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**OFFICE OF THE LIEUTENANT GOVERNOR**  
Stavros S. Anthony

January 31, 2023

Brenda J. Erdoes, Director  
Legislative Counsel Bureau  
401 South Carson Street  
Carson City, NV 89701

Dear Director Erdoes,

Pursuant to Assembly Bill 184 of the 81<sup>st</sup> Session of the Nevada Legislature, please find enclosed a required report concerning the implementation and activities of the Office of Small Business Advocacy (OSBA).

Please don't hesitate to contact myself or the director of the OSBA, Sarah Johnson, with any questions you may have. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Stavros S. Anthony".

Stavros S. Anthony  
Lieutenant Governor



**STATE OF NEVADA**  
**LIEUTENANT GOVERNOR'S**  
**Office of Small Business Advocacy**  
[www.ltgov.nv.gov](http://www.ltgov.nv.gov)

**SB-24**

**Revises provisions relating to the Office of Small Business Advocacy within the Office of the Lieutenant Governor. (BDR 18-404)**

**Overview**

Nevada is home to an enterprising, entrepreneurial population. Starting a small business is often a key step on the economic ladder for minority and underserved populations.

In 2022, Nevada was home to 313,257 small businesses - representing 99.2% of all businesses in the Silver State and employing 42.8% of its workforce.<sup>1</sup>

In 2021, however, 35% of Nevada's businesses closed their doors. Of course, many of these closures were due to the pandemic. But small business owners also cited burdensome and confusing regulations and licensing requirements, as well as a lack of assistance and a need for funding resources.

In a recent survey, a Nevada small business owner stated, "Nevada describes itself as being small business friendly and it is not!" Another entrepreneur added, "The licensing process is long (there's only one inspector). It seems that the order of things is off. You have to rent a commercial space before you can even get started with getting a license."

Small business owners face many issues when starting, operating, or closing their businesses. The Office of Small Business Advocacy (OSBA) was created to help small business owners navigate hurdles related to licensing, funding, and business regulations. The Office provides a direct line of contact and personalized support for Nevada's entrepreneurs to resolve issues related to licensing, regulation, and inspection.

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<sup>1</sup> US Small Business Administration Office of Advocacy, Nevada, 2022 Small Business Profile

OSBA also researches and collects data on the challenges facing Nevada’s small businesses and recommends improvements to state and local government agencies, as well as the Nevada legislature.

*The Office of Small Business Advocacy:*

- Receives, reviews, and resolves challenges faced by small business owners.
- Compiles and analyzes small business challenges and barriers to entry.
- Provides information and makes recommendations to governmental agencies and the Legislature.
- Analyzes and monitors the development and implementation of federal, state, and local laws, regulations, and policies relating to small businesses.

The Lieutenant Governor’s Office of Small Business Advocacy is excited to continue to serve Nevada’s entrepreneurs as we continue to make the Silver State more business friendly.

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## **Overview: Small Business in Nevada**

In 2021, the Governor's Office of Economic Development published *Nevada's Plan for Recovery & Resiliency*. The *Recovery & Resiliency Plan* identified five priority areas for intervention by the state. One of these was increased support for small businesses and entrepreneurs.

Specifically, the plan noted a need to develop an ecosystem that encourages and nurtures entrepreneurship, including but not limited to closing gaps in support for women- and minority-owned small businesses.

Support for small business is especially important for a state like Nevada. The state is home to an enterprising population and family-run businesses offer an especially valuable work opportunity to immigrants.

In short, small businesses are an invaluable source of economic dynamism and are oftentimes an important step up the economic ladder for immigrants and other minority populations.

