GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2025

H.B. 684 Apr 1, 2025 HOUSE PRINCIPAL CLERK

D

H
HOUSE BILL DRH30313-MHa-29

Short Title: Environmental Justice in North Carolina. (Public)

Sponsors: Representative Crawford.

Referred to:

Referred to: 1 A BILL TO BE ENTITLED 2 AN ACT RELATING TO ENVIRONMENTAL JUSTICE IN NORTH CAROLINA. 3 The General Assembly of North Carolina enacts: 4 **SECTION 1.** The General Assembly finds all of the following: 5 (1) According to American Journal of Public Health studies published in 2014 6 and 2018 and affirmed by decades of research, Black, Indigenous, and Persons of Color (BIPOC) and individuals with low income are disproportionately 7 8 exposed to environmental hazards and unsafe housing, facing higher levels of 9 air and water pollution, mold, lead, and pests. The cumulative impacts of environmental harms disproportionately and 10 (2) 11 adversely impact the health of BIPOC and communities with low income, 12 with climate change functioning as a threat multiplier. These disproportionate adverse impacts are exacerbated by lack of access to affordable energy, 13 14 healthy food, green spaces, and other environmental benefits. 15 Since 1994, Executive Order 12898 has required federal agencies to make (3) 16 achieving environmental justice part of their mission by identifying and 17 addressing disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority 18 19 populations and populations with low incomes in the United States. In 2018, the Secretary of the North Carolina Department of Environmental 20 (4) 21 Quality established the Secretary's Environmental Justice and Advisory 22 Board. 23 Executive Order 14008 issued in 2021 created the White House (5) 24 Environmental Justice Interagency Council within the Executive Office of the 25 President and the White House Environmental Justice Advisory Council within the Environmental Protection Agency. 26 Following Executive Order 14008, the U.S. Department of the Interior enacted 27 (6) 28 Secretary Order 3399 to establish the Climate Task Force to address current 29 and historic environmental injustice. This order also made it the Department's 30 mission to consider environmental justice when conducting National 31 Environmental Protection Act analyses. Executive Order 14096 issued in 2023 established a goal that forty percent 32 (7) 33 (40%) of the overall benefits of certain federal climate, clean energy, 34 affordable and sustainable housing, and other investments flow to 35 disadvantaged communities that are marginalized by underinvestment and overburdened by pollution. 36



- (8) Governor Cooper issued Executive Order 246 in 2022 and Executive Order 292 in 2023 directing various actions to advance environmental justice in North Carolina, including requirements that agencies consider environmental justice when taking actions related to climate change, resilience, and clean energy, and identify an environmental justice lead to serve as the point person for agency environmental justice efforts.
- (9) State agencies receiving federal funds are also subject to the antidiscrimination requirements of Title VI of the Civil Rights Act of 1964.
- (10) In response to the documented inadequacy of state and federal environmental and land use laws to protect vulnerable communities, increasing numbers of states have adopted formal environmental justice laws and policies.
- (11) The 1991 Principles of Environmental Justice adopted by The First National People of Color Environmental Leadership Summit demand the right of all individuals to participate as equal partners at every level of decision making, including needs assessment, planning, implementation, enforcement, and evaluation.
- (12) Section 33 of Article I of the North Carolina Constitution establishes the government as a vehicle for the common benefit, protection, and security of the State's citizens and not for the particular emolument or advantage of any single set of persons who are only a part of that community. This principle, coupled with Section 1 of Article I of the North Carolina Constitution's guarantee of equal rights to enjoying life, liberty, and enjoyment of the fruits of their own labor, and the assurance of timely and equitable justice for all set forth in Article I. Sections 18 and 19 of the North Carolina Constitution encourage political officials to identify how particular communities may be unequally burdened or receive unequal protection under the law due to race, income, or geographic location.
- (13) Lack of a clear environmental justice policy has resulted in a piecemeal approach to understanding and addressing environmental justice in North Carolina and creates a barrier to establishing clear definitions, metrics, and strategies to ensure meaningful engagement and more equitable distribution of environmental benefits and burdens.
- (14) It is the State's responsibility to pursue environmental justice for its residents and to ensure that its agencies do not contribute to unfair distribution of environmental benefits to or environmental burdens on low-income, limited-English proficient, and BIPOC communities.

SECTION 2. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"<u>Article 21D.</u> "<u>Environmental Justice.</u>

"§ 143-215.130. Purpose.

