



**DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INDUSTRIAL RELATIONS**

**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 455C as follows:

1. EXPLANATION OF THE NEED FOR THE ADOPTED REGULATION

On January 12, 2023, Nevada Governor Joe Lombardo issued Executive Order 2023-003, requiring every executive branch department, agency, board, and commission to undertake a comprehensive review of the regulations subject to its enforcement and provide details on how the regulation can be streamlined, clarified, reduced, or otherwise improved to ensure those regulations provide for the general welfare of the State without unnecessarily inhibiting economic growth. Executive Order 2023-003 further required every executive branch department, agency, board, and commission to provide a list of regulations recommended for removal. The Division of Industrial Relations, Mechanical Compliance Section (“MCS”) undertook such review and the proposed regulations, and amendments thereto, are in furtherance of the Division’s compliance with Executive Order 2023-003. Specifically, R025-23 eliminates certain charges imposed by the MCS; eliminates certain notification requirements relating to periodic tests on elevators; repeals certain provisions relating to insurance coverage of boilers and pressure vessels and certain testing of elevators; and provides other matters properly relating thereto.

Further, Executive Order 2023-008, issued June 30, 2023, notes that the executive agencies, boards, and commissions subject to Executive Order 2023-003 shall begin the process of repealing, streamlining, clarifying, reducing, or otherwise improving regulations. This proposed regulation seeks to comply with Executive Order 2023-008.

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 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>)

An initial Public Hearing with key industry stakeholders was held pursuant to Executive Order 2023-003 on May 4, 2023 to: (1) vet the recommended changes; (2) solicit input as to the merits of those changes; and (3) identify other regulatory changes stakeholders felt were worthy of consideration.

At the May 4, 2023 Public Hearing, Philip Grone, Vice President of Government Affairs for the National Elevator Industry, Inc. (NEII), stated on behalf of NEII that it concurred with the rational as to the proposed repeal of the proffered regulations and supported streamlining of the regulations. Mr. Grone expressed support for the repeal of the regulations.

Thereafter, a Workshop was held to solicit comments on the proposed regulation on February 15, 2024. One (1) comment was received during the workshop from Billy Taylor, Director of Government Affairs on behalf of NEII, as summarized below in Responses #3 and #4. At the conclusion the February 15, 2024 Workshop, the Division invited members of the public wishing to submit written public comment. The Division received one (1) written public comment from Billy Taylor, Director of Government Affairs on behalf of NEII, which stated, "NEII has no objections to those regulations that affect the elevator industry and that are recommended for removal. We concur with the MCS that these changes will streamline several administrative processes and repeal redundant or unneeded mandates."

The Division then held a Public Adoption Hearing on April 8, 2024. No public comment was received. Again, after the conclusion of the Public Hearing, the Division invited members of the public wishing to submit written public comment. No written public comments were received.

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 MAY 4, 2023 PUBLIC HEARING:	46
b.	ATTENDED FEBRUARY 15, 2024 WORKSHOP:	9
c.	ATTENDED APRIL 8, 2024 PUBLIC HEARING:	12
d.	TESTIFIED AT MAY 4, 2023 PUBLIC HEARING (regarding changes to NAC Chapter 455C):	1
e.	TESTIFIED AT FEBRUARY 15, 2024 WORKSHOP:	1
f.	TESTIFIED AT APRIL 8, 2024 PUBLIC HEARING:	0
g.	SUBMITTED WRITTEN COMMENTS RELATED TO MAY 4, 2023 PUBLIC HEARING:	0
h.	SUBMITTED WRITTEN COMMENTS RELATED TO FEBRUARY 15, 2024 WORKSHOP:	1
i.	SUBMITTED WRITTEN COMMENTS RELATED TO APRIL 8, 2024 PUBLIC HEARING:	0

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

May 4, 2023 Public Hearing	
1	<p>Name: Philip Grone, Vice President of Government Affairs Telephone number: None received Business address: None received Business telephone number: None received Electronic mail address: None received Name or organization represented: NEII</p> <p>Summary of comment: Mr. Grone concurred in the judgment of the MCS with regard to the rationale of the repeal of the regulations and supported streamlining of the regulations. Mr. Grone expressed support for the adoption of the repeal of the regulations.</p>

February 15, 2024 Workshop	
1	<p>Name: Billy Taylor, Director of Government Affairs Telephone number: None received Business address: None received Business telephone number: None received Electronic mail address: None received Name or organization represented: NEII</p> <p>Summary of comment: Mr. Taylor had no objections to the repeal of the regulations that affected the elevator industry. Mr. Taylor expressed his appreciation for the opportunity to comment and noted that he filed written comments in support of the changes.</p>

April 8, 2024 Public Hearing	
1	<p>Name: None Telephone number: Business address: Business telephone number: Electronic mail address: Name or organization represented: Summary of comment:</p>

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.