### *Statistics to Consider:*

- In 2022, 313,257 small businesses were in operation in Nevada representing 99.2% of all businesses.
- Small businesses employ over half a million people or 43% of Nevada's workforce.
- 98% of businesses in Nevada have fewer than 20 employees.
- 35% of Nevada's small businesses closed their doors in 2021.
- Small business closures and contracting of business operations led to a decrease in 25% of jobs.
- While the number of small businesses in metropolitan counties has grown by 40% the number in rural counties has only grown by 7%.<sup>2</sup>

Additionally, small businesses are essential to women, immigrants, and people of color climbing the economic ladder:

- The number of women-owned businesses increased by 21% from 2014 to 2019, and businesses owned by women of color grew an astounding 43%.
- Women make up 46% of workers and own 45% of businesses.
- Hispanics make up 29% of workers and own 19% of businesses.
- Racial minorities make up 34% of workers and own 23% of businesses.<sup>3</sup>

## **History of the Office of Small Business Advocacy**

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<sup>2</sup> US Small Business Administration Office of Advocacy, Nevada, 2022 Small Business Profile

<sup>3</sup> [Nonemployer Statistics by Demographics](#), 2018 (Census)

One of the major recommendations from *Nevada's Recovery & Resiliency Plan* was the establishment of a state office focused on helping small business owners navigate hurdles related to an oftentimes confusing array of licensing, funding, and business regulations.

During Nevada's 81<sup>st</sup> Legislative Session (2021), former Speaker of the Assembly Jason Frierson and Assemblywoman Teresa Benitez-Thompson introduced AB 184 which created the Office of Small Business Advocacy. The bill outlined a three-pronged approach to the Office:

1. Provide Nevada's small businesses with a point of contact – a centralized hub – when they need assistance within the city, county, or state government ecosystem;
2. Direct entrepreneurs to opportunities for seed funding, venture capital, and grant opportunities;
3. Collect information on the obstacles facing small businesses and entrepreneurs and recommend improvements to state and local governments.

*"The office will serve as a direct resource for small businesses, providing one-to-one case management to help Nevada's small businesses navigate government rules and regulations, assisting them in problem solving, and connecting them with resources they need. The advocate would also give small businesses a voice in state government, collecting information on the problems Nevada's small businesses face, and bringing this information to the Governor and Legislature so roadblocks can be removed and services improved."*

### **How the Office of Small Business Advocacy Assists Nevada's Small Business Community**

OSBA serves as an advocate for small business<sup>4</sup> owners within state government. Working in tandem with state and county government agencies, OSBA resolves challenges and barriers facing small business owners. In doing so, OSBA helps ensure the long-term growth and resiliency of Nevada's small business community.

OSBA serves Nevada's entrepreneurs in four ways:

1. *Recommend Improvements*  
OSBA works with small business owners, business resource agencies, and local governments to identify and recommend improvements to issues related to getting a business license, business regulations, and licensing requirements.
2. *Mediate Between Small Business Owners and Government Agencies*  
OSBA ensures small business owners understand current regulations and can provide comment or feedback on cumbersome or onerous regulations effecting their industry or business. OSBA also serves as a mediator between small business and state and local agencies.

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<sup>4</sup> OSBA defines "small business" as a business with fewer than 20 employees that is or will be located in the State of Nevada.

### 3. *Resolve Issues*

OSBA ensures small business owners receive timely responses to any inquiry or request; resolves issues that arise in the administrative, regulatory, or enforcement functions of a state agency with respect to small businesses; and identifies and recommends efficient, responsive, and nonretaliatory procedures.

### 4. *Highlight Resources*

OSBA works together with other small business organizations such as the Small Business Development Center, the Small Business Association, and local/industry-specific Chambers of Commerce across the state. When small business owners approach OSBA with issues related to starting, operating, or winding down their business, OSBA directs them to appropriate resources and contacts.

## **Small Business Outreach**

Over the past year, OSBA hosted resource fairs, listening sessions, and roundtables with small business owners and stakeholders around Nevada. Held in cities and towns throughout the state, these events have targeted historically underserved communities and have highlighted issues faced by small business owners.

### *Resource Fairs*

It's important that OSBA meet small business owners in their communities to hear directly about the issues impacting them.

In partnership with other state and local agencies and stakeholders, OSBA hosts business resource fairs for existing and potential small business owners. Events like these help entrepreneurs understand what resources and tools are available to them in their community and throughout the state.

