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STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

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LEGISLATIVE REVIEW OF ADOPTED REGULATIONS-NRS 233B.066
Informational Statement
Permanent adoption of Regulation for
Nevada Administrative Code Chapter 565 R100-20

1. A clear and concise explanation of the need for the adopted regulation.

This regulation is necessary to:

- Clarify language to specify that the owner of animals must have a livestock movement permit issued in their name for their owned animals.
- Establish the authorization of owners of animals who obtain an “event permit”, established in Sec. 2.1(c), are not required to obtain individual brand inspections when transporting rodeo, show, fair or other public exhibition animals out of this state or across district boundaries.
- Include the designation of an “annual sale”, established through NRS 573.025 during the 2019 Legislative Session.
- Direct the owners of animals to give 24-hour notice to a “brand inspector” to herd or trail animals out of this state. Revise language so that an owner of animals may provide this notice to the “Department”, providing more leniency and less restrictive guidance to owners who may now provide notice to other staff members of the Department.
- Clarify language that a brand inspection must be a visual inspection of the animals.
- Revise the fee for an annual horse permit from \$25 to \$35 and revise the fee for a lifetime horse permit from \$50 to \$75.
- Establish a travel fee of \$35 to be assessed for each location that a brand inspection is performed to issue an owner or owners of animals, annual or lifetime horse permits.
- Clarify language to ensure that a livestock movement permit may “only” be used to move livestock that have been branded with the brand of the permittee recorded with the Department pursuant to NRS 565.
- Establish the creation of an event permit to authorize the movement of livestock without a brand inspection out of this state or across the boundaries of a brand inspection district for use in a rodeo, show, fair or other public exhibition. Also establish the requirements that must be met to qualify for an event permit. Owners of animals who obtain a permit are not required to obtain individual brand inspections when transporting animals which fall under these classifications.
- Establish a travel fee of \$35 for each inspection site and an event permit fee of \$50 for each inspection completed and permit requested by a permittee.
- Establish a travel fee of \$35 to be assessed for each site that a brand inspection is performed to issue an owner, or owners of animals, brand inspection clearance certificate.

- Eliminate the \$10 first animal fee for livestock and establish that all livestock inspected be assessed at \$1 per head of livestock. The elimination of the first animal fee is in response to the establishment of the travel fee imposed per inspection site.
- Establish a travel fee of \$35 to be assessed for each site that a brand inspection is performed to issue an owner, or owners of animals, a brand inspection clearance certificate.
- Eliminate the \$10 first animal fee for horses and revise the per horse inspected from \$3 to \$5. The elimination of the first animal fee is in response to the establishment of the travel fee imposed per inspection site.
- Revise the Department’s rate of charge for a brand inspector’s time from \$16 per hour to \$24 per hour.
- Establish that brand inspection fees are to be assessed on all livestock inspected at a regular sale, regardless of whether the livestock is sold.
- Eliminate the \$10 first animal fee for horses and revise the per horse inspected from \$3 to \$5 when inspected at a regular sale.
- Include the designation of an “annual sale”, which was established through NRS 573.025 during the 2019 Legislative Session. Revise the Department’s rate of charge for a brand inspectors time from \$16 per hour to \$24 per hour.
- Establish a travel fee of \$35 to be assessed for each site that an inventory inspection is requested. Revise the Department’s rate of charge for a brand inspector’s time from \$16 per hour to \$24 per hour.
- Establish that all fees set forth in this regulation are due upon completion of the inspection and payable by check or credit card. Fees not paid at the time of the inspection will be billed by the Department.
- Establish that inspectors may send their completed brand inspection clearance certificates to the Department via digital upload.

2. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Copies of the proposed regulations, a digital survey, notices of workshops, and notice of intent to act upon the regulation were emailed to industry contacts and organizations and were also shared via the agency’s social media platforms. Two public workshops on the proposed regulation were properly noticed and held via the Webex online meeting platform on January 14, 2021, and May 18, 2021. An adoption hearing for permanent regulation was held September 9, 2021. A second adoption hearing for permanent regulation was held on December 8, 2021, for Sec. 2.1.(a)(I)(II) and Sec. 2.1.(3), which fall under the authority of the Nevada Board of Agriculture. To encourage engagement from participants and other agriculture stakeholder groups, the proposed language and public meeting notices were shared with the Nevada Cattleman’s Association and Nevada Farm Bureau, which both shared with their memberships. Written comment received, meeting minutes, and video recording of all meetings are available upon request to the agency. In addition, meeting video recordings and/or minutes have been made available on the Department’s public meeting website at [Animal Industries Hearings, Workshops, Meetings \(nv.gov\)](https://www.nv.gov/agri/AnimalIndustriesHearingsWorkshopsMeetings). A general summary of comments received are provided in question 5.

