

INFORMATIONAL STATEMENT

A. Need and Purpose of the Proposed Regulation

The adopted regulations were adopted with changes and are necessary to provide clarity to existing regulations and add measures to enhance public health, safety and welfare.

Section 1 of the regulation, relating to structural engineering licensure, adds clarity in defining the upper height limit on buildings designed by civil engineers. It also requires that essential structures be designed by a structural engineer. Essential facilities include buildings such as hospitals, fire stations, and schools that would be occupied by the public and used by first responders during a catastrophic event. This amendment enhances public health, safety and welfare, as a significant portion of Nevada's population reside in areas with high seismic activity and are susceptible to damage during seismic events. Essential structures must be designed by competent engineering professionals to maintain operability to provide shelter/service to affected public.

Section 2 requires a licensee, prior to entering into a contract for work performed, to ensure that the contract contains a disclosure as to whether the licensee currently maintains a policy of professional liability insurance.

Section 3 of the regulation relates to the signing and stamping of documents produced by a professional engineer or professional land surveyor. The regulation provides clarification as to the applicable designs to which a stamp and seal need to conform and revises electronic seal and digital signature requirements. Further, the regulation allows discretion for small businesses to procure from a vendor of their choosing without coordination with the board.

Section 4 of the regulation revises provisions relating to certain requirements concerning advertising for or offering to perform land surveying or engineering in a discipline of professional engineering. In addition, Section 4 removes the current requirement that a full-time PE/PLS be physically present at each business location where work is being completed. The intent of the regulation is to remove the physical presence constraint while not compromising the accountability and oversight of being in responsible charge of the work performed, and to reduce barriers to trade and competition. The regulation will enable Nevada small businesses to open secondary offices in other Nevada locations without having to have a full-time professional in each office.

B. Description of How Public Comment was Solicited, Response Summary, and Explanation of How Interested Parties May Obtain a Copy of Summary

In accord with the requirements of NRS 2338.061 public workshops were held (two) in Reno, NV and Henderson, NV on April 11 and 12, 2018, respectively. Notice was given in excess of 15 days for each workshop, and e-mails were sent to 10,517 addresses of

interested parties notifying them of the workshops and with direct links to relevant documentation. No public comment was received at the workshops. The minutes of the workshops are available to view at the Nevada Board of Professional Engineers and Land Surveyors website <https://nvbpels.org/board/meetings>.

Public Hearings were held on two occasions. The first was held in Las Vegas, NV on September 13, 2018. The hearing was noticed in excess of the 30 day public posting requirement. No public comment was received before or during the hearing. The minutes of the September 13, 2018 Public Hearing are available to view at the Nevada Board of Professional Engineers and Land Surveyors website at <https://nvbpels.org/board/meetings>.

A second Public Hearing was held on December 10, 2018, specific to the proposed amendment to NAC 625.545. The hearing was noticed to meet the 30 day public posting requirement. Oral public comment was received during the hearing from two interested parties. The public comments are reflected in the minutes of the December 10, 2018 Public Hearing. The December 10, 2018 Public Hearing DRAFT minutes are available for viewing on the Nevada Board of Professional Engineers and Land Surveyors website at <https://nvbpels.org/board/meetings>.

The following people testified at the December 10, 2018 Public Hearing:

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C. Number of Persons Who Attended Each Workshop or Hearing, the Persons Who Offered Oral or Written Comments, and, if Provided, Their Contact Information and the Name of the Entity the Person Represents

Workshop in Reno, NV on April 11, 2018.
Eight people were in attendance. There were no oral or written comments.

Workshop in Henderson, NV on April 12, 2018

Four people were in attendance. There were no oral or written comments.

Public Hearing in Las Vegas, NV on September 13, 2018.

Twelve people were in attendance. There were no public oral or written comments.

Comments made during the hearing by those in attendance are in the minutes of the September 13, 2018 Public Hearing and are available to view at the Nevada Board of Professional Engineers and Land Surveyors website at <https://nvbpels.org/board/meetings>.

Public Hearing in Reno, NV on December 10, 2018.

Four people were in attendance and eleven people joined via teleconference. The oral public comments received at the hearing, and comments made during the hearing by those participating, are in the December 10, 2018 Public Hearing DRAFT minutes and are available for view on the Nevada Board of Professional Engineers and Land Surveyors website at <https://nvbpels.org/board/meetings>.

D. Description of How Comment was Solicited from Affected Businesses and Response Summary

Referencing the requirements of NRS 233B.0608, the Nevada Board of Professional Engineers and Land Surveyors requested input from owners and officers of professional engineering and land surveying small businesses via e-mailed survey link. Feedback was also solicited from stakeholders in similar management and ownership positions in the partner industries of architecture and contracting/construction via notification and survey link through each of the respective state boards.

The survey asked for input regarding both direct and indirect adverse and beneficial economic effects on small businesses, with space to elaborate on responses. A summary of the survey results is available for viewing on the Nevada Board of Professional Engineers and Land Surveyors website <http://nvbpels.org/business-impact-survey-results>.

E. If the Regulation was Adopted Without Changing Any Part of the Proposed Regulation, a Summary of Reasons for Adopting it Without Change

The regulation was adopted with changes made on December 10, 2018.

F. Estimated Economic Effect of the Regulation on the Business Regulated and on the Public

a. *Adverse Effects*

Section 1 of the regulation, requiring certain building classifications be designed by a structural engineer, could impact civil engineering businesses involved in the design of essential facilities if the business chose not to hire a structural engineer or have staff seek licensure in the structural discipline. This would have an immediate impact on the business regulated. If a cost impact were to be estimated, it would be the cost associated with recruiting and hiring a licensed structural engineer, or the cost of a civil engineer seeking licensure as a professional structural engineer. Long-term effects could result if the business continued not to hire a structural engineer or require staff seek licensure in the structural discipline, ultimately resulting in loss of related business. However, any small business onboarding costs or structural engineer licensing costs could be offset by possible benefits of expanding the range of services offered. Section 1 of the proposed regulation does not have an estimated economic effect on the public.

With respect to Section 3 of the regulation, there are no apparent adverse economic effects to the public or to the business regulated, immediate or long-term.

Section 4 of the regulation raises some concern regarding adverse direct and indirect effects from increased competition and a more competitive marketplace. However, these concerns are countered by additional economic opportunities to small businesses, as explained below.

b. *Beneficial Effects*

Section 1 of the regulation, requiring essential facilities engineered by someone with a structural license, while difficult to estimate economically, provides for an enhanced public health, safety and welfare benefit by raising the minimum level of competency required by the professional performing the design. The effect would be on the public and would continue long-term.

Section 3 of the regulation allows for the more efficient use of a licensee's time. A licensee would not have to physically apply the digital signature landing space on documents for electronic transmittals. This impact is on the business regulated and would be immediate and continue in the long-term.

Section 4 of the regulation opens up additional economic opportunities to small businesses that do not have the resources to open multiple office locations within the state due to the current requirement to employ a full-time professional in each office. As such, the amendments to NAC 625.630 provides for differentiation opportunities for local small businesses that can use proximity as a competitive advantage. This impact is on the business regulated and would be immediate and continue in the long-term.

G. Estimated Cost to the Agency of Enforcement

There are no estimated additional costs to the regulatory board to enforce the regulations .

H. Duplicative Regulations

There are no regulations of other state or local agencies which these regulations overlap or duplicate.

I. Provisions More Stringent than Federal Law

The regulations are not federal requirements and, thus, no federal law exists regulating the same activity.

J. New Fees or Increases in Existing Fees

The regulations do not involve an increase to existing fees or create any new fees.