OSBA has held 4 resource fairs (2 in northern Nevada, 1 in Las Vegas' Historic Westside community, 1 in Las Vegas) since it began in 2022. Many events targeting rural and underserved communities throughout Nevada are planned in the coming months.

### *Listening Sessions / Roundtables*

It's vitally important for OSBA to meet with and hear directly from small business owners and stakeholders about the issues affecting their ability to start, run, and grow their businesses. Therefore, OSBA holds regular listening sessions with a diverse set of small business owners and business organizations throughout the state.

OSBA held 3 listening sessions (Reno + Sparks Chamber of Commerce, Black business community, and Hispanic business community) in northern Nevada and 2 in southern Nevada (AAPI business community and Henderson Chamber of Commerce) in 2022.

### **Insights Gained From Small Business Owners:**

"It is **insanely expensive** to even get **ALL licensure** to conduct business, on all levels."

“The North Nevada Business office sure **takes a while to get business licenses** granted. I’m not sure if that is one area that could use some streamlining.”

“The **licensing process is long**, with only **1 inspector**, it seems that the order of things is off. You have to rent a commercial space before you can even get started with getting a license.”

“A ‘What to do next’ section somewhere on **Silverflume** would be great, as it relates to required municipality permits.”

“We are in a very rural region of Southern Douglas County with no neighbors. And we have been told by the Douglas County Planning Commission that we would have to **wait 2 years** and spend at least \$12,000.00 to be rezoned.”

“**Silverflume** is very confusing as it relates to serving the Las Vegas metro areas. Make it simple.”

“The vocabulary on the **permits process in Pahrump is very complicated** and hard to understand by a regular person. Not very clear from the beginning.”

“The City of Reno **licensing and permitting is frustrating.**”

“Most places like Nevada Transportation Authority are not helpful when asking for info about permits etc. Very rude and vague responses. **ZERO HELP**. Almost like we are bothering them. Unprofessional 24.7.”

“**Nevada describes itself as being small business friendly and it is not!**”

“I lack educational support and **don’t understand the necessary licenses and permits.**”

“I’ve been **waiting for the permit from the city for months now.**”

“**Waiting for a business license** in North Las Vegas (stressful and confusing).”

#### *Customer Relationship Management (CRM) System*

Intranet Quorum –OSBA’s CRM system – allows small business owners and OSBA to:

- Input requests from OSBA quickly and easily.
- Receive and facilitate entrepreneur requests and manage case progression.
- Keep a record of issues affecting small business owners to better inform OSBA initiatives and make recommendations at the local, county, and state level.

Since its launch in 2022, OSBA has received and processed 226 requests from small business owners through the Intranet Quorum CRM system and traditional means of communication.

### **Minority- and Women-Owned Small Businesses**

As a majority-minority state with a major Hispanic population and a fast-growing AAPI population, the needs of small business owners are incredibly diverse.

On average, the self-employed are wealthier than the non-self employed. Owning and operating a small business is an important source of family wealth, but business equity as a share of nonfinancial

assets differs greatly for demographic groups. For White (non-Hispanic) families, business equity makes up about one out of every three dollars of non-financial assets, whereas for Black (non-Hispanic) or Hispanic families, business equity makes up about one out of every eight dollars of nonfinancial assets.<sup>5</sup>

OSBA focuses its marketing and outreach efforts on minority and women entrepreneurs, socially and economically disadvantaged individuals, and businesses with fewer than 20 employees. The Office markets its services directly to immigrant and non-English speaking populations by using translation services, serving as a bridge to local contacts, and engaging local, industry-specific, and minority Chambers.

The Office partners with local and state-based entrepreneurship organizations to determine ways to bring business resources to these underserved communities. In addition, OSBA hosts small business fairs throughout Nevada in strategic communities such as Las Vegas' East and Historic Westside communities, and Hispanic communities in the Reno/Sparks area.

