

INFORMATIONAL STATEMENT OF ADOPTED REGULATIONS
AS REQUIRED BY NRS 233B.066

The following informational statement as required by NRS 233B.066 is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapter 618 as follows:

1. EXPLANATION OF THE NEED FOR THE ADOPTED REGULATION

The proposed regulations, LCB File No. R033-21, are needed to update and bring current certain requirements in Nevada Administrative Code (“NAC”) Chapter 455C to comport with recent legislative enactments. The Division of Industrial Relations, Mechanical Compliance Section (“MCS”), shall adopt by regulation the stands and procedures for the installation, inspection, maintenance, relocation, improvement, alterations, and repair of boilers, elevators, and pressure vessels. The Division may adopt regulations that apply to the equipment and apparatuses used in connection with a water heater (enacted in Senate Bill 205, chapter 328, Statutes of Nevada 2021, at page 1959).

The proposed regulations relate to public safety; create and revise certain definitions; revise and remove certain exceptions to provisions governing boilers and pressure vessels; establish certain inspection fees for the equipment and apparatuses used in connection with a water heater; provide an inspection schedule of the equipment and apparatuses used in connection with a water heater; provide when an inspector or special inspector may inspect boilers or pressure vessels; require that certain persons allow an inspector, upon presentation of credentials, to enter upon the premises at any reasonable time to carry out an inspection; provide that certain connective pipes are part of the installation of a boiler or pressure vessel and must comply with the requirements for the boiler or pressure vessel; and provide other matters properly relating thereto.

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 regulation, notices of workshop, and notice of intent to act upon the regulation were sent by e-mail and U.S. Mail to persons who were known to have an interest as well as any persons who had specifically requested such notice, if any. These documents were also made available at the Division’s website, <http://dir.nv.gov/Meetings/Meetings>, with the notices also posted at the following locations:

The State of Nevada Website (www.notice.nv.gov)

The Nevada State Legislature Website (<http://leg.state.nv.us/App/Notice/A/>)

The Division of Industrial Relations Website (<http://dir.nv.gov/Meetings/Meetings>)

A Workshop was held to solicit comments on the proposed regulation on January 12, 2022. At the conclusion of the January 12, 2022 Workshop, the Division invited members of the public wishing to submit written public comment to submit their comments by January 19, 2022.

After the January 12, 2022 Workshop, the Division received seven (7) written public comments as follows:

1. Jordan Krahenbuhl, Executive Director, Plumbing Heating Cooling Contractors of Nevada – “Overall, we are opposed to this regulation. The Uniform Mechanical Code section 1001 clearly states what is a boiler and what is a water heater. . . . SB205 was intended to clarify what is a Boiler and what is a Water Heater. . . . LCB file No. R033-21 [sic] will cause confusion and frustration when contractors try to follow SB205. Simply put we were trying to get the State of Nevada DIR out of the water heater business. Sections 2.1 and 2.2 of this regulation include equipment and apparatuses used in the connection with a water heater. . . . We have many concerns with this language. 1. The Uniform Plumbing Code section 218 defines Plumbing and Plumbing Systems and includes the items listed in Section 2.2. 2. Plumbing systems are required to be permitted, plan reviewed and inspected by the local Authority Having Jurisdiction. (AHJ). 3. What is the State going to permit, plan review or inspect that the local jurisdiction is not? To my knowledge the answer is nothing. 4. When the section says, “without limitation”, is the state going to inspect the entire water and gas systems from the water heater back to the gas and water meters? Are they going to tear down sheetrock? Will they require everything exposed? 5. Again, “without limitation” for Fuel metering devices? The location of the gas meter is up to the local gas supplier. Section 1208.2 UPC. 6. Section 5. This section is without limitation the equipment and apparatuses used in connection with a water heater. This is opposite of SB205 and is trying to lump together plumbing systems with boiler requirements. 7. Section 8.9 The equipment and apparatuses (plumbing systems) used in connection with a water heater must be inspected upon installation and at least once every 2 years thereafter. Again, we are talking about a water heater installation not a boiler. The requirements are not the same. Nowhere that I know of in any code, UPC, UMC, IPC, IMC, or IBC, indicate a reinspection of a plumbing system every two years. Same as any plumbing system in any building if there is an issue then you call a licensed plumber to take care of it. 8. Section 9.5 As previously stated this is a plumbing system for water heaters and should not be included in this regulation. As far as the financial impact, this regulation would require, at minimum: Double fees for permits, plan reviews and inspections. Multiple inspections resulting in extra man hours for contractors to accommodate them. Emergency shut offs on gas and electrical feeding the water heater (since it is now designated a boiler). . . . This regulation is unnecessary because water heaters are required to be permitted, plan review and inspected by the local authority having jurisdiction.”
2. Valarie Evans, Building Official, Land Development and Community Services, City of North Las Vegas – “SB 205 was intended to clarify what is a Boiler and what is a Water Heater. . . . I can echo the items that Mr. Jordan Krahenbuhl wrote in the letter of opposition that he shared with us locally. The plumbing code that is adopted locally does provide the definition of Plumbing and Plumbing Systems. These definitions are the same as valves, piping, fuel delivery devices, etc. These inspections are performed by the local jurisdiction with inspectors that are certified in the discipline. Plumbing systems are permitted through the local jurisdiction and validated through plan review

