies pursuant to section 11 of this act; and

- 2. Within 45 days after receiving an environmental justice impact statement, prepare and send the agency a letter stating that the Commission has reviewed the statement and whether the Commission believes that the statement has been prepared properly and is accurate. If the Commission does not believe the statement has been prepared properly or is inaccurate, the letter must include reasons for that belief.
- **Sec. 9.** Chapter 233B of NRS is hereby amended by adding thereto the provisions set forth as sections 10, 11 and 12 of this act.
- Sec. 10. "Historically underserved community" has the meaning ascribed to it in NRS 445B.834.
- Sec. 11. 1. Before conducting a workshop for a proposed regulation pursuant to NRS 233B.061, an agency shall, in accordance with the regulations adopted by the Commission on Environmental Justice pursuant to section 7 of this act, make a concerted effort to determine whether the proposed regulation is likely to:
- (a) Impose a direct, indirect or cumulative environmental impact; and
- (b) Whether an environmental impact identified pursuant to paragraph (a) will disproportionately affect a historically underserved community.
- 2. If an agency determines pursuant to subsection 1 that a proposed regulation is likely to impose a direct, indirect or cumulative environmental impact and such an impact will disproportionately affect a historically underserved community, the agency shall:
- (a) Consult with members of the historically underserved community that are likely to be affected by the proposed regulation and ensure that the community is meaningfully informed and involved in the process for developing the regulation.





- (b) Conduct or cause to be conducted an analysis of the likely impact of the proposed regulation on the historically underserved community. Insofar as practicable, the analysis must be conducted by the employee of the agency who is most knowledgeable about the subject of the proposed regulation and its likely environmental impact on the historically underserved community or by a consultant or other independent contractor who has such knowledge and is retained by the agency.
- (c) Consider methods to reduce or mitigate the environmental impact on the historically underserved community.
- (d) Prepare an environmental justice impact statement. The environmental justice impact statement must be submitted to the Commission on Environmental Justice for review in accordance with section 8 of this act. Following the review by the Commission on Environmental Justice, copies of the environmental justice impact statement must be made available to the public along with the letter prepared by the Commission on Environmental Justice pursuant to section 8 of this act not less than 15 days before the workshop conducted and the public hearing held pursuant to NRS 233B.061. A copy of the environmental justice impact statement and the Commission's letter must accompany the notice required pursuant to subsection 2 of NRS 233B.061 and the agenda for the public hearing held pursuant to that section.
- 3. The agency shall prepare a statement identifying the methods used by the agency in determining the environmental impact of a proposed regulation on a historically underserved community and the reasons for the conclusion of the agency. The director, executive head or other person who is responsible for the agency shall sign the statement certifying that, to the best of his or her knowledge or belief, a concerted effort was made to determine the environmental impact of the proposed regulation on historically underserved communities and that the information contained in the statement was prepared properly and is accurate.
- 4. Each adopted regulation which is submitted to the Legislative Counsel pursuant to NRS 233B.067 must be accompanied by a copy of the environmental justice impact statement, the letter from the Commission on Environmental Justice and the statement prepared pursuant to subsection 3. If the agency revises a regulation after preparing the environmental justice impact statement and submitting the environmental justice impact statement to the Commission on Environmental Justice, the agency must include an explanation of the revision and the effect of the change on any environmental impact to historically underserved communities.





- Sec. 12. 1. A resident of a historically underserved community or a representative of a historically underserved community that is aggrieved by a regulation adopted by an agency on or after the effective date of this section, may object to all or a part of the regulation by filing a petition with the agency that adopted the regulation within 90 days after the date on which the regulation is adopted. An agency which receives such a petition shall transmit a copy of the petition to the Legislative Counsel for submission to the Legislative Commission or the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067.
- 2. A petition filed pursuant to subsection 1 may be based on the following grounds:

(a) The agency failed to prepare an environmental justice impact statement as required pursuant to section 11 of this act; or

- (b) The environmental justice impact statement prepared by the agency pursuant to section 11 of this act is inaccurate, incomplete or did not adequately consider or significantly underestimated the environmental impact of the regulation on a historically underserved community.
- 3. After receiving a petition pursuant to subsection 1, an agency shall determine whether the petition has merit. If the agency determines that the petition has merit, the agency may, pursuant to this chapter, take action to amend the regulation to which the resident or representative objected.
  - **Sec. 13.** NRS 233B.030 is hereby amended to read as follows:
- 233B.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 233B.031 to 233B.0385, inclusive, *and section 10 of this act* have the meanings ascribed to them in those sections.
- **Sec. 14.** NRS 233B.0603 is hereby amended to read as follows:
- 233B.0603 1. The notice of intent to act upon a regulation required pursuant to NRS 233B.060 must:
  - (a) Include:

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- (1) A statement of the need for and purpose of the proposed regulation.
- (2) If the proposed regulation is a temporary regulation, either the terms or substance of the proposed regulation or a description of the subjects and issues involved.
- (3) If the proposed regulation is a permanent regulation, a statement explaining how to obtain the approved or revised text of the proposed regulation prepared by the Legislative Counsel pursuant to NRS 233B.063.





