THE NAVAJO NATION LEGISLATIVE BRANCH INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0149-24__ SPONSOR: <u>Dr. Andy Nez</u>

TITLE: An Act Relating to the Law and Order Committee, the Health, Education, and Human Services Committee, the Resources and Development Committee, the Budget and Finance Committee, and the Naabik'íyáti' Committee, and the Navajo Nation Council; Establishing the "Navajo Nation Environmental Remediation Fund" and Approving a 2% Annual Set-Aside from the General Fund to Pay for Remediation Activities at Contamination Sites Located on the Navajo Nation

Date posted: <u>July 02, 2024 at 7:54PM</u>

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. _____*O*149-24

DATE: July 2, 2024

RE: AN ACT RELATING TO THE LAW AND ORDER COMMITTEE, THE HEALTH, EDUCATION, AND HUMAN SERVICES COMMITTEE, THE RESOURCES AND DEVELOPMENT COMMITTEE, THE BUDGET AND FINANCE COMMITTEE, AND THE NAABIK'IYATI' COMMITTEE, AND THE NAVAJO NATION COUNCIL; ESTABLISHING THE "NAVAJO NATION ENVIRONMENTAL REMEDIATION FUND" AND APPROVING A 2% ANNUAL SET-ASIDE FROM THE GENERAL FUND TO PAY FOR REMEDIATION ACTIVITIES AT CONTAMINATED SITES LOCATED ON THE NAVAJO NATION

PURPOSE OF THIS LEGISLATION:

to establish a new Fund to pay for environmental remediation at sites across the Navajo Nation, with an annual 2% set-aside from the General Fund.

FINAL AUTHORITY and VOTE REQUIREMENT:

The Navajo Nation Council has final authority. A simple majority vote is required.

5-DAY BILL	Law & Urder Ci	ommittee	
Website Posting Time/Date Thence			
Posting End I	Health Education & Human Sonucoe (1)	ommittee	
1	PROPOSED NAVAJO NATION COUNCIL RESOURCES Development C	Thence ommittee	
2	25th NAVAJO NATION COUNCIL - Second Year, 2024	Thence	
3	Introduced by: Budget & Finance C	ommittee Thence	
4	Naabik'íyáti' C		
5	Navaio Nation	Thence	
6	(Prime Sponsor) Navajo Natio	Council	
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8	Tracking No. <u>0149-24</u>		
9	ANY A COTT		
10	AN ACT		
11	RELATING TO THE LAW AND ORDER COMMITTEE, THE HEALTH,		
12	EDUCATION, AND HUMAN SERVICES COMMITTEE, THE RESOURCES		
13	AND DEVELOPMENT COMMITTEE, THE BUDGET AND FINANCE		
14	COMMITTEE, AND THE NAABIK'IYATI' COMMITTEE, AND THE		
. 15	NAVAJO NATION COUNCIL; ESTABLISHING THE "NAVAJO NATION		
16	ENVIRONMENTAL REMEDIATION FUND" AND APPROVING A 2% ANNUAL		
17	SET-ASIDE FROM THE GENERAL FUND TO PAY FOR REMEDIATION		
18	ACTIVITIES AT CONTAMINATED SITES LOCATED ON THE NAVAJO NATION		
19 20	SECTION ONE. AUTHORITY		
21	A. The Law and Order Committee is a standing committee of the Navajo Nation Council with		
22	legislative authority to review and make recommendations to the Council as to proposed new		
23	enactments under the Navajo Nation Code. 2 N.N.C. §601(B)(14).		
24	B. The Health, Education, and Human Services Committee is a standing committee of the		
25	Navajo Nation Council with legislative authority over matters involving environmental		
26	health. 2 N.N.C. §401(B)(6)(a).		
27	C. The Resources and Development Committee was established as a standing committee of the		
28	Navajo Nation Council with authority over matters involving the natural environment,		
29	including water, land, and environmental protection. 2 N.N.C. §500(C).		
30	D. The Resources and Development Committee has oversight authority over the Navajo Nation		

- Division of Natural Resources and its subordinate departments, including the Navajo Environmental Protection Agency ("NEPA"). 2 N.N.C. §501(C)(1).
 - E. The Budget and Finance Committee is a standing committee of the Navajo Nation Council authorized to review and recommend to the Council the management of all funds. 2 N.N.C. §164(A)(9); 2 N.N.C. §300(A); 2 N.N.C. §301(B)(2).
 - F. The Navajo Nation established the Naabik'íyáti' Committee as a Navajo Nation Council standing committee, and all proposed legislation that requires final action by the Navajo Nation Council is assigned to the Naabik'íyáti' Committee for its review and consideration. 2 N.N.C. §164(A)(9); 2 N.N.C. §700(A).
 - G. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A). As such, the Council has the authority to establish new funds for specific purposes that benefit the public's general health, safety, and welfare.