The purpose of this Article is to identify, reduce, and eliminate environmental health disparities to improve the health and well-being of all State residents.

"§ 143-215.131. Definitions.

The following definitions apply in this Article:

- (1) Communities of color. Communities in which the share of nonwhites and Hispanic or Latino (of any race) residents is forty percent (40%) or higher or at least ten percent (10%) higher than the residing county or State share.
- (2) Community. A group of individuals living in geographic proximity to one another as a census block group or at the municipal level.

Page 2 DRH30313-MHa-29

1 (3) Disproportionate impact. – Disproportionately higher adverse health or 2 environmental effects on communities of color, low-income communities, 3 limited English language proficiency communities, or indigenous 4 communities at levels that are statistically significant. 5 (4) Environmental benefits. – The assets and services that enhance the capability 6 of communities and individuals to function and flourish in society. Examples 7 of environmental benefits include access to a healthy environment and clean 8 natural resources, including air, water, land, green spaces, constructed 9 playgrounds, and other outdoor recreational facilities and venues; affordable 10 clean renewable energy sources; public transportation; fulfilling and dignified 11 green jobs; healthy homes and buildings; health care; nutritious food; 12 indigenous food and cultural resources; environmental enforcement; and 13 training and funding disbursed or administered by governmental agencies. 14 <u>(5)</u> Environmental burdens. – Any significant impact to clean air, water, and land, 15 including any destruction, damage, or impairment of natural resources resulting from intentional or reasonably foreseeable causes. Examples of 16 17 environmental burdens include climate change impacts; air and water 18 pollution; improper sewage disposal; improper handling of solid wastes and 19 other noxious substances; excessive noise; activities that limit access to green 20 spaces, nutritious food, indigenous food or cultural resources, or constructed 21 outdoor playgrounds and other recreational facilities and venues; inadequate 22 remediation of pollution; reduction of groundwater levels; increased flooding 23 or stormwater flows; home and building health hazards, including lead paint, 24 lead plumbing, asbestos, and mold; and damage to inland waterways and 25 waterbodies, wetlands, forests, green spaces, or constructed playgrounds or 26 other outdoor recreational facilities and venues from private, industrial, 27 commercial, and government operations or other activities that contaminate 28 or alter the quality of the environment and pose a risk to public health. 29 Environmental justice. – The just treatment and meaningful involvement of (6) 30 all people, regardless of income, race, color, national origin, tribal affiliation, 31 or English language proficiency, in State action that affect human health, 32 well-being, quality of life, and the environment so that people: 33 Are protected from disproportionate and adverse human health effects 34 and environmental hazards, including: those related to climate change, 35 the cumulative impacts of environmental and other burdens, and the 36 legacy of racism or other structural barriers. Have equitable access to environmental benefits in which to live, play, 37 <u>b.</u> 38 work, learn, grow, worship, and engage in cultural and subsistence 39 practices. 40 Have meaningful participation in decision-making processes, <u>c.</u> 41 including the development, implementation, and enforcement of 42 environmental laws, regulations, and policies. 43 Environmental justice communities. – Communities of color, low-income <u>(7)</u> communities, indigenous communities, and limited English language 44 45 proficiency communities that experience, or are at risk of, environmental 46 burdens or lack access to environmental benefits. 47 <u>Indigenous communities.</u> – Communities where "American Indian Tribes" as (8) 48 defined by 01 NCAC 15. 0292, reside or where the share of American and 49 Alaskan Native populations are five percent (5%) higher than the residing 50 county or State share.

DRH30313-MHa-29 Page 3

- (9) Limited English language proficiency communities. Communities where at least one percent (1%) or more of households do not have a member 14 years or older who speaks English "very well" as defined by the U.S. Census Bureau.
- (10) Low-income communities. Communities in which the share of population experiencing poverty is more than twenty percent (20%) or the share of households in poverty is at least five percent (5%) higher than the residing county or State share.
- (11) Meaningful participation. The opportunity for all individuals to participate in energy, climate change, and environmental decision making. Examples include needs assessments, planning, implementation, permitting, compliance and enforcement, and evaluation. Meaningful participation also integrates diverse knowledge systems, histories, traditions, languages, and cultures of Indigenous communities in decision-making processes and requires that communities are enabled and administratively assisted to participate fully through education and training. Finally, meaningful participation requires the State to operate in a transparent manner with regard to opportunities for community input and also encourages the development of environmental, energy, and climate change stewardship.
- (12) Program. The Environmental Justice Program of the Department of Environmental Quality.
- (13) Rules Review Commission. As defined in G.S. 143B-30.1.

