



**DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR**

INFORMATIONAL STATEMENT

Nevada Department of Business and Industry
LCB File No. R058-22P1

EFFECTIVE DATE OF REGULATION:
Upon filing with the Nevada Secretary of State

The following information is provided pursuant to the requirements of NRS 233B.066:

(a) A clear and concise explanation of the need for the adopted regulation.

The proposed amended regulation provides a statutorily-mandated review and update to chapter 598 of Nevada Administrative Code (“NAC”) that streamlines and clarifies various hearing procedures, adds definitions for the benefit of the parties, removes requirements that no longer serve judicial efficiency, promotes technological advancements while maintaining due process, and is, in part, required because of passage of Senate Bill 447 (“S.B. 447”) during the 81st Session of the Nevada Legislature (2021).

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

The Department provided numerous opportunities for the public to comment on the proposed regulation. The Department posted to its website the proposed regulation, notices for public meetings, and a Small Business Impact Statement, as well as made copies available in print at the workshop held on March 27, 2024. The Department provided contact information to which the public could submit written comments on the materials posted. In addition, the Department made email notification to all persons on the Nevada Consumer Affairs Unit’s email list, requesting comments and input concerning whether the proposed regulation would impose a direct and significant economic burden on small business. The Department considered the impact to the small businesses and created a Small Business Impact Statement, which was posted on March 12, 2024. In accordance with that posting, the public meeting took place on March 27, 2024, and provided

additional final opportunity for the public to provide comment on the proposed regulation.

Additionally, these materials were also posted to the Nevada Public Notice Website at <https://notice.nv.gov> and the Nevada Legislature's web page for administrative regulation notices at <https://www.leg.state.nv.us/App/Notice/A/>, as well as at the following Nevada office locations:

- The Department's principal offices/in-person physical locations in Las Vegas and Carson City (3300 W. Sahara Ave., Las Vegas, NV 89102 and 1830 College Parkway, Suite 100, Carson City, NV 89706, respectively).
- Nevada State Business Center, 3300 W. Sahara Avenue, Las Vegas, Nevada 89102.

One written comment was received. The comment suggested modifying Section 5 of LCB File No. R058-22 which established the purpose of the prehearing conference and imposed specific consequences for failing to attend a prehearing conference. The suggestion was accepted, and the modification was made.

Interested persons may obtain a summary of public response to the proposed regulation by contacting Michelle C. Badorine, Senior Deputy Attorney General, Bureau of Consumer Protection, 100 North Carson Street, Carson City, NV 89701-4717, via telephone at (775) 684-1164, or via e-mail to MBadorine@ag.nv.gov.

(c) The number of persons who: (1) Attended each hearing; (2) Testified at each hearing; and (3) Submitted to the agency written statements.

There were two (2) attendees at the workshop held on March 27, 2024. Of the two, only one (1), offered comments at the workshop and submitted to the agency written statements.

(d) For each person identified in (2) and (3) of (c), the following information if provided to the agency conducting the hearing: (1) Name; (2) Telephone number; (3) Business address; (4) Business telephone number; (5) Electronic mail address; and (6) Name of entity or organization represented.

Name: Cara Brown
Title: Administrative Law Judge
Telephone Number: (702) 486-7041
Business Address: 3300 W. Sahara Ave., Suite 425, Las Vegas, NV 89102
Business Telephone Number: (702) 486-2750
Email address: clbrown@business.nv.gov
Entity Represented: N/A

(e) A description of how comments were 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 Department posted to its website the proposed regulation, notices for public

meetings, and Small Business Impact Statement. The Department carefully evaluated and considered the impact to small businesses in creating its Small Business Impact Statement. In addition, the Department provided contact information to which any business could submit written comments on the materials posted. Moreover, the Department made email notification to all persons on the Nevada Consumer Affairs Unit's email list, requesting comments and input concerning whether the proposed regulation was likely to impose a direct and significant economic burden on small business.

These materials were also posted to the Nevada Public Notice Website at <https://notice.nv.gov> and the Nevada Legislature's web page for administrative regulation notices at <https://www.leg.state.nv.us/App/Notice/A/>, as well as at the following Nevada office locations:

- The Department's principal offices/in-person physical locations in Las Vegas and Carson City (3300 W. Sahara Ave., Las Vegas, NV 89102 and 1830 College Parkway, Suite 100, Carson City, NV 89706, respectively).
- Nevada State Business Center, 3300 W. Sahara Avenue, Las Vegas, Nevada 89102.

No written comments from affected business were submitted.

(f) 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 regulation was not adopted without changing any part of the proposed regulation.

(g) The estimated economic effect of the regulation on the business which it is to regulate and on the public, including (1) Both adverse and beneficial effects; and (2) Both immediate and long-term effects.

Adverse and beneficial effects on business:

The Department has determined that the regulation will not (1) impose a direct and significant economic burden upon a small business; (2) result in any direct or indirect adverse effects on small businesses; or (3) directly restrict the formation, operation, or expansion of a small business. Moreover, the Department has determined that the regulation will likely have beneficial effects on small businesses, which include streamlining and clarifying various hearing procedures, adding definitions for the benefit of the parties, removing requirements that no longer serve judicial efficiency, and promoting technological advancements while maintaining due process protections.

Adverse and beneficial effects on the public:

The Department has determined that the regulation will not have an adverse economic effect on the public or result in any direct or indirect adverse effects on the public. Moreover, the Department has determined that the regulation will have beneficial effects on the public, which include greater consumer protections

for individuals and businesses due to a streamlined and increasingly efficient administrative hearing process.

Immediate and long-term effects on business:

The Department has determined that the regulation will not have any immediate or long-term adverse effects on small businesses. The Department has also determined that the regulation will likely have immediate or long-term beneficial effects on small businesses, in particular due to the streamlined and clarified hearing procedures, additional definitions for the benefit of the parties, removal of requirements that no longer serve judicial efficiency, and promotion of technological advancements that maintain due process.

Immediate and long-term effects on the public:

The Department has determined that the regulation will not have any immediate or long-term adverse effects on the public. The Department has also determined that the regulation will likely have immediate and long-term beneficial effects on the public through greater consumer protections for individuals and businesses, in particular due to a streamlined and increasingly efficient administrative hearing process, while maintaining due process protections.

(h) The estimated cost to the agency for enforcement of the proposed regulation.

The Department does not anticipate any additional costs to the agency for enforcement of the regulation. The proposed regulation streamlines and clarifies various hearing procedures, adds definitions for the benefit of the parties, removes requirements that no longer serve judicial efficiency, reduces costs to businesses and the public, and promotes technological advancements while maintaining due process protections – all of which also have a beneficial effect by reducing costs to the agency.

(i) 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 regulation does not overlap or duplicate any known local, state, or federal regulations.

(j) If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The proposed regulation does not include provisions that are more stringent than a federal regulation that regulates the same activity.

(k) 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.

Pursuant to existing law, the Department has authority to collect reimbursement

for the cost of an investigation and/or audit and/or hearing. The regulation establishes the amount the Department can charge for those costs. The Department does not have an estimate of the number of hearings it expects to hold and therefore cannot estimate an approximate amount it would expect to collect from this reimbursement, but is optimistic that hearings will be infrequent, rather than routine, and therefore the amount would be nominal. The Department intends to use the funds it collects to reimburse actual charges incurred by the Nevada Consumer Affairs Unit in its investigations and/or audits and/or hearings.