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SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 223B.0608

LCB FILE No. R188-24

January 23, 2026

PROPOSED AMENDMENTS TO NAC CHAPTER 557

- 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 purpose of this proposed regulation is to align state and federal definitions to maintain a federally compliant hemp program within the state, which enables Nevada hemp to enter the national marketplace. Below are the results of a survey that was posted from January 5, 2026 to January 19, 2026 regarding proposed revisions to NAC 557.

- Of the total 27 survey respondents, 14 responded to the question asking if they are currently registered with the Nevada Department of Agriculture under the Industrial Hemp Program.
 - 2 respondents answered yes.
 - 12 respondents answered no.
- 14 respondents answered the question asking if they are a registered Grower, Handler, or Seed Producer.
 - 2 respondents answered that they are Growers.
 - 2 respondents answered that they are Handlers.
 - 2 respondents answered that they are Seed Producers.
 - 12 respondents answered with "other".
- 5 survey respondents replied to the question asking if their business falls under the definition of a small business as defined by NRS233B.0382.:
 - 4 indicated that they fall under the definition of a small business, 1 did not.
 - Question regarding the number of employees their business has:
 - 3 respondents indicated that they have 1-15 employees.
 - 1 respondent indicated that they have 16-30 employees.
 - 1 respondent indicated that they have 46-60 employees.

- 3 survey respondents replied to the question asking if the proposed changes to NAC 557 would impact their ability to do business:
 - 2 respondents replied “no”, 1 respondent replied with “unknown”.

A complete summary can be obtained by contacting the NDA at (775) 353-3670 or d.reece@agri.nv.gov.

2. The manner in which the analysis was conducted.

The NDA launched the survey on January 5, 2026 and closed it on January 19, 2026. The survey was posted to NDA’s website and social media accounts. In addition, it was distributed to an email list comprised of 9,134 recipients (2,616 of which opened the email), including past and current registered Growers, Handlers, and Seed Producers within the State of Nevada.

3. The estimated indirect and direct economic effect of the proposed regulation on the small businesses it is to regulate, including, without limitation.

- (1) Both adverse and beneficial effects; and
- (2) Both direct and indirect effects.

- Level of negative impact the proposed changes would have on their business (3 respondents responded):
 - 1 respondent indicated “No Impact”.
 - 1 respondent indicated “Neither Positive nor Negative”
 - 1 respondent indicated “Severe Impact”
- One survey question asked the participants to select one or any part of the proposed revision that would have the most financial impact on their business:
 - Section 1:** Updates the definition of “Total THC” to match Federal regulations.
 - Section 2:** Includes the updated Total THC definition in section 1 to be included in Section 2 regarding words and terms defined in NAC 557.
 - Section 3:** Includes “Total THC” in the definition for “Acceptable Hemp THC Level” and updates the definition to match the one ascribed in existing federal regulations.
 - Section 4:** Updates “THC” to “Total THC” and adds the definition of “post-decarboxylation” to have the meaning ascribed to it in existing federal regulations.

Results:

Out of 3 respondents:

- 1 respondent selected all Sections (Sections 1, 2, 3, and 4).
- 1 respondent answered “Section 1” only.
- 1 respondent answered “Other” only.

The responses to “Other, please specify” were:

- “Test”.
- “None of the Above”.

- When asked how these sections could be adjusted to mitigate their level of negative financial impact, 2 respondents answered. The answers are as follows:
 - “Test”.
 - “No Regulation”.
- One respondent provided feedback on what they would like us to consider in relation to the proposed changes to NAC 557:
 - “Test”.
- 2 respondents stated the cost of the proposed changes would be \$0, and 1 reported their annual impact to be between \$1-\$99.
- 2 survey respondents answered the question asking if they would need to make operational changes to their business because of the financial impact of proposed change:
 - Both respondents answered “No”.

The NDA estimates minimal adverse effects and minimal direct or indirect impact on small businesses in Nevada due to the proposed regulation. The NDA estimates a small beneficial impact by enabling continued access to the national marketplace.

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.

The proposed changes update definitions to match those that are defined in existing federal regulations. The department does not foresee that the proposed regulation changes will have an impact on small businesses and hemp producers in Nevada.

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

These revisions will add minor administrative work such as communication with industry to notify them of the updated language in the regulations. No other estimated cost to the agency is anticipated.

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.

The proposed regulation does not provide a new fee or increase an existing fee.

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 regulation references definitions in 7 C.F.R. § 990.1, creating concurrence between state and federal regulations. The NDA is required to maintain a USDA approved Hemp State Plan to enable hemp production and sale in Nevada pursuant to the 2018 Farm Bill. These changes are necessary to align state and federal definitions to maintain an approved Hemp State Plan. Although this regulation is current with federal regulation, the only entity enforcing the regulation is the State of Nevada through administration of the Nevada State Hemp Plan.

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

Impacts on Nevada small businesses are expected to be minimal, as this proposed regulation does not make any changes to the current acceptable THC level, testing, licensing, or inspection fees within the state hemp program. The small business impact survey respondents indicated they expect no impact, or an impact of less than \$99 to their businesses.

I certify to the best of my knowledge or belief, a concerted effort was made to determine the impact of this proposed regulation on small business, and that the information contained in this statement was prepared properly and is accurate. (NRS 233B.0608(3))

J.J. Goicoechea
J.J. Goicoechea (Jan 26, 2026 11:50:27 PST)

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