- (4) A statement of the estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately and in each case must include:
  - (I) Both adverse and beneficial effects; and
  - (II) Both immediate and long-term effects.
- (5) A statement identifying the methods used by the agency in determining the impact on a small business prepared pursuant to subsection 3 of NRS 233B.0608.
- (6) The estimated cost to the agency for enforcement of the proposed regulation.
- (7) A statement of any estimated environmental impact of the regulation on historically underserved communities and on the public. These must be stated separately and in each case must include:
  - (I) Both adverse and beneficial effects; and
  - (II) Both immediate and long-term effects.
- (8) A statement identifying the methods used by the agency in determining the environmental impact on historically underserved communities prepared pursuant to subsection 3 of section 11 of this act.
- (9) A description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.
- [(8)] (10) If the regulation is required pursuant to federal law, a citation and description of the federal law.
- [(9)] (11) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.
- [(10)] (12) The time when, the place where and the manner in which interested persons may present their views regarding the proposed regulation.
- (b) If the proposed regulation is a temporary regulation, state each address at which the text of the proposed regulation may be inspected and copied.
- (c) Include an exact copy of the provisions of subsection 2 of NRS 233B.064.
- (d) Include a statement indicating whether the regulation establishes a new fee or increases an existing fee.
- (e) Be mailed to all persons who have requested in writing that they be placed upon a mailing list, which must be kept by the agency for that purpose.





- (f) Be submitted to the Legislative Counsel Bureau for inclusion in the Register of Administrative Regulations created pursuant to NRS 233B.0653. The publication of a notice of intent to act upon a regulation in the Register does not satisfy the requirements for notice set forth in paragraph (e).
- 2. The Attorney General may by regulation prescribe the form of notice to be used.
- 3. In addition to distributing the notice to each recipient of the agency's regulations, the agency shall also solicit comment generally from the public and from businesses *and historically underserved communities* to be affected by the proposed regulation.

**Sec. 15.** NRS 233B.066 is hereby amended to read as follows: 233B.066 1. Except as otherwise provided in subsection 2, each adopted regulation which is submitted to the Legislative Counsel pursuant to NRS 233B.067 or filed with the Secretary of State pursuant to subsection 2 or 3 of NRS 233B.070 must be accompanied by a statement concerning the regulation which contains the following information:

- (a) A clear and concise explanation of the need for the adopted regulation.
- (b) A description of how public comment was solicited, a summary of the public response and an explanation of how other interested persons may obtain a copy of the summary.
  - (c) The number of persons who:
    - (1) Attended each hearing;
    - (2) Testified at each hearing; and
    - (3) Submitted to the agency written statements.
- (d) For each person identified in subparagraphs (2) and (3) of paragraph (c), the following information if provided to the agency conducting the hearing:
  - (1) Name;

- (2) Telephone number;
- (3) Business address;
- (4) Business telephone number;
- (5) Electronic mail address; and
- (6) Name of entity or organization represented.
- (e) A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.
- (f) A description of how comment was solicited from affected historically underserved communities, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.





(g) If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

[(g)] (h) The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include:

- (1) Both adverse and beneficial effects; and
- (2) Both immediate and long-term effects.
- [(h)] (i) The estimated environmental impact of the regulation on affected historically underserved communities and on the public, if any. These must be stated separately, and in each case must include:
  - (1) Both adverse and beneficial effects; and
  - (2) Both immediate and long-term effects.
- (j) The estimated cost to the agency for enforcement of the proposed regulation.
- **[(i)]** (*k*) A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.
- **(i)** If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.
- **[(k)]** (m) If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.
- 2. The requirements of paragraphs (b) to  $\frac{\{(f),\}}{\{(g),\}}$  inclusive, of subsection 1 do not apply to emergency regulations.
- **Sec. 16.** NRS 233B.0665 is hereby amended to read as follows:
- 233B.0665 If a regulation submitted to the Legislative Counsel Bureau pursuant to NRS 233B.067 is not accompanied by an informational statement which complies with the requirements of NRS 233B.066, [or] a small business impact statement which complies with the requirements of NRS 233B.0608 and 233B.0609 [.] or an environmental justice impact statement which complies with the requirements of section 11 of this act, the Legislative Counsel shall return the regulation to the agency with a note indicating the statement which is missing. Unless the missing statement is supplied, the Legislative Counsel shall not submit the regulation to the Legislative Commission or the Subcommittee to Review Regulations, as applicable, and the regulation never becomes effective.





