

ASSEMBLY BILL NO. 486—ASSEMBLYMEN GOLDWATER, LEE, PERKINS, BUCKLEY, NEIGHBORS, BERMAN, GIBBONS, MARVEL, PRICE, OHRENSCHALL, ANDERSON, FREEMAN, PARNELL, KOIVISTO, MCCLAIN, ANGLE, MORTENSON, HUMKE, CLABORN, DE BRAGA, CHOWNING, BACHE, EVANS, LESLIE, NOLAN, GIUNCHIGLIANI, ARBERRY, WILLIAMS, COLLINS, MANENDO, PARKS, BEERS, CARPENTER, SEGERBLOM, THOMAS AND DINI

MARCH 11, 1999

JOINT SPONSORS: SENATORS RAWSON, O'CONNELL AND TITUS

Referred to Committee on Commerce and Labor

SUMMARY—Requires certain governmental entities to consider impact of rules and regulations on small businesses. (BDR 18-1297)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~for omitted material~~ is material to be omitted.

AN ACT relating to administrative procedure affecting small businesses; providing in skeleton form for a requirement that certain governmental entities consider the impact on small businesses of rules and regulations promulgated by the governmental entity; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 233B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this act.
3 **Sec. 2.** ***“Small business” means a business conducted for profit***
4 ***which employs fewer than 150 full-time or part-time employees.***
5 **Sec. 3. 1.** ***Before conducting a workshop for a proposed regulation***
6 ***pursuant to NRS 233B.061, an agency shall determine whether the***
7 ***proposed regulation is likely to:***
8 ***(a) Impose a direct and significant economic burden upon a small***
9 ***business; or***

1 (b) Directly restrict the formation, operation or expansion of a small
2 business.

3 2. If an agency determines pursuant to subsection 1 that a proposed
4 regulation is likely to impose a direct and significant economic burden
5 upon a small business or directly restrict the formation, operation or
6 expansion of a small business, the agency shall:

7 (a) Insofar as practicable, consult with owners and officers of small
8 businesses that are likely to be affected by the proposed regulation.

9 (b) Consider methods to reduce the impact of the proposed regulation
10 on small businesses, including, without limitation:

11 (1) Simplifying the proposed regulation;

12 (2) Establishing different standards of compliance for a small
13 business; and

14 (3) Modifying a fee or fine set forth in the regulation so that a small
15 business is authorized to pay a lower fee or fine.

16 (c) Prepare a small business impact statement and make copies of the
17 statement available to the public at the workshop conducted and the
18 public hearing held pursuant to NRS 233B.061.

19 **Sec. 4.** A small business impact statement prepared pursuant to
20 section 3 of this act must set forth the following information:

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

25 2. The estimated economic effect of the proposed regulation on the
26 small businesses which it is to regulate, including, without limitation:

27 (a) Both adverse and beneficial effects; and

28 (b) Both direct and indirect effects.

29 3. A description of the methods that the agency considered to reduce
30 the impact of the proposed regulation on small businesses and a
31 statement regarding whether the agency actually used any of those
32 methods.

33 4. The estimated cost to the agency for enforcement of the proposed
34 regulation.

35 5. If the proposed regulation provides a new fee or increases an
36 existing fee, the total annual amount the agency expects to collect and
37 the manner in which the money will be used.

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

1 **Sec. 5. 1. A small business that is aggrieved by a regulation**
2 **adopted by an agency on or after January 1, 2000, may object to all or a**
3 **part of the regulation by filing a petition with the agency that adopted the**
4 **regulation.**

5 **2. A petition filed pursuant to subsection 1 may be based on the**
6 **following grounds:**

7 **(a) The agency failed to prepare a small business impact statement as**
8 **required pursuant to section 3 of this act; or**

9 **(b) The small business impact statement prepared by the agency**
10 **pursuant to section 3 of this act did not consider or significantly**
11 **underestimated the economic effect of the regulation on small**
12 **businesses.**

13 **3. After receiving a petition pursuant to subsection 1, an agency shall**
14 **determine whether the petition has merit. If the agency determines that**
15 **the petition has merit, the agency may, pursuant to this chapter, take**
16 **action to amend the regulation to which the small business objected.**

17 **Sec. 6.** NRS 233B.030 is hereby amended to read as follows:

18 233B.030 As used in this chapter, unless the context otherwise
19 requires, the words and terms defined in NRS 233B.031 to 233B.0385,
20 inclusive, **and section 2 of this act** have the meanings ascribed to them in
21 those sections.

