



**DEPARTMENT OF BUSINESS AND INDUSTRY  
OFFICE OF THE DIRECTOR**

**SMALL BUSINESS IMPACT STATEMENT**  
Nevada Department of Business and Industry  
LCB File No. R058-22

**LCB File No. R058-22 Small Business Impact Statement pursuant to NRS 233B.0608:**

- (a) A description of the manner in which comments were solicited from affected small business, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Business and Industry intends to solicit comments on the proposed regulation as part of the public workshop scheduled for March 27, 2024. Comments from the workshop will be incorporated into the small business impact statement and posted with the notice of adoption.

Interested persons may obtain a copy of the small business impact statement or submit statements of impact to:

Michelle C. Badorine  
Senior Deputy Attorney General  
State of Nevada  
Office of the Attorney General  
Bureau of Consumer Protection  
100 North Carson Street  
Carson City, NV 89701-4717  
Phone: (775) 684-1164

- (b) The manner in which the small business analysis was conducted for LCB File No. R058-22.**

Pursuant to NRS 233B.0608(1), the Department made a concerted effort to determine whether the proposed amended regulation is likely to impose a direct and significant economic burden upon a small business; or directly restrict the formation, operation or expansion of a small business. For this effort, the Department used the definition of a "small business" as provided in NRS 233B.0382: "[A] business conducted for profit which

employs fewer than 150 full-time or part-time employees.”

Following review and analysis of the authorizing statutory language (Senate Bill No. 447 (2021)) and hearing procedures in other branches of Nevada government, the Department has preliminarily determined (as further described below) that the amended regulation is unlikely to impose a direct and significant economic burden upon a small business; result in any direct or indirect adverse effects on small businesses; or directly restrict the formation, operation, or expansion of a small business.

The proposed amended regulation conforms chapter 598 of the NAC to existing law by updating the name of the Consumer Affairs Division of the Department of Business and Industry to the Consumer Affairs Unit in the Department of Business and Industry. The proposed amended regulation establishes registrant duties and notice requirements related to the Unit’s pre-existing authority to determine the distribution of the security of a registrant to claimants. The proposed amended regulation streamlines and clarifies various hearing procedures, adds definitions for the benefit of the parties, removes requirements that no longer serve judicial efficiency, and promotes technological advancements while maintaining due process.

Pursuant to existing law, the Department has authority to collect reimbursement for the cost of conducting an investigation, audit, or conducting a hearing. The proposed amended regulation establishes the amount the Department can charge. The proposed amended regulation further provides a process by which registrants and the public can obtain documents for a nominal fee or electronically without charge.

**(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:**

**(1) Both adverse and beneficial effects:**

**(I) Adverse effects:**

As described above, the Department has preliminarily determined that there will be no adverse effects on small businesses because the proposed regulation streamlines and clarifies various hearing procedures, adds definitions for the benefit of the parties, removes requirements that no longer serve judicial efficiency, and promotes technological advancements while maintaining due process. The Department will continue to solicit further input as part of the workshop scheduled for March 27, 2024.

**(II) Beneficial effects:**

There are numerous beneficial effects of the proposed regulation, including streamlining and clarifying various hearing procedures, adding definitions for the benefit of the parties, removing requirements that no longer serve judicial efficiency, and promoting technological advancements while maintaining due process. Additional beneficial effects of the proposed regulation on small businesses will be determined by the Department after the workshop scheduled for March 27, 2024.

**(2) Both direct and indirect effects.**

**(I) Direct effects:**

Direct effects of the proposed regulation include streamlining and clarifying various hearing procedures, adding definitions for the benefit of the parties, removing requirements that no longer serve judicial efficiency, and promoting technological advancements while maintaining due process. Additional direct effects of the proposed regulation on small businesses will be determined by the Department after the workshop scheduled for March 27, 2024.

**(II) Indirect effects:**

The Department has determined that there are no indirect effects of the proposed regulation on small businesses, as all businesses are directly and beneficially affected similarly. The proposed regulation does not impose additional burdens that were not already contained within the existing regulation, but streamlines and clarifies various hearing procedures, adds definitions for the benefit of the parties, removes requirements that no longer serve judicial efficiency, and promotes technological advancements while maintaining due process. Additional indirect effects will be determined by the Department after the workshop scheduled for March 27, 2024.

**(3) A description of the methods that the Department of Business and Industry considered to reduce the impact of LCB File No. R058-22 on small businesses and a statement whether the Department actually used any part of those methods.**

As described above, the Department has preliminarily determined that there will be no adverse effects on small businesses. Therefore, the Department has not considered methods to reduce the impact of the proposed regulation on small businesses, as all businesses are directly and beneficially affected similarly. The proposed regulation does not impose additional burdens that were not already contained within the existing regulation, but instead streamlines and clarifies various hearing procedures, adds definitions for the benefit of the parties, removes requirements that no longer serve judicial efficiency, and promotes technological advancements while maintaining due process. Methods will be considered after the workshop scheduled for March 27, 2024, where the Department will receive comments from members of the public and small businesses on how the proposed regulation may impact them.

**(4) The estimated cost to the agency for enforcement of the proposed regulation.**

The Department does not anticipate any additional costs to the agency for enforcement of the proposed regulation. The proposed amended regulation streamlines and clarifies various hearing procedures, adds definitions for the benefit of the parties, removes requirements that no longer serve judicial efficiency, and promotes technological advancements while maintaining due process – all of which will have a beneficial effect by reducing costs to the agency.

**(5) If LCB File No. R058-22 provides a new fee or increases an existing fee, the total annual amount the Department of Business and Industry expects to collect and the manner in which the money will be used.**

Pursuant to existing law, the Department has authority to collect reimbursement for the cost of conducting an investigation, audit, or conducting a hearing. The proposed regulation establishes

the amount the Department can charge. The Department does not have an estimate of the number of hearings it expects to hold and therefore cannot estimate an approximate amount it would expect to collect from this reimbursement, but it believes hearings will be infrequent, rather than routine, and therefore the amount would be nominal. The Department intends to use this money to reimburse actual charges incurred by the Nevada Consumer Affairs Unit for rental of the room used or reserved for the hearing, and the actual fees and costs charged for use of an independent hearing officer if incurred.

**(6) If LCB File No. R058-22 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.**

LCB File No. R058-22 does not duplicate any existing federal, state or local standards regulating the same activity.

**(7) The reasons for the conclusions of the Department regarding the impact of LCB File No. R058-22 on small businesses.**

The Department's preliminary conclusions are based on the following reasons:

- The proposed regulation conforms chapter 598 of the NAC to existing law.
- The proposed regulation does not impose additional burdens that were not already contained within the existing regulation, nor does it directly or indirectly restrict the formation, operation, or expansion of a small business.
- The proposed regulation has a beneficial effect on small businesses by streamlining and clarifying various hearing procedures, adding definitions for the benefit of the parties, removing requirements that no longer serve judicial efficiency, and promoting technological advancements while maintaining due process.

The Department may have additional information regarding any potential impact to small businesses after the scheduled workshop.

*I, Dr. Kristopher Sanchez, Director, 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 business, and that the information contained in the statement above is accurate. (NRS 233B.0608(3))*

/s/ Kristopher Sanchez  
Dr. Kristopher Sanchez, Director  
Department of Business and Industry