### **Small Business Ownership in Nevada's Rural Counties**

Since 2000, the number of small business establishments in the United States' metropolitan counties grew by 31%, while the number in rural counties only grew by 7%. While rural counties in Western states led the nation in small business growth, Nevada's rural communities did not place in the top five; New Mexico, Oregon, Hawaii, Utah, and California all beat the Silver State on rural small business growth metrics.<sup>6</sup>

OSBA has put a concerted effort into working with Chambers of Commerce in rural communities throughout Nevada. The Office put together a virtual training program with Google and offered resource fairs in several communities. Immediate plans for OSBA include a target campaign to reach out to city leaders and elected officials to determine the needs and frustrations of their small business community. In addition, OSBA plans to host resource fairs, listening sessions, and free legal clinics in rural counties throughout Nevada.

### **Issues & Challenges Facing Small Business Owners**

From home care operators and skilled nursing facilities to restaurants and contractors, OSBA has served entrepreneurs in various industries. However, no matter the industry, small business owners face similar issues. As the insights from listening sessions above highlight, the major issues facing small business owners concern regulations, delays and confusion related to licensing, inspections, and finding and securing grants/funding sources.

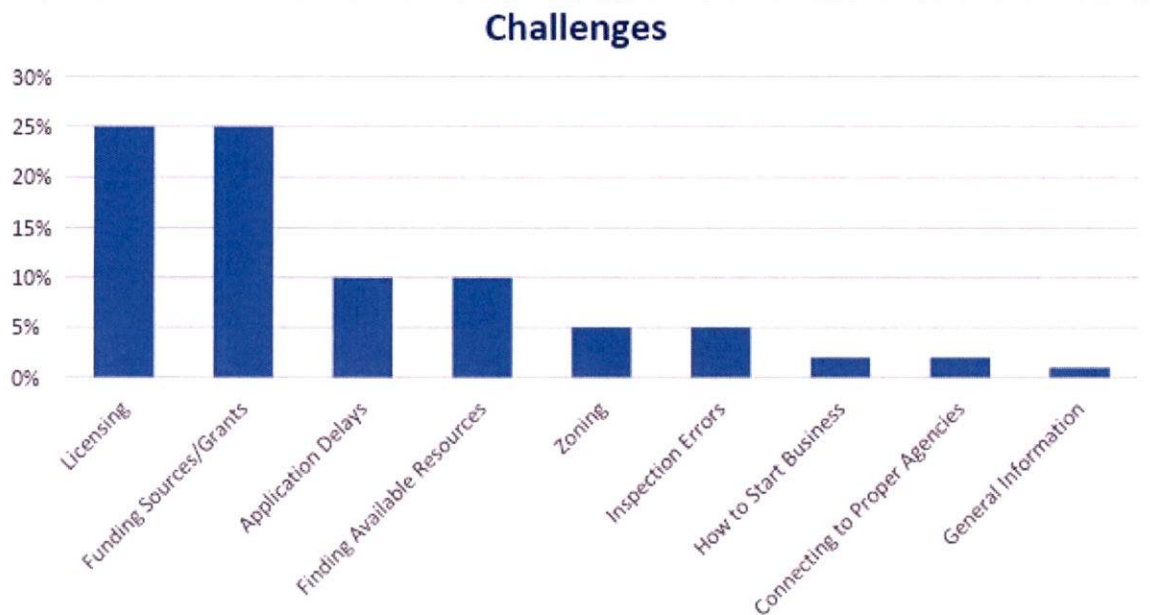
The Office of Small Business Advocacy helps resolve these challenges and barriers and, in doing so, helps ensure the long-term growth and resiliency of Nevada's small business industry.

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<sup>5</sup> Federal Reserve data, "[Small Business Facts: The Importance of Business Ownership to Wealth.](#)"

<sup>6</sup> "[Growth in Number of Rural Establishments.](#)"





## Key Stakeholders

In coordination with other business groups throughout Nevada, OSBA serves as a centralized hub. The Office connects small business owners to available resources and works to resolve challenges and barriers to access.

The Office builds and develops relationships across Nevada with business owners and stakeholders to assess challenges and collaborate on ways to assist small business owners. By working together, OSBA and its stakeholders will ensure the long-term growth and resiliency of Nevada’s small business community.