"§ 143-215.132. Environmental justice State policy.

It is the policy of the State that no segment of the population of the State should, because of its racial, cultural, or economic makeup, bear a disproportionate share of environmental burdens or be denied an equitable share of environmental benefits. It is further the policy of the State to provide the opportunity for the meaningful participation of all individuals, with particular attention to environmental justice communities, in the development, implementation, or enforcement of any law, regulation, or policy.

"§ 143-215.133. Implementation of State policy.

- (a) As used in this Article, "covered agencies" means the following State agencies: the Departments of Environmental Quality, Health and Human Services, Transportation, Commerce, Public Safety, Agriculture and Consumer Services, and Public Instruction and the Utilities Commission.
- (b) The covered agencies shall consider cumulative environmental burdens and access to environmental benefits when making decisions about the environment, energy, climate, and public health projects; facilities and infrastructure; and associated funding.
- (c) Each of the covered agencies shall create and adopt on or before July 1, 2027, a community engagement plan that describes how the agency will engage with environmental justice communities as it evaluates new and existing activities and programs. Each plan shall describe how the agency plans to provide meaningful participation in compliance with Title VI of the Civil Rights Act of 1964.
- (d) The covered agencies shall submit an annual summary beginning on January 15, 2026, and annually thereafter, to the Environmental Justice Advisory Council, detailing all complaints alleging environmental justice issues or Title VI violations and any agency action taken to resolve the complaints. The Advisory Council shall provide any recommendations concerning those reports within 60 days after receipt of the complaint summaries. Agencies shall consider the recommendations of the Advisory Council pursuant to sub-subdivision (c)(1)e. of G.S. 143-215.135 and substantively respond in writing if an agency chooses not to implement any of the recommendations within 90 days after receipt of the recommendations.

Page 4 DRH30313-MHa-29

Page 5

- (e) The Program, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall review the definitions contained in G.S. 143-215.131 at least every five years and recommend revisions to the General Assembly to ensure the definition achieves the environmental justice State policy.
- (f) The Program, in consultation with the Interagency Environmental Justice Committee and the Environmental Justice Advisory Council, shall issue guidance on how the covered agencies shall determine which investments provide environmental benefits to environmental justice communities on or before September 15, 2025. A draft version of the guidance shall be released for a 40-day public comment period before being finalized.
 - (g) Covered Agency Baseline Spending Reports.
 - (1) On or before February 15, 2026, the covered agencies shall, in accordance with the guidance document developed by the Program pursuant to subsection (f) of this section, review the past three years and generate baseline spending reports that include all of the following:
 - a. Where investments were made, if any, and which geographic areas, at the municipal or census block group level, where practicable, received environmental benefits from those investments.
 - <u>b.</u> <u>A description and quantification of the environmental benefits as an outcome of the investment.</u>
 - (2) The covered agencies shall publicly post the baseline spending reports on their respective websites.
- (h) On or before July 1, 2026, it shall be the goal of the covered agencies to direct investments proportionately in environmental justice communities.
 - (1) Beginning on January 15, 2028, and annually thereafter, the covered agencies shall either integrate the following information into existing annual spending reports or issue annual spending reports that include all of the following:
 - a. Where investments were made and which geographic areas, at the municipal and census block group level, where practicable, received environmental benefits from those investments.
 - <u>b.</u> The percentage of overall environmental benefits from those investments provided to environmental justice communities.
 - (2) The covered agencies shall publicly post the annual spending reports on their respective websites.
- (i) Beginning on January 15, 2027, the covered agencies shall each issue and publicly post an annual report summarizing all actions taken to incorporate environmental justice into its policies or determinations, rulemaking, permit proceedings, or project review.

"<u>§ 143-215.134. Rulemaking.</u>

- (a) On or before July 1, 2027, the Department of Environmental Quality, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall adopt rules to:
 - (1) Define cumulative environmental burdens;
 - (2) <u>Implement consideration of cumulative environmental burdens within the Program; and</u>
 - (3) <u>Inform how the public and the covered agencies implement the consideration of cumulative environmental burdens and use the environmental justice mapping tool developed by the Program.</u>
- (b) On or before July 1, 2028, and as appropriate thereafter, the covered agencies, in consultation with the Environmental Justice Advisory Council, shall adopt or amend policies and procedures, plans, guidance, and rules, where applicable, to implement this Article.
 - (c) The following requirements apply to rulemaking by covered agencies:

