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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 564 R101-20

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

This regulation is necessary to:

- Establish a nonrefundable temporary brand application fee of \$35 to record the temporary use of a brand. Revise the temporary brand recording fee from \$30 to \$50 for each recording period.
- Establish a nonrefundable new brand application fee of \$35 to record a brand, or brand mark, or marks pursuant to NRS 564.040.
- Per Senate Bill No. 454, Chapter 311, Statutes of Nevada 2021, at page 1832, revise the brand recording period from 4 years to 5 years and revise the recording fee from \$120 to \$200 for each recording period.
- Per Senate Bill No. 454, Chapter 311, Statutes of Nevada 2021, at page 1832, revise the brand rerecording period from 4 years to 5 years and revise the rerecording fee from \$120 to \$200 for each recording period.
- Establish a nonrefundable brand application fee of \$35, and a late fee of \$30 to rerecord a brand, or brand mark, or marks that have been deemed abandoned pursuant to subsection 5 of NRS 564.120.
- Establish a nonrefundable brand transfer application fee of \$35 to transfer the ownership of a recorded brand, or brand mark, or marks pursuant to NRS 564.110.
- Revise the fee from \$35 to \$100 for the processing and continuing administration of a security agreement, provisional assignment or legal lien relating to a brand, or brand and mark, or marks of record for purposes of NRS 564.110 for each period beginning July 1 and ending June 30 of the following year.

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 on September 9, 2021. 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 \(nv.gov\)](http://AnimalIndustriesHearings.Workshops.Meetings.nv.gov). A general summary of comments received are provided in question 5.

3. The number of persons who:

- (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

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 hearing 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 hearing inviting participants to submit written comments to animalindustry@agri.nv.gov or the Sparks NDA Headquarters.

Workshop 01/14/2020 NAC 564	Workshop 05/18/2021 NAC 564	Adoption Hearing 09/09/2021 NAC 564
Doug Farris (775) 353-3709	Doug Farris (775) 353-3709	Jennifer Ott, Director

405 S 21 st St Sparks, NV 89431 d.farris@agri.nv.gov NDA	405 S 21 st St Sparks, NV 89431 d.farris@agri.nv.gov NDA	(775) 353-3619 405 S 21 st St Sparks, NV 89431 NDA
Julia Miller-Ketcham (775) 353-3755 405 S 21 st Street, Sparks, NV 89431 Jmiller-ketcham@agri.nv.gov NDA	Julia Miller-Ketcham (775) 353-3755 405 S 21 st Street, Sparks, NV 89431 Jmiller-ketcham@agri.nv.gov NDA	Julia Miller-Ketcham (775) 353-3755 405 S 21 st Street, Sparks, NV 89431 Jmiller-ketcham@agri.nv.gov NDA
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
Ciara Ressel (775) 353-3603 405 South 21 st St Sparks, NV 89431 cressel@agri.nv.gov NDA	Doug Busselman (775) 674-4000 2165 Green Vista Dr # 205 Sparks, NV 89431 doug@nvfb.org Nevada Farm Bureau	Ciara Ressel (775) 353-3603 405 South 21 st St Sparks, NV 89431 cressel@agri.nv.gov NDA
Yong Inouye (775) 353-3607 405 S 21 st St Sparks, NV 89431 yinouye@agri.nv.gov NDA	Tom Barnes (775) 744-4548 HC 30 Box 347 Spring Creek, NV 89834 Barnestk5@outlook.com Nevada Cattleman's	Ian Knight (775) 353-3637 405 S 21 st St Sparks, NV 89431 Ian.knight@agri.nv.gov NDA
Samantha Bellwood (775) 353-3619 405 S 21 st St Sparks, NV 89431 sbellwood@agri.nv.gov NDA	Leana Carey (208) 358-2487 progressiverancher@gmail.com Progressive Rancher	Doug Busselman (775) 674-4000 2165 Green Vista Dr # 205 Sparks, NV 89431 doug@nvfb.org Nevada Farm Bureau
Doug Busselman (775) 674-4000 2165 Green Vista Dr # 205 Sparks, NV 89431 doug@nvfb.org Nevada Farm Bureau		Pete Mori (775) 340-5704 pmori@hotmail.com Mori Ranches, LLC
Jon Griggs (775) 738-8259 PO Box 2010 Elko, NV 89803 jon@maggiecreek.com Nevada Cattleman's		
Tom Barnes (775) 744-4548 HC 30 Box 347 Spring Creek, NV 89834 Barnestk5@outlook.com Nevada Cattleman's		

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Tim Dufurrena (775) 941-0315 385 Denio Hwy 140 Winnemucca, NV 89445 Semi-Range Cattle Production		
Leana Carey (208) 358-2487 progressiverancher@gmail.com Progressive Rancher		
Robert Beck HC60 Box 44501, Round Mountain, NV 89045 rbecknet@gmail.com High Country Ranches		

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.

The NDA released a digital survey via email with a link to the Legislative Counsel Bureau’s website containing the proposed revised NAC 564 language to industry members and businesses. This 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 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 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 564 regulation changes regarding brands and marks almost exclusively apply to small businesses.

Of the 209 respondents, 33.49% indicated proposed changes to NAC 564 would have a major or severe impact on their business. Based upon comments provided in the follow up question “How would changes to NAC 564 impact your ability to do business?” 13% of respondents indicated it would have insignificant to no impact to their business.

The survey asked if the proposed changes to NAC 564 would impact their ability to do business. Of the 183 respondents, 28.96% indicated it would, 42.62% indicated it would not and 28.42% 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 564 would have on their business, 46.29% of the 175 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 presented were adopted on September 9, 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 registering brands in Nevada will incur increased costs in brand registration/renewals.

Beneficial: The revised or additional fees collected by the Department will be utilized in recovery of the program operating costs incurred by the Department in administering and performing the statutory 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, which 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 ensure fair business practices.

ii. Both immediate and long-term effects

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

Long-term: Currently registered brands would not be affected until the rerecording period beginning in 2023.

(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 recording 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 564 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 brands, brand inspections 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 brands, brand inspections 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 Department 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 NDA 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.

Jennifer Ott
Director
Nevada Department of Agriculture

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