To determine whether the proposed regulations were likely to have an impact on small businesses, the Division considered the purpose and scope of the proposed regulations. The proposed regulations revise provisions of NAC 455C by eliminating certain charges imposed by the Mechanical Compliance Section of the Division of Industrial Relations of the Department of Business and Industry; eliminating certain notification requirements relating to periodic tests on

elevators; repealing certain provisions relating to insurance coverage of boilers and pressure vessels and certain testing of elevators; and providing other matters properly relating thereto.

In addition, on December 13, 2023, the Division sent out a Small Business Impact Statement Questionnaire to interested parties on the Division's Listserv, which includes 411 recipients. 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 deadline to return the questionnaire was December 22, 2023. The Division received three (3) responses as follows:

1. Grant Mills, Mills Farm and Industrial – Mr. Mills did not believe that the proposed regulation would have any economic effects, adverse or beneficial, on his business. Mr. Mills also indicated that he did not believe that the proposed regulation would have any indirect effects, adverse or beneficial, on his business.
2. M. Howard, Las Vegas Office Center – M. Howard believed that the regulation would have an adverse economic effect on the business, stating, “Provide traditional ‘grandfathering’ of older incident-free elevators in good working condition as toward newer ‘safety’ ‘upgrades’ like door restrictors and door lock monitors. ‘If it ain’t broke, don’t order costly unneeded ‘fixes’”.” M. However further indicated that the regulation would not have a beneficial economic effect on business, that there would be an indirect adverse effect with not indirect beneficial effect on business.
3. Brandy Vallette, PI BPG Fourth Street Partners, LLC – Ms. Vallette noted that the regulation would have an adverse economic effect on her business, stating: “Schindler elevator proposed a disc brake option, that has not been fully approved yet, for \$400k-500k total. If a rope gripper has to be installed instead of a disc brake, it will likely be more than the original estimate for disc brakes. A full modernization would be roughly \$400k-\$600k per elevator and was also suggested by Schindler since the code requirement upgrades would be so costly. All options presented would result in having elevators down for at least several weeks to do the installation and perform inspections.” Further, Ms. Vallette noted, “The office market is currently depressed during this unprecedented time and we are doing what we can to keep it afloat. Capital projects, such as these code requirement upgrades that come with such large unanticipated costs, are not funded from cash flow. It requires ownership to cut checks, putting building owners in an unfavorable position. Projects with costs of this magnitude can crumble a business on any given day, let alone in the market we are currently experiencing.”

Upon receipt of the responses, the Division reviewed the proposed regulations and found that the concerns listed in M. Howard’s and Brandy Vallette’s responses to the Questionnaire were not contemplated in the proposed regulations, as the proposed regulations do not discuss “newer safety upgrades” such as door restrictors and door lock monitors and “rope grippers”.

Based on this review, the Division determined that this regulation would have no direct effect on small businesses, either adverse or beneficial, and will also have no indirect effect on small businesses, either adverse or beneficial.

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.

The Division provided several opportunities for members of the public and key industry stakeholders to provide feedback on the proposed regulations, including the May 4, 2023 Public Hearing, February 15, 2024 Workshop, and April 8, 2024 Public Hearing. All public comment received was in support of the amendments and/or repeal of the regulations as stated in the December 8, 2023 draft of R025-23.

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 no adverse effects, either direct or indirect, on regulated businesses as the result of these regulations. The adverse effects, if any, are difficult to determine at this time. There will be no direct or indirect cost to regulated or small businesses.

The Division believes that there will be beneficial effects, direct or indirect, on regulated or small businesses as the result of these regulations. The Division's proposed regulations seek to eliminate the \$20 charge for the filing of a maintenance control program for an elevator and also eliminates the existing requirement that a licensed elevator contractor who performs periodic tests on an elevator to notify the Mechanical Compliance Section in writing at least 3 business days before commencing any such tests.

ii. Effect on the Public

The Division anticipates no adverse effects, either direct or indirect, on the public as the result of these regulations. There will be no direct or indirect cost to the public.

The Division believes that there will be no beneficial effects, either direct or indirect, on the public as the result of these regulations.

B. IMMEDIATE AND LONG-TERM EFFECTS

i. Effect on Businesses

The Division does not anticipate any immediate effects, either adverse or beneficial, on regulated businesses as a result of these regulations. There will be no direct or indirect costs to regulated businesses.

The Division does not anticipate any long-term effects, either adverse or beneficial, on regulated businesses as a result of these regulations. There will be no direct or indirect costs to the regulated businesses.

ii. Effect on the Public

The Division does not anticipate any immediate effects, either immediate or long-term, on the public as a result of these regulations. 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.

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 does not include a new fee or an increase of an existing fee.

Dated this 25th day of April, 2024.

DIVISION OF INDUSTRIAL RELATIONS

By: Victoria Carreón

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