Sec. 17. NRS 233B.067 is hereby amended to read as follows: 233B.067 1. After adopting a permanent regulation, the agency shall submit the informational statement prepared pursuant to NRS 233B.066 and one copy of each regulation adopted to the Legislative Counsel for review by the Legislative Commission to determine whether to approve the regulation. The Legislative Counsel shall endorse on the original and the copy of each adopted regulation the date of their receipt. The Legislative Counsel shall maintain the copy of the regulation in a file and make the copy available for public inspection for 2 years.

- 2. If an agency submits an adopted regulation to the Legislative Counsel pursuant to subsection 1 that:
- (a) The agency is required to adopt pursuant to a federal statute or regulation; and
- (b) Exceeds the specific statutory authority of the agency or sets forth requirements that are more stringent than a statute of this State, → it shall include a statement that adoption of the regulation is required by a federal statute or regulation. The statement must include the specific citation of the federal statute or regulation requiring such adoption.
- 3. Except as otherwise provided in subsection 4, the Legislative Commission shall:
- (a) Review the regulation at its next regularly scheduled meeting if the regulation is received more than 10 working days before the meeting; or
- (b) Refer the regulation for review to the Subcommittee to Review Regulations appointed pursuant to subsection 6.
- 4. If an agency determines that an emergency exists which requires a regulation of the agency submitted pursuant to subsection 1 to become effective before the next meeting of the Legislative Commission is scheduled to be held, the agency may notify the Legislative Counsel in writing of the emergency. Upon receipt of such a notice, the Legislative Counsel shall refer the regulation for review by the Subcommittee to Review Regulations. The Subcommittee shall meet to review the regulation as soon as practicable.
- 5. If the Legislative Commission, or the Subcommittee to Review Regulations if the regulation was referred, approves the regulation, the Legislative Counsel shall promptly file the regulation with the Secretary of State and notify the agency of the filing. If the Commission or Subcommittee objects to the regulation after determining that:
- (a) If subsection 2 is applicable, the regulation is not required pursuant to a federal statute or regulation;
  - (b) The regulation does not conform to statutory authority;





- (c) The regulation does not carry out legislative intent;
- (d) The small business impact statement is inaccurate, incomplete or did not adequately consider or significantly underestimated the economic effect of the regulation on small businesses; [or]
- (e) The environmental justice impact statement prepared pursuant to section 11 of this act is inaccurate, incomplete or did not adequately consider or significantly underestimated the environmental impact of the regulation on historically underserved communities; or
- (f) The agency has not provided a satisfactory explanation of the need for the regulation in its informational statement as required pursuant to NRS 233B.066, or the informational statement is insufficient or incomplete,
- → the Legislative Counsel shall attach to the regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the regulation to the agency.
- 6. As soon as practicable after each regular legislative session, the Legislative Commission shall appoint a Subcommittee to Review Regulations consisting of at least three members or alternate members of the Legislative Commission.
- **Sec. 18.** 1. The Commission on Environmental Justice created by section 6 of this act shall:
- (a) In coordination with the Division of Environmental Protection of the State Department of Conservation and Natural Resources and the Department of Health and Human Services, develop a process and metrics for use by an agency, as defined in NRS 233B.031, to evaluate whether a proposed regulation will have a disproportionate environmental impact on a historically underserved community in this State; and
- (b) On or before December 31, 2024, submit to the Director of the Legislative Counsel Bureau, for transmittal to the 83rd Session of the Legislature, a report of its activities pursuant to subsection 1, which must include, without limitation:
- (1) Characteristics of communities that are at heightened risk of disproportionate environmental justice impacts;
- (2) Available options to screen for communities at heightened risk of disproportionate environmental justice impacts; and
- (3) Factors that contribute to environmental inequities in this State, including, without limitation, any health risks.
- 2. As used in this section, "historically underserved community" has the meaning ascribed to it in NRS 445B.834.





- **Sec. 19.** 1. This section, sections 2 to 7, inclusive, and section 18 of this act become effective on July 1, 2023.
- 2. Sections 8 to 17, inclusive, of this act become effective on the date that the permanent regulations required to be adopted by the Commission on Environmental Justice pursuant to section 7 of this act are filed with the Secretary of State pursuant to NRS 233B.070.





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