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STATE OF NEVADA  
**DEPARTMENT OF AGRICULTURE**  
405 South 21<sup>st</sup> St.  
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**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS  
AS REQUIRED BY NRS 233B.066**

**INFORMATIONAL STATEMENT**

**Permanent Adoption of Regulation for  
Nevada Administrative Code 590 LCB File No. R027-21**

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

This regulation is necessary to:

- Establish monetary penalties for a first offense of the Nevada Petroleum Inspection Act, for a second offense, and for a third and subsequent offense
- Allow for a notice of warning without imposing a civil penalty for a first offense, under certain conditions

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

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulation were posted in accordance with NRS 233B.016 and sent by U.S. mail and email to persons who were known to have an interest in the subject of fuels, lubricants, and petroleum products as well as any persons who had specifically requested such notice. An electronic survey was emailed to the NDA's customer list, those requesting notice, and posted on the NDA website at [agri.nv.gov](http://agri.nv.gov). The survey was open for responses from December 14, 2021, to January 14, 2022. A total of 22 survey responses were received. A general summary of comments received are provided in question 5.

A workshop was held on March 15, 2022, and an adoption hearing was held on June 7, 2022. A recording of the workshop and hearing and any other meeting related documents can be found at [https://agri.nv.gov/Protection/Weights\\_and\\_Measures/Workshop\\_and\\_Hearing\\_Meetings/WeightsandMeasuresHMW/](https://agri.nv.gov/Protection/Weights_and_Measures/Workshop_and_Hearing_Meetings/WeightsandMeasuresHMW/).

A copy of this summary of the public response to the proposed regulation may be obtained from the Nevada Department of Agriculture, Attn: William Striejewske, 405 S. 21st St., Sparks, NV 89431, 775-353-3792, or [wstrijewske@agri.nv.gov](mailto:wstrijewske@agri.nv.gov).

**3. The number persons who (a) Attended each hearing, (b) Testified at each hearing, (c) Submitted to the agency written comments.**

- Workshop held on March 15, 2022

- Number in attendance: 2
- Number testifying: 0
- Written statements submitted: 0
- Hearing held on June 7, 2022
  - Number in attendance: 3
  - Number testifying: 0
  - Written statements submitted: 0

**4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3, as provided to the agency.**

a) March 15, 2022 workshop attendance

Name	Entity/Organization	Address	Phone	Email
William Striejewske	Nevada Department of Agriculture	405 S. 21 <sup>st</sup> Street, Sparks, NV 89436	(775) 353-3792	<a href="mailto:wstriejewske@agri.nv.gov">wstriejewske@agri.nv.gov</a>
Cadence Matijevich	Nevada Department of Agriculture	405 S. 21 <sup>st</sup> Street, Sparks, NV 89436	(775) 353-3726	<a href="mailto:c.matijevich@agri.nv.gov">c.matijevich@agri.nv.gov</a>

b) June 7, 2022 hearing attendance

Name	Entity/Organization	Address	Phone	Email
Joe Sorena	Chevron			<a href="mailto:jsorena@chevron.com">jsorena@chevron.com</a>
Cadence Matijevich	Nevada Department of Agriculture	405 South 21 <sup>st</sup> Street, Sparks, NV 89431	(775) 353-3726	<a href="mailto:c.matijevich@agri.nv.gov">c.matijevich@agri.nv.gov</a>
Bill Striejewske	Nevada Department of Agriculture	405 South 21 <sup>st</sup> Street, Sparks, NV 89431	(775) 353-3792	<a href="mailto:wstriejewske@agri.nv.gov">wstriejewske@agri.nv.gov</a>

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

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulation were posted in accordance with NRS 233B.016 and sent by U.S. mail and email to persons who were known to have an interest in the subject of fuels, lubricants, and petroleum products as well as any persons who had specifically requested such notice. An electronic survey was emailed to the NDA’s customer list, those requesting notice, and posted on the NDA website at [agri.nv.gov](http://agri.nv.gov). The survey was open for responses from December 14, 2021, to January 14, 2022. A total of 22 survey responses were received.