and inspections to be compliant with the current code of record. . . . I do not understand the inspection process every two years. What is the intention of the state as it relates to continued inspection? Local jurisdictions regularly see the systems that were initially installed over and over. As tenant improvements and occupants change[,] we are already performing inspections as a by-product of other inspections we are doing. The chances of retrofitting plumbing systems without permitting and inspections as the common practice doesn't happen as often as you might think. . . . The UPC, UMC and all other national codes do not require multiple inspections and redundancy. As far as the financial impact, this regulation would require, at a minimum: double fees for permits, plan reviews and inspections[;] Multiple inspections resulting in extra man hours for contractors to accommodate them[;] Emergency shut offs on gas and electrical feeding the water heater (since it is now designated a boiler). These things do not even take in the time factor of requiring an applicant to take time from work, go to multiple offices for permitting, take additional days off for inspection scheduling etc. . . . This regulation is unnecessary because water heaters are required to be permitted, review and inspected by the local authority having jurisdiction.”

3. Warren B. Hardy II, Warren Hardy Strategies – “We definitely need to make some clarification to the law to describe the legislative intent. . . The important thing is that the BI statement is complete when it hits the Leg Commission.”
4. Lynn Nielson, Building and Fire Safety Division, City of Henderson – “City of Henderson is opposed to LCB file No. R033-21. We are aware of the comments and testimony provided by Clark County during last week’s public input meeting and are in agreement.”
5. Monica Chairez, Southern Nevada Building Officials – “[W]e are submitting our opposition to LCB file R033-21, which further regulates water heaters and apparatuses used in conjunction with water heaters. Historically, the local building departments reviewed, permitted and inspected water heaters and the State of Nevada reviewed, permitted and inspected boilers. The separation was found in both Nevada Revised Statutes and the adopted model codes, with the device trigger at 199,000 BTU/hr. We understand the intent of the regulation is to assess and mitigate risks to large volume boilers and prevent the accident that occurred at the Argenta Hall located on the University of Nevada, Reno campus. We support regulations that mitigate risks associated with boilers and prevent accidents such as this. However these proposed regulations make additional requirements on traditional water heaters normally regulated by local code enforcement agencies. We oppose the regulation as it is currently drafted and we point to several sections that appear problematic: Section 5: the terms water heaters and boilers appear to be combining into a single definition of a boiler. A “Boiler” to include “without limitation the equipment and apparatuses used in connection with a water heater”. This appears to be in conflict with SB205 that distinguished between the two. Section 2, (2.) Piping, valves, fuel delivery and