22 **Sec. 7.** Chapter 237 of NRS is hereby amended by adding thereto the
23 provisions set forth as sections 8 to 14, inclusive, of this act.

24 **Sec. 8. As used in sections 8 to 14, inclusive, of this act, unless the**
25 **context otherwise requires, the words and terms defined in sections 9, 10**
26 **and 11 of this act have the meanings ascribed them in those sections.**

27 **Sec. 9. "Local government" means a political subdivision of this**
28 **state, including, without limitation, a city, county, irrigation district,**
29 **water district or water conservancy district.**

30 **Sec. 10. "Rule" means an ordinance, regulation, resolution or other**
31 **type of instrument by the adoption of which the governing body of a local**
32 **government exercises legislative powers.**

33 **Sec. 11. "Small business" has the meaning ascribed to it in section 2**
34 **of this act.**

35 **Sec. 12. 1. Before adopting a proposed rule, the governing body of**
36 **a local government shall determine whether the proposed rule is likely to:**

37 **(a) Impose a direct and significant economic burden upon a small**
38 **business; or**

39 **(b) Directly restrict the formation, operation or expansion of a small**
40 **business.**

1 2. If the governing body of a local government determines pursuant
2 to subsection 1 that a proposed rule is likely to impose a direct and
3 significant economic burden upon a small business or directly restrict the
4 formation, operation or expansion of a small business, the governing
5 body shall:

6 (a) Insofar as practicable, consult with owners and officers of small
7 businesses that are likely to be affected by the proposed rule.

8 (b) Consider methods to reduce the impact of the proposed rule on
9 small businesses, including, without limitation:

10 (1) Simplifying the proposed rule;

11 (2) Establishing different standards of compliance for a small
12 business; and

13 (3) Modifying a fee or fine set forth in the rule so that a small
14 business is authorized to pay a lower fee or fine.

15 (c) Prepare a small business impact statement and make copies of the
16 statement available to any interested person before holding a hearing to
17 adopt the rule.

18 **Sec. 13.** A small business impact statement prepared pursuant to
19 section 12 of this act must set forth the following information:

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

24 2. The estimated economic effect of the proposed rule on the small
25 businesses which it is to regulate, including, without limitation:

26 (a) Both adverse and beneficial effects; and

27 (b) Both direct and indirect effects.

28 3. A description of the methods that the governing body of the local
29 government considered to reduce the impact of the proposed rule on
30 small businesses and a statement regarding whether the governing body
31 actually used any of those methods.

32 4. The estimated cost to the local government for enforcement of the
33 proposed rule.

34 5. If the proposed rule provides a new fee or increases an existing
35 fee, the total annual amount the local government expects to collect and
36 the manner in which the money will be used.

37 6. If the proposed rule includes provisions which duplicate or are
38 more stringent than federal, state or local standards regulating the same
39 activity, an explanation of why such duplicative or more stringent
40 provisions are necessary.

1 **Sec. 14. 1.** *A small business that is aggrieved by a rule adopted by*
2 *the governing body of a local government on or after January 1, 2000,*
3 *may object to all or a part of the rule by filing a petition with the*
4 *governing body that adopted the rule.*

5 **2.** *A petition filed pursuant to subsection 1 may be based on the*
6 *following grounds:*

7 **(a)** *The governing body of the local government failed to prepare a*
8 *small business impact statement as required pursuant to section 12 of this*
9 *act; or*

10 **(b)** *The small business impact statement prepared by the governing*
11 *body pursuant to section 12 of this act did not consider or significantly*
12 *underestimated the economic effect of the rule on small businesses.*

13 **3.** *After receiving a petition pursuant to subsection 1, the governing*
14 *body of a local government shall determine whether the petition has*
15 *merit. If the governing body determines that the petition has merit, the*
16 *governing body may take action to amend the rule to which the small*
17 *business objected.*

18 **Sec. 15.** This act becomes effective on January 1, 2000.