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

Revised LCB File No. R104-201

January 21, 2022

PROPOSED AMENDMENTS TO NAC CHAPTER 571

- 1. A description of 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.**

The Nevada Department of Agriculture (NDA) released a digital survey via email to industry members and businesses. The survey opened on June 3, 2021 and closed on June 18, 2021. In addition, the survey was posted to the NDA website at www.agri.nv.gov/survey on June 3, 2021. The survey was sent to a total of 6,047 licensed businesses and interested parties in Nevada. A link to all active surveys, including NAC 571, was shared on the NDA's social media pages on June 3, 2021, June 10, 2021, and June 16, 2021. The Nevada Farm Bureau also promoted the survey in their newsletters and social media on June 4, 2021 and June 10, 2021. During the administration of the survey, no requests were made for a printed copy.

In total, the survey received 197 responses with a 39% survey completion rate. Persons interested in obtaining the survey results and summary may do so by contacting the Division of Animal Industry at 775-353-3709 or animalindustry@agri.nv.gov.

Summary of survey responses:

- What level of negative impact will the proposed changes to NAC 571 have on your business?
 - No Impact: 23 respondents (27.06%)
 - Insignificant Impact: 13 respondents (15.29%)
 - Minor Impact: 17 respondents (20.00%)
 - Moderate Impact: 21 respondents (24.71%)
 - Major Impact: 10 respondents (11.76%)
 - Severe Impact: 1 respondent (1.18%)
- If enacted would the proposed changes to NAC 571 impact your ability to do business?
 - Yes: 34 (26.98%)
 - No: 41 (32.54%)
 - Maybe: 51 (40.48%)

- Estimate the total annual impact the proposed changes to NAC 571 will have on your business.
 - Reported cost of the proposed changes to NAC 571 on small business by respondents would be between \$177,632 and \$2,017,368. However, the median cost to individual small businesses would be between \$100 and \$1,000. In total, 29 respondents (33.7%) reported that there would be no cost due to NAC 571, while 67 respondents (77.9%) reported they would incur costs associated with the proposed regulations. 19 respondents (22%) stated that they would incur costs greater than \$5,001. Information on how estimates were determined was not provided by survey respondents.
- 58 respondents answered the survey question of “what level of financial impact would have on their businesses?” Most answered that the financial impact would be none to minimal. Others were uncertain about the financial impact or estimated the impact to be significant.
- 51 respondents answered the survey question “would any operational changes need to be made as a result of the financial impact of the proposed changes?” Most said they would not need to make operational changes, while others indicated that changes would have to be made.

2. The manner in which the analysis was conducted.

A statistical analysis of the survey results was compiled and considered along with comments from respondents. While most respondents indicated that the proposed changes would have an impact on their businesses, the majority indicated that the level of financial impact would be none to moderate.

3. The estimated economic effect of the proposed regulation on small business which it is to regulate, including, without limitation:

Of the 85 respondents, 12.94% indicated proposed changes to NAC 571 would have a major or severe impact on their business. Based upon comments provided in the follow up question “how would changes to NAC 571 impact your ability to do business?” 73.02% of the 126 respondents indicated it would have insignificant to no impact to their business.

The survey asked if the proposed changes to NAC 571 would impact their ability to do business. Of the 126 respondents, 26.98% indicated it would, 32.54% indicated it would not and 40.48% indicated maybe.

While numerous respondents expressed concern over additional state regulations and fee increases when asked what total annual impact the proposed changes to NAC 571 would have on their business, 33.7% of the 86 respondents indicated minor to no financial impact. 77.9% of respondents indicated they would incur costs between \$100 and \$1000, while 22% indicated they would incur costs greater than \$5,001.

4. A description of 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.

In considering the establishment of different standards of compliance for small businesses, the agency determined that most of the affected agriculture businesses in Nevada would fall under the small business category of employing less than 150 employees. As the agency continues through

the regulatory adoption process required under the Nevada Administrative Procedure Act, it will consider any other methods to reduce the impact to small businesses that may be proposed.

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

The agency does not anticipate that its ongoing costs to enforce the proposed changes to NAC 571 will increase. The agency anticipates one-time costs of approximately \$2,500 to print and mail a notice of the revised regulations to all registered livestock producers and industry partners following adoption of the 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.

Not applicable.

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.

The proposed regulations are not duplicative or more stringent than federal, state or local standards.

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

While there will be an impact on small businesses as result of adoption of the proposed regulation, the agency concludes that the regulations are reasonable and necessary for the NDA to perform all statutorily mandated duties in control and eradication of diseases in animals. Based upon the survey responses received, the agency can only estimate the percentage of small businesses that may incur a cost greater than \$5,001 to be approximately 22%.

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

Jennifer Ott

Digitally signed by Jennifer Ott
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