metering to a water heater is proposed to be defined as a boiler. This is going to confuse users and regulatory agencies and requires additional regulations on these apparatuses. Section 8, (9.) The equipment and apparatuses used in connection with a water heater must be inspected upon installation and at least once every 2 years thereafter. Most of the equipment noted is concealed in construction and would need to be exposed. Initial installation inspections by local jurisdictions have a proven record of safety for water heaters, piping, valves, and fuel delivery systems. Section 8 (13.) requires an operating permit for a boiler, which by the proposed definition includes water heater and apparatuses. Section 8 (14.) An inspector (assumed to be a state inspector), shall perform initial inspection upon installation. This appears redundant to the local permitting and inspection process. Section 9 (5.) The equipment and apparatuses used in connection with a water heater; or “which has the effect of” lumping water heaters as “part of the installation of the boiler or pressure vessel” that “must comply with the requirements for the boiler or pressure vessel.” (This one seems confusing, unclear (to me) as to the point you are making. ???) . . . We believe the regulations should be focused on boilers and not include state regulations on water heaters or apparatuses used in connection with water heaters.”

6. Bryan C. Ahee, Codes and Standards Engineer, Bradford White Corporation – “The language *equipment and apparatuses used in connection with a water heater*” in Section 2, lists those same words in both the phrase to be defined and the definition itself, which creates a circular definition. Also, we have the understanding that the terms and language do not have industry consensus, and therefore may lead to confusion among manufacturers, engineers, technicians, installers, and inspectors. BWC suggests the DIR consider terminology in Nonmandatory Appendix E of the 2021 ASME Boiler and Pressure Vessel Code Section IV Rules for Construction of Heating Boilers. . . We believe the preceding definitions for these terms better address groupings of modules that are intended to be installed and operated as a unit with no intervening stop valves between the modules. To address groupings of modules **with** intervening stop valves between the modules, we suggest a definition of *modular water heater system* and recommend replacing *the equipment and apparatuses used in connection with a water heater* definition with a *modular water heater system* definition. . . . Defining *modular water heater system* per BWC’s recommendations allows the DIR to omit Section 2.2; as such, we recommend striking Section 2.2.”
7. James Gerren, Assistant Director, Clark County Building Department – opposes LCB File No. R033-21. “Clark County supported Senate Bill 205 (“SB205”) during the last legislature, and we support the clear distinction that SB205 provided regarding boilers vs. water heaters. Specifically, SB205 revised Chapter 455C of the Nevada Revised Statutes (NRS) to provide a clear definition of water heater and clarify that the provisions of Chapter 455C do not apply to a water heater if it does not exceed an input of heat of 199,999 Btu per hour, does not exceed a water temperature of 210 degrees Fahrenheit, and does not exceed a water capacity of 120 gallons. Section 2, Paragraph 2 of Proposed Regulations LCB File No. R033-21 proposes that the term “Equipment

and apparatuses used in connection with a water heater” include, “without limitation, valves, piping, fuel delivery devices, fuel metering devices and the location in which the water heater is installed.” These references in Section 2 to water heaters are going to cause unnecessary confusion on what applies to water heaters and what applies to boilers. Section 3 of Proposed Regulations LCB File No. R033-21 acknowledges the term “water heater” has the meaning ascribed to it in Section 1.2 of SB205, but then Section 5 of Proposed Regulations LCB File No. R033-21 proposes to amend NAC 455C.026 to amend the definition of “boiler” to include “without limitation, the equipment and apparatuses used in connection with a water heater.” Water heaters are different than boilers, so this proposed language is once again causing unnecessary confusion. In Section 7 of the Proposed Regulations LCB File No. R033-21, the proposed new fee schedule is identified as “Equipment and Appurtenances Used in Connection with a Water Heater”. This reference to “Water Heater” in the proposed new fees is confusing. To be clear, we do not support the proposed state permitting/inspection requirements being applicable to water heaters. In Section 8 of Proposed Regulations LCB File No. R033-21, a new Paragraph 9 is proposed to be inserted into NAC 455C.156 to state “The equipment and apparatuses used in connection with a water heater must be inspected upon installation and at least once every 2 years thereafter.” Again, we find this confusing and oppose the proposed state permitting/inspection requirements being applicable to water heaters. Also in Section 8 of Proposed Regulations LCB File No. R033-21, we are concerned that the operating permit requirements required in Paragraph 13 now would be interpreted to apply to water heaters based on the proposed amendment to the definition of boiler in Section 5. This concern applies to the inspections required in proposed new Paragraph 14 in Section 8 also. In Section 9 of Proposed Regulations LCB File No. R033-21, a new Paragraph 5 is proposed to be inserted into NAC 455C.210 to state “The equipment and apparatuses used in connection with a water heater”, which appears to have the effect of lumping water heaters as “part of the installation of the boiler or pressure vessel” that “must comply with the requirements for the boiler or pressure vessel.” In summary, we strongly encourage the State of Nevada Division of Industrial Relations of the Department of Business and Industry to not adopt or otherwise move forward with Proposed Regulations LCB File No. R033-21, which we believe are unnecessary and confusing. We believe the local jurisdictions should continue to handle permitting and inspections of water heaters while the State continues to handle permitting and inspections of boilers. Regardless of intent, the Proposed Regulations LCB File No. R033-21 create unnecessary confusion over permitting and inspection requirements for water heaters.”