3. The number of persons who:

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- (a) **Attended each hearing:**
- (b) **Testified at each hearing:**
- (c) **Submitted written comments:**

Workshop date: January 14, 2021

- (a) Number in attendance: 14
- (b) Number testifying: 5
- (c) Written statements submitted: 0

Workshop date: May 18, 2021

- (a) Number in attendance: 9
- (b) Number testifying: 3
- (c) Written statements submitted: 0

Adoption Hearing date: September 9, 2021

- (a) Number in attendance: 7
- (b) Number testifying: 1
- (c) Written statements submitted: 0

Adoption Hearing date: December 8, 2021

- (a) Number in attendance: 40
- (b) Number testifying: 6
- (c) Written statements submitted: 0

4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information is provided to the agency conducting the hearing:

- (a) **Name;**
- (b) **Telephone number;**
- (c) **Business address;**
- (d) **Business telephone number;**
- (e) **Electronic mail address; and**
- (f) **Name of entity or organization represented.**

The workshops and adoption hearings were held virtually through the Webex online meeting platform and recorded. Participants provided the information below through this system. Announcements were provided during the workshops and hearings inviting participants to submit written comments to animalindustry@agri.nv.gov or the Sparks Nevada Department of Agriculture (NDA) Headquarters.

Workshop 01/14/2020 NAC 565	Workshop 05/18/2021 NAC 565	Adoption Hearing 09/09/2021 NAC 565	Board of Agriculture Adoption Hearing 12/08/2021 NAC 565
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Amber Smyer (775) 353-3769 405 S 21 st St Sparks, NV 89431 asmyer@agri.nv.gov NDA	Yong Inouye 775-353-3607 405 S 21 st St Sparks, NV 89431 yinouye@agri.nv.gov NDA	Yong Inouye (775) 353-3607 405 S 21 st St Sparks, NV 89431 yinouye@agri.nv.gov NDA	Jennifer Ott, Director (775) 353-3619 405 S 21 st St Sparks, NV 89431 NDA
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<p>Robert Beck HC60 Box 44501 Round Mountain, NV 89045 rbecknet@gmail.com High Country Ranches</p>			<p>Patricia Hoppe (702) 668-4562 2300 E St. Louis Ave Las Vegas, NV 89104 pxhoppe@agri.nv.gov NDA Ashley Jeppson (775) 353-3729 405 S 21st St Sparks, NV 89431 ajeppson@agri.nv.gov NDA Jerri Conrad-Williams (775) 353-3737 405 S 21st St Sparks, NV 89431 jwilliams-conrad@agri.nv.gov NDA Dillon Davidson (775) 353-3627 405 S 21st St Sparks, NV 89431 ddavidson@agri.nv.gov NDA Richard Yien 100 N. Stewart St Carson City, NV 89701 RYien@ag.nv.gov Nevada State Attorney General's Office Amy Mitchell (775) 386-8440 2300 E St. Louis Ave Las Vegas, NV 89104 amitchell@agri.nv.gov NDA</p>

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Attendee 1 – Debbie Gilmore

Attendee 2 – Ashley

Attendee 3 – Randy Robinson
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5. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.

NDA released a digital survey via email with a link to the Legislative Counsel Bureau’s website containing the proposed revised NAC 565 language to industry members and businesses. The survey was opened on 9/11/2020 and closed on 9/25/2020. Due to concerns related to distribution, the survey was reopened on 10/16/2020 and closed on 10/23/2020. The survey was posted to the Nevada Department of Agriculture’s (NDA) website on 9/11/2020, and again on 10/16/2020 to the following link: <http://agri.nv.gov/survey/>. The survey was additionally sent by email to 4,785 licensed businesses and interested parties within the State of Nevada. In total, the survey received 213 responses.

In addition, public meetings were properly noticed, emailed through the agency’s contact lists, shared with the Nevada Cattleman’s Association and Nevada Farm Bureau, shared via the agency’s social media platforms, and with any individuals that requested to be added to the Department’s public notice contact list. A copy of the small business impact statement, digital survey, comments received, and video recordings of all meetings throughout this process may be obtained by contacting:

Nevada Department of Agriculture
 Attn: Julia Miller-Ketcham
 (775)-353-3755
jmiller-ketcham@agri.nv.gov

Input received from livestock owners and the industry were summarized in the small business impact statement and are provided below:

On the survey, 101 respondents indicated the number of individuals they employed within the state. Per Nevada Revised Statutes (NRS) 223B, the definition of a small business reads “...business conducted for profit which employs fewer than 150 full-time or part-time employees.” Only 1 respondent indicated 101 or more employees. With 100 respondents indicating their businesses employed 60 or fewer

employees in Nevada, NAC 565 regulation changes regarding inspection of brands almost exclusively apply to small businesses.

