



NEVADA DIVISION OF FORESTRY

STATE OF NEVADA
Department of Conservation & Natural Resources
Joe Lombardo, *Governor*
James A. Settlemeyer, *Director*
Kacey KC, *State Forester/Firewarden*

SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 223B.0608

February 29, 2024

1. A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

NDF conducted a survey by mail, reaching out to all 66 businesses in Nevada, identified through online sources, that specialize in the sale of plant materials. NDF received two survey responses, and both indicated that their businesses would not be impacted, neither beneficially or adversely, or impacted directly or indirectly by the regulation change. The summary may also be obtained from NDF's website at forestry.nv.gov/happening-now/events.

2. Describe the manner in which the analysis was conducted.

NDF generated a list of businesses that sell plant materials in Nevada from online directories and small business impact surveys were sent to 66 business via US Postal Mail. Survey recipients were given a 30-day time period to complete and return the surveys to NDF. NDF retained all responses in the agency's working file for this project. Additionally, NDF surveyed six small business nurseries to determine the amount of species and size overlap with those offered from NDF nurseries. Results showed that across all nurseries surveyed, they only had a total of 38 species/size combinations that overlapped with the 680 species/size combinations produced and sold by NDF nurseries. This amounts to a 5.6% overlap with the private sector market.

3. The estimated economic effect of the proposed regulation on the small business which it is to regulate including, without limitation both adverse and beneficial effects and both direct and indirect effects.

Survey respondents did not indicate adverse or beneficial, or indirect or direct impacts to their businesses as a result of the proposed regulation. NDF nurseries sold 39,464 plants in State Fiscal Year 2023 (July 1, 2022 – June 30, 2023). The average price per plant was \$6.39 for a total sales revenue of \$252,174. When considering the 5.6% overlap between small business nurseries surveyed and NDF for products offered to the market, the total approximate impact would amount to \$14,121 of potential revenue that NDF and small business nurseries would compete for annually across the state. This could be considered the total potential economic impact if no further analysis is carried out. Considering the survey responses received from the Small Business Impact Survey and NDF's understanding of Nevada small businesses' plant materials sales palette (size and species), NDF concluded the action of eliminating the restrictions in NAC 528.110 would have little to no impact on small businesses because of the limited or non-existent product sales overlap.

4. Provide a description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

NDF reviewed its current policies and procedures to evaluate the intersection between the use of plant materials sold by NDF and those sold by small businesses. NDF is governed by the existing statute (NRS 528.105) that mandates the utilization of plant materials sold by NDF for specific and well-defined conservation purposes. These purposes do not highly overlap with the most prominent application of most small business plant material sales which are dominated by residential landscaping and gardening applications. NDF worked with small businesses to acquire inventories of their available plant materials for sale. Subsequently, a comparison was conducted with NDF's plant materials lists to identify any overlap, revealing minimal similarity in specific species within the same size selection.

5. The estimated cost to the agency for enforcement of the proposed regulation.

There are not anticipated costs to NDF.

6. If the proposed 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 create a new fee or increase an existing fee.

7. An explanation of why any duplicative or more stringent provisions other than federal, state or local standards regulating the same activity are necessary.

Not applicable.

8. Provide a summary of the reasons for the conclusions of the agency regarding the impact of a regulation on small businesses.

NDF diligently contacted all identified businesses involved in the sale of plant materials in Nevada to gather feedback on the proposed regulation change by NDF. Only a handful of small businesses responded, expressing minimal concern, and all indicated that they anticipated no impact on their operations. Additionally, existing policies governing plant materials sales, coupled with the specific combinations of size and species offered by NDF, contribute to minimizing market overlap between the small businesses and NDF's nursery plant materials markets in Nevada.

I certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained within the statement was prepared properly and is accurate.

Respectfully,



Kacey KC
Administrator