*OSBA regularly works with:*

- Small Business Development Center
- Small Business Administration, Nevada Chapter
- SCORE
- Nevada’s Women’s Business Center
- EDAWN
- National Association of Women Business Owners
- Association of Minority Contractors
- Southern Nevada Health District
- Northern Nevada Network
- National Federation of Independent Business, Nevada Office
- Southern Nevada Veterans Chamber of Commerce
- Armed Forces Chamber of Commerce
- Nevada’s Secretary of State

- Governor’s Office of Department of Business and Industry
- Governor’s Office of Economic Development
- Carson City Chamber of Commerce
- Reno + Sparks Chamber of Commerce
- Las Vegas Chamber of Commerce
- Henderson Chamber of Commerce
- Urban Chamber of Commerce
- Latin Chamber of Commerce
- Las Vegas Asian Chamber of Commerce
- Wedding Chamber of Commerce
- Nevada Small Business Council
- Numerous state/county/local agencies

## **Opportunities for the Future**

There are many exciting plans to reach new audiences and assist entrepreneurs in Nevada if the Office of Small Business Advocacy becomes permanent.

### **Free Small Business Legal Clinic**

In coordination with local law firms, OSBA will host legal clinics free of charge for entrepreneurs. Small business owners will have the ability to schedule 20 minutes of one-on-one time with an attorney to ask questions related to incorporation and intellectual property to human resources and contract issues. For rural communities when there are not partner law firms available for in person meetings, OSBA will coordinate virtual meetings.

### **OSBA Website**

In order to guarantee efficient support of entrepreneurs, the Office must develop a robust website that is user-friendly and informative to small business owners. This would be the future site of our CRM system to better respond to the challenges facing Nevada’s entrepreneurs.

### **Entrepreneur Roundtables**

In the year since its founding, OSBA has hosted several listening sessions and roundtables with small business owners and stakeholders. It’s important that this program is developed further with an emphasis on reaching out to immigrant, minority, and rural communities throughout Nevada.

### **Nevada Entrepreneurship and Small Business Development Course**

To survive and thrive, entrepreneurs need to master best practices in planning, finance, people, operations, marketing, sales, and customer relationships, all while assessing risks and opportunities and staying in legal compliance.

OSBA will fill knowledge gaps in those areas by creating a certificate program that provides engaging courses to small business owners.

Working with the University of Nevada, Las Vegas and the University of Nevada, Reno, this certificate program would be offered 24/7/365 online to meet entrepreneurs’ needs.

Expected outcomes from successfully completing this program include: the ability to better evaluate core business practices in business development, marketing strategies, personnel, operations, product/service offerings, and customer service.

## **Leadership**

**Sarah Johnson** is OSBA's new Director and will prove to be a vital part of the team as the Office expands its reach and builds out programming. She has spent her career focused on helping small businesses and entrepreneurs succeed. Sarah previously directed the marketing efforts of the National Federation of Independent Business; led programming for Belmont University's Center for Entrepreneurship, a top 25 Undergraduate Entrepreneurship Program; and, more recently, founded and ran a marketing and communications consulting organization to assist small businesses, nonprofit organizations, and state-based policy groups.

Sarah received a Master's of Public Policy from Vanderbilt University and a Bachelor's of Business Administration in Marketing and Entrepreneurship from Belmont University. She lives in Las Vegas with her husband and their two rescue dogs.

**Melissa Saavedra** serves as the Deputy Director for OSBA and as a main point of contact for small businesses in northern Nevada. She is an experienced business development professional and marketer. Melissa is known for her ability to come up with thoughtful visions and for implementing those ideas using unique and creative approaches.

In her previous role, Melissa was the Associate Publisher and Senior Business Development Manager for the Northern Nevada Business Weekly. There, she spearheaded the only business-to-business newspaper in Nevada while executing profitable marketing tactics and forging enduring relationships with local organizations and agencies.

She is a graduate of the University of Nevada, Reno with a degree in International Business and Marketing and resides in Northern Nevada with her husband and two children.