DRH30313-MHa-29

	•			
1		<u>(1)</u>		o drafting new rules required by this Article, agencies shall consult with
2				nvironmental Justice Advisory Council to discuss the scope and
3			1	sed content of rules to be developed. Agencies shall also submit draft
4 5				aking concepts to the Advisory Council for review and comment. Any
5 6				sed rule shall be provided to the Advisory Council not less than 45 days a submitting the proposed rule or rules to the Rules Review Commission
7			(RRC)	
8		<u>(2)</u>		dvisory Council shall vote and record individual members' support or
9		(2)		ion to any proposed rule before it is submitted to RRC and make
10				entation of that proceeding as part of the rulemaking record submitted
11			to RR	
12	"§ 143-21	5.135.		nmental Justice Advisory Council and Interagency Environmental
13	<u> </u>		e Comr	
14	<u>(a)</u>			ncil and Interagency Committee. –
15	<u> </u>	(1)	-	is created:
16		<u> </u>	<u>a.</u>	The Environmental Justice Advisory Council (Advisory Council) to
17				provide independent advice and recommendations to State agencies
18				and the General Assembly on matters relating to environmental
19				justice, including the integration of environmental justice principles
20				into State programs, policies, regulations, legislation, and activities.
21			<u>b.</u>	The Interagency Environmental Justice Committee (Interagency
22				Committee) to guide and coordinate State agency implementation of
23				the Environmental Justice State Policy and provide recommendations
24				to the General Assembly for amending the definitions and protections
25		(2)		set forth in this Article.
26		<u>(2)</u>		ntments to the groups created in this subsection shall be made on or
27		(2)		December 15, 2025.
28 29		<u>(3)</u>		he Advisory Council and the Interagency Committee shall consider and
30			_	orate the Equitable Access & Just Transition to Clean Energy ions of the North Carolina Clean Energy Plan in their work.
31	(b)	Meetir		The Advisory Council and the Interagency Committee shall each meet
32			_	s per year, with at least four meetings occurring jointly. Meetings may
33				ely, or in a hybrid format to facilitate maximum participation and shall
34		-		posted on the Secretary's website.
35	<u>(c)</u>	Duties		
36	<u> </u>	(1)	The A	dvisory Council shall have the following duties:
37			<u>a.</u>	To advise State agencies on environmental justice issues and on how
38				to incorporate environmental justice into agency procedures and
39				decision making and evaluate the potential for environmental burdens
40				or disproportionate impacts on environmental justice communities as
41				a result of State actions and the potential for environmental benefits to
42				environmental justice communities.
43			<u>b.</u>	To advise State agencies in the development of community
44				engagement plans.
45			<u>c.</u>	To advise State agencies on the use of the environmental justice
46				mapping tool established by the Program and on the enhancement of
47				meaningful participation, reduction of environmental burdens, and
48 49			d	equitable distribution of environmental benefits. To review and provide feedback to the relevant State agency, pursuant
50			<u>d.</u>	to G.S. 143-215.134(c), on any proposed rules for implementing this
51				Article.
- 1				<u></u>

