



**DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INDUSTRIAL RELATIONS**

**SMALL BUSINESS IMPACT STATEMENT
AS REQUIRED BY NRS 233B.0608 AND 233B.0609**

LCB FILE NO. R025-23

January 3, 2024

Note: Small Business is defined as “a business conducted for profit which employs fewer than 150 full-time or part-time employees.” (NRS 233B.0382).

1. Describe the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

ANSWER: To determine whether the proposed regulations are likely to have an impact on small businesses, the Division considered the purpose and scope of the proposed regulations. The proposed regulations revise provisions of NAC 455C by eliminating certain charges imposed by the Mechanical Compliance Section of the Division of Industrial Relations of the Department of Business and Industry; eliminating certain notification requirements relating to periodic tests on elevators; repealing certain provisions relating to insurance coverage of boilers and pressure vessels and certain testing of elevators; and providing other matters properly relating thereto.

In addition, on December 13, 2023, the Division sent out a Small Business Impact Statement Questionnaire to interested parties on the Division’s Listserv, which includes 243 recipients. Moreover, the Questionnaire was posted on the Division’s website. The Questionnaire inquired from small businesses whether they believed there would be any economic effects, adverse or beneficial, direct or indirect, on their respective businesses from the proposed regulation. The deadline to return the questionnaire was December 22, 2023. As of this date, the Division received three (3) responses as follows:

- 1. Grant Mills, Mills Farm and Industrial – Mr. Mills did not believe that the proposed regulation would have any economic effects, adverse or beneficial, on his business. Mr. Mills also indicated that he did not believe that the proposed regulation would have any indirect effects, adverse or beneficial, on his business.**
- 2. M. Howard, Las Vegas Office Center – M. Howard believed that the regulation would have an adverse economic effect on the business, stating, “Provide traditional ‘grandfathering’ of older incident-free elevators in good working condition as toward**

newer 'safety' 'upgrades' like door restrictors and door lock monitors. 'If it ain't broke, don't order costly unneeded 'fixes''." M. Howard further indicated that the regulation would not have a beneficial economic effect on business, that there would be an indirect adverse effect with not indirect beneficial effect on business.

3. Brandy Vallette, PI BPG Fourth Street Partners, LLC – Ms. Valette noted that the regulation would have an adverse economic effect on her business, stating: "Schindler elevator proposed a disc brake option, that has not been fully approved yet, for \$400k-500k total. If a rope gripper has to be installed instead of a disc brake, it will likely be more than the original estimate for disc brakes. A full modernization would be roughly \$400k-\$600k per elevator and was also suggested by Schindler since the code requirement upgrades would be so costly. All options presented would result in having elevators down for at least several weeks to do the installation and perform inspections." Further, Ms. Vallette noted, "The office market is currently depressed during this unprecedented time and we are doing what we can to keep it afloat. Capital projects, such as these code requirement upgrades that come with such large unanticipated costs, are not funded from cash flow. It requires ownership to cut checks, putting building owners in an unfavorable position. Projects with costs of this magnitude can crumble a business on any given day, let alone in the market we are currently experiencing."

Upon receipt of the responses, the Division reviewed the proposed regulations and found that the concerns listed in M. Howard's and Brandy Vallette's responses to the Questionnaire were not contemplated in the proposed regulations, as the proposed regulations do not discuss "newer safety upgrades" such as door restrictors and door lock monitors and "rope grippers".

2. The manner in which the analysis was conducted.

ANSWER: As noted in Answer 1, on December 13, 2023, the Division sent out a Small Business Impact Statement Questionnaire to interested parties on the Division's Listserv. The Questionnaire inquired from small businesses whether they believed there would be any economic effects, adverse or beneficial, direct or indirect, on their respective businesses from the proposed regulation. The deadline to return the questionnaire was December 22, 2023. As of this date, the Division received three (3) responses as follows:

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Upon receipt of the responses, the Division reviewed the proposed regulations and found that the concerns listed in M. Howard’s and Brandy Vallette’s responses to the Questionnaire were not contemplated in the proposed regulations, as the proposed regulations do not discuss “newer safety upgrades” such as door restrictors and door lock monitors and “rope grippers”.

3. **The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:**
 - (a) Both adverse and beneficial effects; and
 - (b) Both direct and indirect effects.

ANSWER: The Division anticipates no adverse effects, either direct or indirect, on regulated businesses as the result of these regulations. The adverse effects, if any, are difficult to determine at this time. There will be no direct or indirect cost to regulated or small businesses.

The Division believes that there will be beneficial effects, direct or indirect, on regulated or small businesses as the result of these regulations. The Division’s proposed regulations seek to eliminate the \$20 charge for the filing of a maintenance control program for an elevator and also eliminates the existing requirement that a licensed elevator contractor who performs periodic tests on an elevator to notify the Mechanical Compliance Section in writing at least 3 business days before commencing any such tests.

4. **Describe the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

ANSWER: Because there will be no adverse impacts on small businesses in general, there are no methods available to reduce the impact the Division could have considered.

5. **The estimated cost to the agency for enforcement of the proposed regulation.**

ANSWER: There is no additional cost to the agency for enforcement of this regulation.

6. **If the proposed 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.

ANSWER: The proposed regulation does not provide for a new fee or increase an existing fee payable to the Division.

7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

ANSWER: The proposed regulation does not include any provisions which duplicate or are more stringent than existing federal, state, or local standards.

8. The reasons for the conclusions of the agency regarding the impact of a regulation on small businesses.

ANSWER: The Division complied with NRS 233B.0608 by considering the purpose and scope of the proposed amendments. The proposed regulations revise provisions of NAC 455C by eliminating certain charges imposed by the Mechanical Compliance Section of the Division of Industrial Relations of the Department of Business and Industry; eliminating certain notification requirements relating to periodic tests on elevators; repealing certain provisions relating to insurance coverage of boilers and pressure vessels and certain testing of elevators; and providing other matters properly relating thereto.

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requirement upgrades would be so costly. All options presented would result in having elevators down for at least several weeks to do the installation and perform inspections.” Further, Ms. Vallette noted, “The office market is currently depressed during this unprecedented time and we are doing what we can to keep it afloat. Capital projects, such as these code requirement upgrades that come with such large unanticipated costs, are not funded from cash flow. It requires ownership to cut checks, putting building owners in an unfavorable position. Projects with costs of this magnitude can crumble a business on any given day, let alone in the market we are currently experiencing.”

Upon receipt of the responses, the Division reviewed the proposed regulations and found that the concerns listed in M. Howard’s and Brandy Vallette’s responses to the Questionnaire were not contemplated in the proposed regulations, as the proposed regulations do not discuss “newer safety upgrades” such as door restrictors and door lock monitors and “rope grippers”.

Based on this review, the Division determined that this regulation will have no direct effect on small businesses, either adverse or beneficial, and will also have no indirect adverse effect on small businesses. By eliminating charges and certain notification requirements, the Division believes the proposed regulations may have beneficial effects on small businesses.

I, VICTORIA CARREÓN, Administrator of the Division of Industrial Relations, certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in the statement was prepared properly and is accurate.

DATED this 3rd day of January, 2024.


VICTORIA CARREÓN, Administrator