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#### Summary of survey responses:

- There were 10 respondents to the question as to whether the changes proposed in LCB R027-21 would impact their ability to do business; 20% responded “Yes”, 60% responded “No”, and 20% responded “Maybe.”
- Of the 10 respondents above, 20% of the survey respondents stated the proposed changes will have a major impact on their business, 30% stated that there would be a minor or moderate impact, and 50% stated that there would be insignificant or no impact.
- There were 9 respondents to the question of estimated annual financial impact. 55% indicated that there would be no financial impact to their operations, 22% indicated an annual financial impact of less than \$5,000, 11% indicated an annual financial impact of greater than \$5,000, but less than \$10,000, and 11% indicated an annual financial impact of greater than \$10,000.
- Responses to the open-ended questions were limited and included:
  - “How would the proposed changes to NAC 590 in LCB R027-21 impact your ability to do business?” Respondents answered, “Unnecessary fees” and “Additional costs.”
  - “Would you need to make operational changes to your business as a result of the financial impact of the proposed changes LCB R027-21? If so, what would those changes be?” The lone respondent answered, “Price increases to consumers.”
  - “How could the proposed section in LCB R027-21 be adjusted to mitigate their level of negative financial impact?” The lone respondent answered, “We would have to alter our operations and explore alternative sources.”
  - “Please feel free to provide any feedback you would like us to consider in relation to the proposed changes in LCB R027-21.” Respondents answered, “Keep asking for feedback,” and “Continue providing information publicly so citizens understand the issue and can weigh in based on their perspective.”

A copy of this summary of the public response to the proposed regulation may be obtained from the Nevada Department of Agriculture, Attn: William Striejewske, 405 S. 21st St., Sparks, NV 89431, 775-353-3792, or [wstrijewske@agri.nv.gov](mailto:wstrijewske@agri.nv.gov).

#### **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 permanent regulation was adopted on June 7, 2022. There were no changes suggested or requested at the workshop on March 15, 2022, nor were any written requests for changes received.

#### **7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.**

##### (a) Adverse and beneficial effects on businesses and the public

- Adverse economic effect on regulated businesses and the public
  - Because the proposed regulation establishes a schedule of civil penalties for certain violations of the Nevada Petroleum Products Inspection Act, only violators will be subject to the monetary penalties outlined in the proposed regulation. Further, subsection 2 allows for a

warning rather than a monetary penalty on a first violation. Therefore, it is expected that there will be minimal adverse economic effect on regulated businesses.

- The NDA does not anticipate any adverse economic effect on the public.
- Beneficial economic effect on the public
  - Because the proposed regulation establishes a schedule of civil penalties for non-compliant product, the public may see beneficial economic effect in the form of higher quality product.
  - The establishment of a schedule of civil penalties may increase the level of compliance with the regulations within NAC Chapter 590, with the effect of leveling the marketplace for all regulated businesses.

(b) Immediate and long-term effects on businesses and the public

- Immediate economic effect on regulated business
  - The proposed regulation would go into effect upon adoption of the regulation. As of that date businesses would be further responsible for the quality of the products that they sell, at risk of being assessed the adopted civil penalties.
  - The proposed regulation would go into effect upon adoption of the regulation. The public could potentially begin seeing benefits immediately, due to the possibility of regulated businesses facing civil penalties. Long-term economic effect on regulated business
- Long-term effects on businesses and the public
  - The possibility that a regulated business may be assessed civil penalties as set out in the proposed regulation will continue until such time as the regulation may be repealed.
  - The NDA believes that the beneficial economic effects on the public described above will be maintained on a long-term basis.

**8. The estimated cost to the agency for enforcement of the adopted regulation.**

The NDA does not anticipate increased costs to enforce the proposed revised provisions of NAC 590.

**9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

The proposed regulation is not duplicative, nor does it overlap any federal, state, or local standards.

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


The proposed regulation is not more stringent than federal, state, or local standards.

**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.**

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

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**

 Digitally signed by Jennifer Ott  
DN: cn=Jennifer Ott, o=Nevada Department of Agriculture, ou=Director, email=jott@agri.nv.gov,  
c=US  
Date: 2022.06.21 21:11:02 -07'00'

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