Page 6 DRH30313-MHa-29

1			<u>e.</u>	To receive and review annual State agency summaries of complaints
2				alleging environmental justice issues, including Title VI complaints,
3				and suggest options or alternatives to State agencies for the resolution
4		(2)		of systemic issues raised in or by the complaints.
5		<u>(2)</u>	The In	nteragency Committee shall have the following duties:
6			<u>a.</u>	To consult with the Program in the development of the guidance
7				document required by G.S. 143-215.133(f) on how to determine which
8				investments provide environmental benefits to environmental justice
9				communities.
10			<u>b.</u>	On or before July 1, 2025, to develop, in consultation with the Program
11				and the Environmental Justice Advisory Council, a set of core
12				principles to guide and coordinate the development of the State agency
13		(0)		community engagement plans required under G.S 143-215.133(c).
14		<u>(3)</u>		Advisory Council and the Interagency Committee shall jointly:
15			<u>a.</u>	Consider and recommend to the General Assembly, on or before
16				December 1, 2026, amendments to the terminology, thresholds, and
17				criteria of the definition of environmental justice communities,
18				including whether to include populations more likely to be at higher
19				risk for poor health outcomes in response to environmental burdens.
20			<u>b.</u>	Examine existing data and studies on environmental justice and
21				consult with State, federal, and local agencies and affected
22				communities regarding the impact of current statutes, regulations, and
23				policies on the achievement of environmental justice.
24	<u>(d)</u>		<u>oership.</u>	
21 22 23 24 25 26		<u>(1)</u>		ory Council. – Each member of the Advisory Council shall be well
26				ned regarding environmental justice principles and committed to
27				ving environmental justice in North Carolina and working
28				oratively with other members of the Advisory Council. To the greatest
28 29 30				practicable, Advisory Council members shall represent diversity in
				ethnicity, age, gender, urban and rural areas, and different regions of
31				ate. The Advisory Council shall consist of the following 11 members,
32				goal to have more than fifty percent (50%) residing in environmental
33			justice	e communities:
34 35			<u>a.</u>	The head of the Program or designee.
35			<u>b.</u>	The following members appointed by the Governor:
36				1. One representative of municipal government.
37				 One representative of a social justice organization. One representative of mobile home park residents. One representative of a statewide environmental organization. One person representing an organization working on food
38				3. One representative of mobile home park residents.
39				4. One representative of a statewide environmental organization.
40				
41				security issues.
42			<u>c.</u>	One person who resides in a census block group that is designated as
43				an environmental justice community by the House of Representatives
44				upon the recommendation of the Speaker of the House of
45			1	Representatives.
46			<u>d.</u>	One person who is a representative of immigrant communities in
47				North Carolina appointed by the Senate upon the recommendation of
48			_	the President Pro Tempore of the Senate.
49 50			<u>e.</u>	One representative of a State-recognized Native American Indian
50 51				tribe, recommended and appointed by the North Carolina Indian
51				Affairs Commission.

DRH30313-MHa-29 Page 7

51

		25 02 1 10 10 10 10 10 10 10 10 10 10 10 10 1		
1		f. The Executive Director of the North Carolina Housing Finance		
2		Agency or designee.		
3		g. The Executive Director of the North Carolina Land and Water Fund		
4		or designee.		
5	<u>(2)</u>	Interagency Committee. – The Interagency Committee shall consist of the		
6		following nine members:		
7		a. The Superintendent of Public Instruction or designee.		
8		b. The Secretary of the Department of Environmental Quality or		
9		designee.		
10		c. The Secretary of Transportation or designee.		
11		 <u>c.</u> The Secretary of Transportation or designee. <u>d.</u> The Director of the North Carolina Housing Finance Agency or 		
12		designee.		
13		e. The Commissioner of the Department of Agriculture and Consumer		
14		Services or designee.		
15		f. The Secretary of the Department of Health and Human Services or		
16		designee.		
17		g. The Director of the Division of Emergency Management of the		
18		Department of Public Safety or designee.		
19		h. The Secretary of the Department of Natural and Cultural Resources or		
20		designee.		
21		<u>i.</u> The Chair of the Utilities Commission or designee.		
22	<u>(3)</u>	The Advisory Council and the Interagency Committee may each elect two		
23		cochairs.		
24	<u>(4)</u>	After initial appointments, all appointed members of the Advisory Council		
25		shall serve six-year terms and serve until a successor is appointed. The initial		
26		terms shall be staggered so that one-third of the appointed members shall serve		
27		a two-year term, another third of the appointed members shall serve a		
28		four-year term, and the remaining members shall be appointed to a six-year		
29		term.		
30	<u>(5)</u>	Vacancies of the Advisory Council shall be appointed in the same manner as		
31		original appointments.		
32	<u>(6)</u>	The Advisory Council shall have the administrative, technical, and legal		
33		assistance of the Program."		
34	SECTION 3. Reports. – On or before December 15, 2027, the Program shall submit			
35	a report to the Joint Legislative Commission on Governmental Operations and the Fiscal			
36	Research Division of the General Assembly describing whether the baseline spending reports			
37	completed pursuant to G.S. 143-215.133(g), as enacted by Section 2 of this act, indicate if any			
38	municipalities or portions of municipalities are routinely underserved with respect to			
39		environmental benefits, taking into consideration whether those areas receive, averaged across		
40	three years, a sign	nificantly lower percentage of environmental benefits from State investments as		

compared to other municipalities or portions of municipalities in the State. This report shall include a recommendation as to whether a statutory definition of "underserved community" and any other revisions to Article 21D of Chapter 143 of the General Statutes, as enacted by Section 2 of this act, are necessary to best carry out the policies described in this act.

SECTION 4. This act is effective when it becomes law.

41

42

43

44

45

Page 8 DRH30313-MHa-29