A Second Public Workshop to solicit comments on the proposed regulation was held on July 19, 2022. At the conclusion of the July 19, 2022 Workshop, the Division welcomed members of the public to submit written public comment by July 26, 2022. The Division received one written public comment, namely from Bradford White Corporation (“Bradford White”). Specifically, Bradford White requested an edit to Section 2.1, requesting addition of the following language as it pertains to the definition of “fuel-fired water heater system”, “is factory assembled,

designed, marketed or shipped from the manufacturer and intended to be operated as a system.” Bradford White believed the edit would provide clarity regarding racked systems as compared to water heaters in battery.

Likewise, a Public Hearing was held on September 7, 2022, to solicit comments from the public on the adoption of the regulation. At the conclusion of the September 7, 2022 Public Hearing, members of the public were invited to submit additional written comments by September 8, 2022. As of that date, the Division did not receive any additional written public comments.

A summary may be obtained by contacting Rosalind Jenkins, Legal Secretary II, Division of Industrial Relations, (702) 486-9014, or by writing to the Division of Industrial Relations, 3360 W. Sahara Ave., Ste. 250, Las Vegas, Nevada 89102.

3. THE NUMBER OF PERSONS WHO:
 - a. ATTENDED JANUARY 12, 2022 WORKSHOP: 13
 - b. ATTENDED JULY 19, 2022, WORKSHOP: 5
 - c. ATTENDED SEPTEMBER 7, 2022, PUBLIC HEARING: 8
 - d. TESTIFIED AT JANUARY 12, 2022 WORKSHOP: 5
 - e. TESTIFIED AT JULY 19, 2022, WORKSHOP: 1
 - f. TESTIFIED AT SEPTEMBER 7, 2022, PUBLIC HEARING: 0
 - g. SUBMITTED WRITTEN COMMENTS RELATED TO JANUARY 12, 2022, WORKSHOP: 7
 - h. SUBMITTED WRITTEN COMMENTS RELATED TO JULY 19, 2022, WORKSHOP: 1
 - i. SUBMITTED WRITTEN COMMENTS RELATED TO SEPTEMBER 7, 2022, PUBLIC HEARING: 0

4. FOR EACH PERSON IDENTIFIED IN PARAGRAPHS (c) and (d) OF NUMBER 3 ABOVE, THE FOLLOWING INFORMATION, IF PROVIDED TO THE AGENCY CONDUCTING THE HEARING:

| January 12, 2022, Workshop | |
|-----------------------------------|--|
| 1 | <p>Name: Jordan Krahenbuhl</p> <p>Telephone number: None received</p> <p>Business address: None received</p> <p>Business telephone number: None received</p> <p>Electronic mail address: None received</p> <p>Name or organization represented: Plumbing Heating Cooling Contractors of Nevada</p> <p>Summary of comment: With regards to Sections 1 and 2 of the regulation, through working with SN Building officials, they have provided comments; on section 2 – in our opinion, this is redundant, talking about inspections and piping, local jurisdictions already inspecting and permitting, so this is unnecessary. What is described in 2.1.2 is defined in Uniform Plumbing Code, which is adopted unilaterally throughout State. Term “without limitation” – are you going to take off sheet rock, metering device. It is covered by plumbing system and by definition</p> |