Of the 127 respondents, 28.35% indicated proposed changes to NAC 565 would have a major or severe impact on their business. Based upon comments provided in the follow up question “How would changes to NAC 565 impact your ability to do business?” 20.00% of the 40 respondents indicated it would have insignificant to no impact to their business.

The survey asked if the proposed changes to NAC 565 would impact their ability to do business. Of the 122 respondents, 27.05% indicated it would, 43.44% indicated it would not and 29.51% indicated maybe.

While numerous respondents expressed concern over additional state regulations and fee increases, when asked what level of financial impact the proposed changes to NAC 565 would have on their business, 47.54% of the 122 respondents indicated minor to no financial impact.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The proposed regulation language underwent numerous changes throughout the workshop process based on public input. The final proposed regulations present were adopted on September 9, 2021, and December 8, 2021, and are a result of collaboration between the agency and public/industry comments received.

7. The estimated immediate and long-term economic effect of the regulation on the business which it is to regulate and on the public, whether beneficial or adverse.

(a) Estimated economic effect on the businesses which they are to regulate.

i. Both adverse and beneficial effects

Adverse: Businesses or individuals utilizing the brand inspection services provided by the Department will incur increased costs in brand inspection services.

Beneficial: The revised or additional fees collected by the Department will be utilized in recovery of program operating costs incurred by the Department in administering and performing the statutorily requirements and duties of the Department. The collection of revenue, which will cover the program’s operating expenditures, will provide the ability for the program to provide a higher level of service in a timely fashion. Additionally, collection of revenue that offsets expenditures will ensure that the program continues to provide the statutorily required services. Having a program and staff that can ensure the statutory rules and regulations are followed by all livestock owners across the state would aid in preventing theft and loss of livestock and ensuring fair business practices.

ii. Both immediate and long-term effects

Immediate: The proposed regulations would be effective upon adoption, so businesses and individuals would be immediately subject to any resulting effects upon implementation.

Long-term: Businesses or individuals utilizing the brand inspection services provided by the Department

will continue to be assessed at the revised or increased fee rates.

(b) Estimated economic effect on the public which they are to regulate.

i. Both adverse and beneficial effects

Adverse: If businesses or individuals subject to the revised or increased fees included in the regulations have the ability to pass along the increased costs to their customers or clients, the public would pay more for the goods and services provided by such businesses or individuals.

Beneficial: The revised or additional fees for brand inspections and permits would allow for the Department to have the funding available to provide a higher level of service, staffing and a more responsive program. Having a program and staff that can ensure the statutory rules and regulations are followed by all livestock owners across the state would aid in preventing theft and loss of livestock and ensure fair business practices. Increased compliance will benefit the public as a consumer group.

ii. Both immediate and long-term effects

Immediate: The proposed regulations are not anticipated to have an immediate effect on the public.

Long-term: Should businesses or individuals who utilize the Livestock Inspection program be able to pass along to their customers or clients any increased cost of conducting business resulting from the fee amounts included in the proposed regulations, the public would incur higher costs for certain goods and services.

8. 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 revised provisions of NAC 565 will increase as result of the proposed regulations. The agency anticipates one-time costs of approximately \$2,500 to print and mail a notice of the revised regulations to all livestock owners, producers and industry partners currently registered with the program following adoption of the regulation.

9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

Not applicable. The proposed regulations are not duplicative of any federal, state, or local standards. No other state agencies, nor federal or local jurisdictions have authority or standards regulating Nevada brand inspections, permits, or identification of livestock.

10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

Not applicable. No federal regulations exist that have authority or standards regulating Nevada brand inspections, permits, or identification of livestock.

11. If the 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.

Beginning in State Fiscal Year 2023, the agency expects to collect approximately \$1,254,500 in fees for livestock inspections, new brand recordings, brand transfers and brand re-recordings. This represents an

increase of approximately \$518,838 from the amount collected in State Fiscal Year 2020. The additional revenues will be utilized in hiring 3 full-time state employed brand inspectors and 30 seasonal part-time state employed brand inspectors, which will ensure the Department is meeting and performing all statutory duties.

Additional revenues will be utilized in training of Livestock Inspection program staff, purchasing and implementation of an electronic brand inspector dispatching program, replacement of current and outdated brand inspection iPads with Microsoft Surface Pro notebooks, purchase and implementation of an electronic brand inspection software and equipment for public livestock auctions, and to purchase and maintain new/replacement equipment and vehicles used by the Livestock Inspection program.

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 that the information contained in this statement is accurate.

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