SECTION TWO. FINDINGS

- A. In Resolution No. CF-07-08 the Navajo Nation Council established the Hazardous Substances Fund. See 4 N.N.C. §2701(A). Pursuant to Budget and Finance Committee Resolution No. BFJA-09-11, the Fund Management Plan for the Hazardous Substances Fund was approved.
- B. Similar to the Hazardous Substances Fund, there is an urgent need to create an "Environmental Remediation Fund" (and a related Fund Management Plan), which Fund should be designated specifically for environmental assessment, cleanup, and remediation at former industrial sites located across the Navajo Nation. These contaminated sites present a significant danger to the public health and well-being, livestock and water supplies, as well as long-term harms to the natural environment.
- C. Two major examples of the many contaminated sites are Red Lake and Sawmill. The NEPA has prepared a Fact Sheet explaining the contamination of the two former industrial sites located in Red Lake and Sawmill Chapters. Total cleanup and environmental remediation is expected to cost more than \$500,000,000 and last many years. **EXHIBIT 1**.
- 29 D. The U.S. EPA has provided an assessment report for the Sawmill site. **EXHIBIT 2**.
 - E. In addition to the Red Lake and Sawmill sites, there is extensive surface and groundwater

contamination at several other former business and industrial sites across the Navajo Nation
which sites urgently need assessment and remediation for the protection of the public health
that of livestock, and that of sacred plants, herbs, and the natural environment. EXHIBIT 3

- F. The NEPA has prepared a project Ranking Sheet for the ranking of those projects that should be prioritized. EXHIBIT 4.
- G. The Navajo Nation finds that, rather than approving piecemeal funding for cleanup projects, establishing the new "Navajo Nation Environmental Remediation Fund" with an annual automatic set-aside of 2% of the General Fund, is in the best interest of the Navajo Nation and the Navajo People. Such Fund will provide an ongoing source of funding for extensive and long-term remediation projects, and shows the Navajo Nation's firm commitment to protecting and preserving the natural environment for the long-term health and well-being of the Navajo People.

SECTION THREE. ESTABLISHING THE "NAVAJO NATION ENVIRONMENTAL REMEDIATION FUND" AND APPROVING A 2% ANNUAL SET-ASIDE FROM THE GENERAL FUND TO PAY FOR REMEDIATION ACTIVITIES AT CONTAMINATED SITES LOCATED ON THE NAVAJO NATION

The Navajo Nation hereby establishes the "Navajo Nation Environmental Remediation Fund" as follows:

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NAVAJO NATION CODE ANNOTATED TITLE 4. ENVIRONMENT

CHAPTER 18. NAVAJO NATION ENVIRONMENTAL REMEDIATION FUND

§2901. Establishment; purposes.

There is hereby established a Navajo Nation financial account titled: "Navajo Nation Environmental Remediation Fund" (hereinafter referred to as "Fund"). The purpose of this Fund is to pay for the activities of the Navajo Environmental Protection Agency ("NEPA"), or NEPA's contractors or agents, related to the assessment,

cleanup, and remediation of former business and industrial sites located on the Navajo Nation that are contaminated with dangerous chemicals, materials, or substances, and that pose a danger to human health, public welfare, livestock, crops, groundwater, and the natural environment.

§2902. Source of money for the Fund.

This Fund shall consist of an annual allocation in the Navajo Nation's annual comprehensive budget legislation, of two-percent (2%) of the General Fund. This annual allocation shall be automatic and shall not require action of the Navajo Nation Council. Money received by the Navajo Nation from federal, state, or private grants or donations, may also be deposited into this Fund if such money is designated for any purpose related to environmental assessment, cleanup, or remediation.

§2903. Fund Management Plan.

All allocations and expenditures of money from this Fund shall be in accordance with a Fund Management Plan approved by the Budget and Finance Committee. The Fund Management Plan shall not permit any other entity to receive allocations from this Fund for any purpose; this Fund is solely for use strictly by the NEPA for the purposes described in Section 2901.

§2904. NEPA administration; reporting.

The NEPA shall administer this Fund and the NEPA Director shall report annually to the Navajo Nation Council on the sums deposited into the Fund, including the sources and uses thereof, and the use of any agents or contractors for assessment, cleanup, and/or remediation activities.

§2905. No reversion.

Any money remaining in the Fund at the end of each fiscal year shall not revert to the General Fund but shall remain available for use by NEPA as provided in the approved Fund Management Plan.

§2906. Restrictions.

No money from this Fund shall be used for assessment, cleanup, or remediation of any facility owned by the federal government or its instrumentalities, or by any state government or its instrumentalities. Notwithstanding, nothing in this Paragraph shall prevent the NEPA from taking immediate corrective action at a facility where there is no solvent owner or operator or where immediate action is necessary to respond to an imminent and substantial threat to human health, livestock, groundwater, or the environment even if it is owned by the federal or state government. In such cases, the Navajo Superfund has the ability to cost recover.

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SECTION FOUR. DIRECTIVES

- A. Promptly upon the effective date of this Act, the Office of the Controller shall set up the new Environmental Remediation Fund financial account for the Navajo Nation, in accordance with normal bookkeeping procedures, and the annual 2% set-aside shall be included in the FY2025 Comprehensive Budget, and in every annual Comprehensive Budget thereafter so long as the Fund exists.
- B. The Navajo Nation Council hereby directs the NEPA to prepare and present a Fund Management Plan to the Budget and Finance Committee, for the Committee's approval no later than December 31, 2024.
- C. The Fund Management Plan shall include a provision allowing NEPA to receive funds upon approval of the Resources & Development Committee, and providing for budget transfers of funds already provided to NEPA to be approved by the Resources & Development Committee.
- D. No funds shall be available for expenditure by NEPA until the Fund Management Plan is approved by the Budget and Finance Committee after recommendation by the Resources and Development Committee.

SECTION FIVE. EFFECTIVE DATE

This Action shall become effective as provided in 2 N.N.C. §221(B), 2 N.N.C. §1005(C)(10),

1	and 2 N.N.C. §164(A)(17).
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3	SECTION SIX. SAVING CLAUSE
4	If any portion of this Action is determined invalid by the Navajo Nation Supreme Court, or by
5	a District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the
6	remainder of this Action shall be the law of the Navajo Nation.
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8	SECTION SEVEN. CODIFICATION
9	The provisions of this Act which amend or adopt new sections of the Navajo Nation Code shall
10	be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall
11	incorporate such amended provisions in the next codification of the Navajo Nation Code.
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