| | |
|---|--|
| | <p>covered by others in the State. With regards to Section 5, SB205 was intended to do the opposite of Section 5. Boilers are not water heaters, water heaters are not defined as boilers, they are completely different. Separation is already in Uniform Mechanical Code and Uniform Plumbing Code. With regards to Section 8, they are opposed to Section 8(9). With regards to Section 10, believe proposed regulation does not comply with SB205 or the Code.</p> |
| 2 | <p>Name: James Gerren Telephone number: None received Business address: None received Business telephone number: None received Electronic mail address: None received Name of entity or organization represented: Clark County Building Department, Southern Nevada Building Officials Summary of comment: With regards to Section 2 – concerns that it will confuse users and regulatory users because of proposed term “apparatuses used in conjunction with the water heater”. They supported SB205 that cleared up distinction between water heaters and boilers. With regards to Section 5 - proposes to amend definition of “boiler” to include “without limitation, apparatuses in connection of water heater”. Water heaters are different that boilers, and could be misconstrued that water heaters are now wrapped up in boilers, so that all boiler requirements must be used with water heaters. With regards to Section 7’s proposal of a new fee schedule, reference to water heater is confusing, as it is in the boiler portion of the Code and does not support fees applicable to water heaters. With regards to Section 8, he finds new paragraph 9 as confusion, and opposes fees to be used regarding water heaters. Lastly, with regards to Section 9(5), effect of lumping water heater into boiler or pressure vessels is inappropriate.</p> |
| 3 | <p>Name: Warren Hardy, II Telephone number: None received Business address: None received Business telephone number: None received Electronic mail address: None received Name of entity or organization represented: Warren Hardy Strategies Summary of comment: Concerns with process of the Small Business Impact Statement– doesn’t appear to him that the provisions of the law were followed – before a public hearing is held, before a workshop is held, the agency has to reach out to the community, I don’t know how you reached the conclusion in the Small Business Impact Statement of a minor impact, curious if there was any effort to reach out to business as required by NRS 233B and if there were, it isn’t mentioned in the Small Business Impact Statement and if there weren’t, then it calls into question this process at this time. We believe that what’s done at local level regarding inspections, that this is redundant, unnecessary, added expense to businesses, not needed for public safety, and would protest this process because under 233B.0608 need to have a concerted effort and articulate the process.</p> |

| | |
|---|---|
| 4 | <p>Name: Brian Ahee Telephone number: None received Business address: None received Business telephone number: None received Electronic mail address: None received Name of entity or organization represented: Bradford White Corporation Summary of comment: Commends DIR's attempts to adopt regulations. While they support DIR establishing certain requirements, we recommend edits, as proposed language may cause confusion. Language uses phrase to be defined as definition. Language used does not have industry consensus. Non-mandatory Appendix E – modular boiler and modular water heater.</p> |
| 5 | <p>Name: John Trauger Telephone number: None received Business address: None received Business telephone number: None received Electronic mail address: None received Name of entity or organization represented: Rain Water Heating Summary of comment: With regards to Section 6, Section 6(2) – talking about single family residences, definition of boilers and the BTU amounts. Just because something is called a boiler by a marketing name, does not make it a boiler in the Plumbing Code. In residential homes, you are going to, as an industry, end up as a black eye as a governmental overreach into residential homes. That would be something that would be difficult to inspect, getting Single Family residents to allow government inspections every couple of years. Request another working group be held for further definition given to SFR and exactly what that means.</p> |
| | |

July 19, 2022, Workshop

| | |
|---|--|
| 1 | <p>Name: Jordan Krahenbuhl Telephone number: None received Business address: None received Business telephone number: None received Electronic mail address: None received Name or organization represented: Plumbing Heating Cooling Contractors of Nevada Summary of comment: Thanked everyone and the Division at the time for the hard work and support in working with all the industries.</p> |
|---|--|

September 7, 2022, Public Hearing

| | |
|---|--|
| 1 | <p>Name: None Telephone number: None received Business address: None received</p> |
|---|--|

| |
|--|
| Business telephone number: None received Electronic mail address: None received Name or organization represented: n/a Summary of comment: n/a |
|--|

5. 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.

