

**PROPOSED REGULATION OF THE HEALTH DIVISION OF
THE DEPARTMENT OF HUMAN RESOURCES**

Italicized type is new and will be added to the regulation. Type with a {parentheses} will be deleted from the regulation. Other type is existing in the regulation.

CHAPTER 447 - PUBLIC ACCOMMODATIONS

*Annual permits for public accommodations and
Plan review fees for public accommodations*

PERMITS AND FEES

*Application for and form of permit; plan for public accommodations such as motels, Hotels,
or lodges*

NAC 447.### Application; plans and specifications.

- 1. Any person desiring to construct a public accommodation facility such as a motel, hotel, or lodge or to remodel or add to an existing facility must apply in writing to the health division on forms furnished by the health authority, giving the name of the facility and its location together with such other information as may be required. The application must be accompanied by plans and specifications with supporting data prepared by a professional engineer who is registered in this state, an architect who is registered in this state, or a licensed contractor who holds an appropriate classification license with appropriate sub-classification issued by the state contractors' board. A licensed professional engineer or a registered architect shall include his seal and signature on any plans and specifications submitted to the health authority. A licensed contractor shall include his signature on any plans and specifications submitted to the health division.*
- 2. The plans must be drawn to scale, contain a north arrow and must be accompanied by proper specifications so as to permit a comprehensive review of the plans.*
- 3. The submitted plans must be approved in writing before any construction is undertaken.*

NAC 447.#### Fees.

- 1. The health division shall charge and collect fees for annual permits in accordance with the following schedule, except in areas where the laws and regulations governing facilities for public accommodations are administered by local health authorities:*

<i>For an establishment having 30 or less rooms or units.....</i>	<i>\$ 145</i>
<i>For a facility having more than 30 rooms or units.....</i>	<i>\$ 145</i>
<i>Plus \$1.50 for each room or unit over 30 to a maximum of \$1,000.</i>	

2. The health division shall charge and collect the following fees for reviewing plans of such facilities for sanitation:

<i>For a plan for a new facility.....</i>	<i>\$ 100</i>
<i>Plus an amount equal to the fee for an annual permit for the facility being reviewed.</i>	
<i>For a plan for remodeling a facility which has a permit.....</i>	<i>100</i>
<i>Plus an amount equal to one-half of the fee for an annual permit to operate the facility after the remodeling.</i>	

SMALL BUSINESS IMPACT STATEMENT

Amendments to Fees by the Bureau of Health Protection Services Contained in Nevada Administrative Code (NAC) 447.

PROPOSED AMENDMENTS TO EXISTING REGULATIONS provide for fee increases to allow the Bureau of Health Protection Services (BHPS), a bureau within the State Health Division to recover the new and increased costs associated with reviewing plans and issuing permits for public accommodations such as motels, hotels and lodges.

This is the Small Business Impact Statement required under Nevada Revised Statutes (NRS) 233B.0608 and 233B.0609. A small business is defined in Nevada Revised Statutes (NRS) 233B.0382 as a "business conducted for profit which employs fewer than 150 full-time or part-time employees." **This statement only applies to businesses meeting the aforementioned definition.**

The State Board of Health's (SBOH) policy in addressing fees for business operators regulated under its authority is to minimize the impact by having fees decreased where possible and increased where necessary in a graduated schedule based upon actual cost of performing work.

The proposed amendments to the Chapter 447 of the NAC will introduce new fees for permits, plan reviews for public accommodations such as motels, hotels and lodges. Annual permits for establishments having 30 or less rooms will be charged \$145 per permit and for establishments having more than 30 rooms or units \$145 plus \$1.50 for each room or unit over 30 to not exceed a maximum of \$1,000.

Background

The Health Division receives no funding from the federal government for the purposes of administering the public accommodations supervision programs. Funding for this purpose is appropriated by the Nevada State Legislature. However, the State funding does not cover the actual costs by BHPS performing these statutory responsibilities. To meet this funding shortfall, the Nevada State Legislature has historically required that regulated entities pay an annual permit fee to the BHPS. In State Fiscal Year 04 (July 1, 2003 - June 30, 2004) and State Fiscal Year 05 (July 1, 2004 - June 30, 2005), the Legislature has budgeted a fee increase of approximately \$104,000 to merely cover the existing level functions performed by this section of BHPS.

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.

Letters will be sent to all affected establishments as well as those known interested individuals and local health authorities advising them of the potential fee changes and providing notice of public workshops. Copies of the proposed amendments will be posted at the Health Division's web site. Public workshops will be held in October 2003; copies of proposed amendments will be provided to those individuals and businesses, which have requested direct service.

Interested persons may obtain a list of the recipients and a summary of written responses to the solicited comments by contacting Kinley Goodman, Supervisor EHS, BHPS, 1179 Fairview Dr., Ste 101, Carson City, NV 89701 or by calling (775) 687-6353, extension 261, after October 24, 2003.

2. The estimated economic effect of the proposed regulation on the small business which it is to regulate including, without limitation, both adverse and beneficial effects and both direct and indirect effects.

Direct Adverse and Beneficial Effects

A possible direct adverse effect may be that some small businesses may experience increased costs for permits and for plan reviews of proposed or remodeled establishments. A beneficial direct effect is that establishments will be provided with better equipped and better trained environmental health specialists that conduct their plan reviews and inspections.

The estimated direct and indirect beneficial economic effects of the proposed fee changes on affected small businesses cannot be quantified. The direct beneficial effect cannot be determined. The overall indirect effect of the proposed fees will provide adequate funding for better protection of the health and safety of the public by providing better equipped and better trained inspectors, thereby decreasing the risk to public health and subsequently decreasing associated medical costs, pain and suffering, and a negative impact on local economies that could result.

Direct and Indirect Costs

The estimated direct adverse economic effect of the proposed fee increases on establishments is not expected to be large and will primarily occur in the plan review process and the annual permits for establishments. Indirect costs may be incurred by the customers of those establishments in that the costs might be passed through rates/fees for service. Costs would be determined on a case-by-case basis.

3. A description of the methods that BHPS considered to reduce the impact of the proposed regulation on small businesses and statement regarding whether the agency actually used those methods.

In considering methods to reduce the impact of the proposed regulation on small businesses as required by NRS 233B.0608 2 (b) (1), the agency shall consider simplifying the proposed regulation.

This fee proposal does not propose new regulations for compliance other than creation of some new fees as described above. The impact of these fee increases on small businesses has been minimized or eliminated to the extent possible. New fees are implemented, or existing ones increased in those areas where BHPS has experienced or expects increased activity and, therefore, increased costs.

In considering methods to reduce the impact of the proposed regulation on small businesses as required by NRS 233B.0608 2 (b) (2), the agency shall consider establishing different standards of compliance for a small business.

This fee proposal does not propose new regulations for compliance.

In considering methods to reduce the impact of the proposed regulation on small businesses as required by NRS 233B.0608 (2)(b)(3), the agency shall consider modifying a fee or fine set forth in the regulation so that a small business is authorized to pay a lower fee or fine.

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

The estimated cost to the agency for enforcement of the proposed regulation is minimal and will be handled through the existing administrative process.

5. Total amount BHPS expects to collect from any fees and the manner in which the money will be used.

The total amount of revenue expected to be collected from this fee proposal is estimated at \$_____, an increase of about \$_____ over existing revenue.

6. An explanation of why any duplicative or more stringent provisions than federal, state or local standards regulating the same activity are necessary.

The proposed fee changes do not overlap or duplicate any federal, state or local regulations.