Copies of the proposed regulation, notices of workshop, and notice of intent to act upon the regulation were sent by e-mail and U.S. Mail to persons who were known to have an interest as well as any persons who had specifically requested such notice, if any. These documents were also made available at the Division’s website, <http://dir.nv.gov/Meetings/Meetings>, with the notices also posted at the following locations:

The State of Nevada Website (www.notice.nv.gov)

The Nevada State Legislature Website (<http://leg.state.nv.us/App/Notice/A/>)

The Division of Industrial Relations Website (<http://dir.nv.gov/Meetings/Meetings>)

A Workshop was held to solicit comments on the proposed regulation on January 12, 2022. A Second Public Workshop to solicit comments on the proposed regulation was also held July 19, 2022. At the conclusion of the July 19, 2022, the Division indicated that should any member of the public wish to make written public comment, to submit them by July 26, 2022. The Division received one written public comment. Likewise, a Public Hearing was held on September 7, 2022, to solicit comments from the public on the adoption of the regulation.

On June 6, 2022, the Division sent out a Small Business Impact Statement Questionnaire to interested parties. The Questionnaire inquired from small businesses whether they believed there would be any economic effects, adverse or beneficial, direct or indirect, on their respective businesses from the proposed regulation. The Division also placed a link on its website to the Questionnaire for interested parties to complete, should they so choose. The deadline to return the Questionnaire was June 17, 2022. As of this date, the Division received one (1) response from Taryn Fenó of J&J Plumbing, LLC. Specifically, Ms. Fenó indicated that she believed that the regulation would have an adverse economic effect on her business, as, “In the last calendar year, we installed roughly (18) WHs in different applications (res. vs. comm). That would equate to almost \$2,000 additional fees.” Further, Ms. Fenó noted that the regulation would have an indirect adverse effect on her business, noting, “Time to obtain permit/inspection(s) – added paperwork & processing – which we’ve experienced communication/processing hickups already w/ other install permits prior.”

A summary may be obtained by contacting Rosalind Jenkins, Legal Secretary II, Division of Industrial Relations, (702) 486-9014, or by writing to the Division of Industrial Relations, 3360 W. Sahara Ave., Ste. 250, Las Vegas, Nevada 89102.

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.

Comments received at the public workshops and public hearing were considered and incorporated in the revised proposed regulation adopted by the Division at the September 7, 2022 public hearing. The concerns from public comment were received in advance in writing and considered.

7. THE ESTIMATED ECONOMIC EFFECT OF THE REGULATION ON THE BUSINESS WHICH IT IS TO REGULATE AND ON THE PUBLIC. THESE MUST BE STATED SEPARATELY, AND IN EACH CASE MUST INCLUDE:

A. ADVERSE AND BENEFICIAL EFFECTS

i. **Effect on Businesses**

The Division anticipates a direct effect on small businesses that seek a permit for equipment and apparatuses used in connection with a water heater as the result of the adoption of this regulation. The proposed regulation provides for a \$110 fee for the issuance of an initial operating permit, based on an inspection by an inspector for equipment and apparatuses used in connection with a water heater. In addition, the proposed regulation provides for a \$50 fee for the biennial renewal of an operating permit, based on an inspection by an inspector or a special inspector of equipment and apparatuses used in connection with a water heater.

The Division anticipates beneficial effects on small businesses, including that the proposed regulation will help monitor crucial safety issues for the installation and use of equipment and apparatuses used in connection with a water heater to assist with prevention of losses to businesses. Additionally, the Division anticipates that small business owners will achieve savings in maintenance costs as biennial inspection will alert small business owners to potential failures and malfunctions of equipment prior to critical failures.

ii. **Effect on the Public**

The Division anticipates no adverse effects, either direct or indirect, on the public as the result of these regulations that apply to the equipment and apparatuses used in connection with a water heater (enacted in Senate Bill 205, chapter 328, Statutes of Nevada 2021, at page 1959). There will be no direct or indirect cost to the public.

The Division believes that there will be beneficial effects on the public as the result of these regulations, including that the proposed regulation will help monitor crucial safety issues for the installation and use of equipment and apparatuses used in connection with a water heater to assist with mitigation of injuries to the public.

B. IMMEDIATE AND LONG-TERM EFFECTS

i. **Effect on Businesses**

The Division does not anticipate any immediate effects, either adverse or beneficial, on regulated and small businesses as a result of these regulations that apply to the equipment and apparatuses used in connection with a water heater (enacted in Senate Bill 205, chapter 328, Statutes of Nevada 2021, at page 1959).

The Division anticipates beneficial effects on small businesses, including that the proposed regulation will help monitor crucial safety issues for the installation and use of equipment and apparatuses used in connection with a water heater to assist with prevention of losses to businesses. Additionally, the Division anticipates that small business owners will achieve savings in maintenance costs as biennial inspection will alert small business owners to potential failures and malfunctions of equipment prior to critical failures.

The Division does not anticipate any long-term effects, either adverse or beneficial, on regulated businesses as a result of these regulations. However, the proposed regulation provides for a \$110 fee for the issuance of an initial operating permit, based on an inspection by an inspector for equipment and apparatuses used in connection with a water heater. In addition, the proposed regulation provides for a \$50 fee for the biennial renewal of an operating permit, based on an inspection by an inspector or a special inspector of equipment and apparatuses used in connection with a water heater.

ii. Effect on the Public

The Division does not anticipate any immediate effects, either adverse or beneficial, on the public as a result of these regulations that apply to the equipment and apparatuses used in connection with a water heater (enacted in Senate Bill 205, chapter 328, Statutes of Nevada 2021, at page 1959). There will be no direct or indirect costs to the public.

The Division anticipates long-term beneficial effects on the public as a result of these regulations, including that the proposed regulation will help monitor crucial safety issues for the installation and use of equipment and apparatuses used in connection with a water heater to assist with mitigation of injuries to the public. There will be no direct or indirect costs to the public.

8. THE ESTIMATED COST TO THE AGENCY FOR ENFORCEMENT OF THE PROPOSED REGULATION

There will be no additional or special costs incurred by the Division for enforcement of this regulation.

9. DESCRIPTION OF ANY REGULATIONS OF OTHER STATE OR GOVERNMENT AGENCIES WHICH THE PROPOSED REGULATIONS 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 Division is not aware of any similar regulations of other state or government agencies that which the proposed regulations overlap or duplicate. Nevertheless, local jurisdictions in

Nevada require an installation permit for water heaters installed singly or in a series. However, local jurisdictions do not issue periodic renewal of operating permits for these installations and do not conduct regular safety inspections after installation. In contrast, under the proposed regulation, the Mechanical Compliance Section of the Division would issue an installation permit and then require an inspection every two years to renew an operating permit, in addition to requiring the installation of an emergency gas shutoff valve. The proposed regulation will help monitor crucial safety issues for the installation and use of equipment and apparatuses used in connection with a water heater to assist with prevention of losses to businesses.

10. IF THE REGULATION INCLUDES PROVISIONS WHICH ARE MORE STRINGENT THAN A FEDERAL REGULATION WHICH REGULATES THE SAME ACTIVITY, A SUMMARY OF SUCH PROVISIONS.

The Division is not aware of any similar federal regulations of the same activity in which the adopted regulations are more stringent.

11. IF THE REGULATION PROVIDES A NEW FEE OR INCREASES AN EXISTING FEE, THE TOTAL AMOUNT THE AGENCY EXPECTS TO COLLECT AND THE MANNER IN WHICH THE MONEY WILL BE USED.

The proposed regulation provides for a fee of \$110 per system of equipment and apparatus used in connection with a water heater in the first year, and a biennial fee of \$50 thereafter. The annual total collected is estimated to be less than \$10,000, collected via permit fee invoices. The money will go into the Workers' Compensation and Safety Fund, which funds a variety of agencies for activities related to workers' compensation and safety, including the Mechanical Compliance Section.

Dated this 14th day of September, 2022.

DIVISION OF INDUSTRIAL RELATIONS

By: Victoria Carreón

Victoria Carreón
Administrator, Division of Industrial Relations
3360 W. Sahara Ave., Ste. 250
Las Vegas, Nevada 89102