

## **“EXHIBIT A”**

**SMALL BUSINESS IMPACT STATEMENT FOR PROPOSED REGULATIONS  
BY THE FINANCIAL INSTITUTIONS DIVISION (Division)  
TO GOVERNOR LOMBARDO’S EXECUTIVE ORDER 2023-003  
September 19, 2023**

**1. Small Business Impact Statement pursuant to NRS 233B.0609:**

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

**(I) Solicitation of affected small businesses.**

The Division sought comments in accordance with NRS 233B.0608 for the purpose of considering whether as a result of the proposed regulations, there may be a direct and significant economic burden upon small business (defined as fewer than 150 employees) or if the regulations will directly restrict the formation, operation or expansion of a small business seeking to engage in or who desire to engage in the business of money transmission, to ensure that there is established in this state an adequate, efficient and competitive service available to the general public.

The Division composed the solicitation list from current licensees under Nevada Revised Statutes chapter 628B, 662, 676A, 677 and 678, and all known interested parties. In turn, the Division solicited comments on the proposed regulations for Governor Lombardo’s Executive Order 2023-003 (E.O. 2023-003) from the above lists by emailing a notice and questionnaire. Additionally, a copy of the full text of the proposed regulations was emailed and posted to the Division’s website. The solicited comments were used to formulate this Small Business Impact Statement.

**(II) Summary of responses.**

See attached spreadsheet.

**(III) Obtain a copy of the summary.**

This Small Business Impact Statement was posted on the NFID website dated October 16, 2023, along with a Notice of Workshop for November 2, 2023. Interested persons may also obtain a copy of the Small Business Impact Statement by contacting the:

**Office of the Commissioner  
Financial Institutions Division  
3300 W. Sahara Avenue, Suite 250  
Las Vegas, NV 89102  
Email: FIDMaster@fid.state.nv.us  
Telephone: (702) 486-4120  
Website: <http://fid.nv.gov>**

**(b) The manner in which the analysis was conducted.**

Pursuant to NRS 233B.0608(1), the Division made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business; or directly restrict the formation, operation or expansion of a small business. For this effort, the Division sent a copy of the draft regulations and a Small Business Impact Questionnaire to all known interested parties for review and invited written comment regarding the impact to the entities, NFID took all comments submitted into consideration.

Following review of the written comment from the industry, the Division has determined that the proposed regulation is unlikely to impose a direct and significant economic burden upon a small business; result in any direct or indirect adverse effects on small business; or directly restrict the formation, operation, or expansion of a small business.

**(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate including, without limitation:**

**(1) Both Adverse and Beneficial effects:**

**(I) ADVERSE EFFECTS:**

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100 will open up the industry to unexperienced foreign investors all over the world and non-Nevada residents to operate in Nevada. That the proposed change would increase licensing fees to the industry.

Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location, the expertise to operate as a private professional guardian, and the court appointing a protected person to the licensed entity. The Division does not foresee any increase in fees for the Division, applicants or licensees.

During the review of its regulations, it was decided section NAC 628.100 was not needed because statute provides clear requirements for licensure, and it removed the requirement for an individual to be a United States citizen. The removal of the United States citizenship requirement is consistent with updating current statutes and regulations in this State to remove such requirement.

**(II) BENEFICIAL EFFECTS:**

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100. The proposed change allows for outside foreign investors to purchase and take over any established existing private professional guardianship established business.

The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.

**(2) Both Direct and Indirect effects:**

**(I) DIRECT EFFECTS:**

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100 will open up the industry to unexperienced foreign investors all over the world and non-Nevada residents to operate in Nevada. That the proposed change would increase licensing fees to the industry.

Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location, the expertise to operate as a private professional guardian, and the court appointing a protected person to the licensed entity. The Division does not foresee any increase in fees for the Division, applicants or licensees.

During the review of its regulations, it was decided section NAC 628.100 was not needed because statute provides clear requirements for licensure, and it removed the requirement for an individual to be a United States citizen. The removal of the United States citizenship requirement is consistent with updating current statutes and regulations in this State to remove such requirement.

**(II) INDIRECT EFFECTS:**

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100. The proposed change allows for outside foreign investors to purchase and take over any established existing private professional guardianship established business.

The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.

**(d) 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.**

The Division sent out 102 small business questionnaires to all known interested parties. It received a total of ten (10) responses to the solicitation. One (1) small business provided comment, four (4) responded with N/A or no impact, and five (5) responded with no comment because they were over the small business threshold of 150 employees. The Division has considered and analyzed the one submitted comment and addressed those comment in the attached summary of response spreadsheet.

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

There is no cost associated with revising and/or removing these regulations. The Division does not foresee the need for any additional funding or budget increase.

**(f) 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.**

No fees are being proposed.

**(g) If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

To the Division's knowledge, the proposed regulations do not duplicate any existing federal, state, or local standards regulating the same activity.

**(h) The reasons for the conclusions of the agency regarding the impact of the regulation on small businesses.**

This is a result of Governor Lombardo's Executive Order 2023-003, for the Division to conduct a comprehensive review of its regulations. The changes made to the regulations does not impose an economy burden to small business.

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 in this Small Business Impact Statement was prepared properly and accurate.

The image shows a blue ink signature of Sandy O'Laughlin written over the official seal of the State of Nevada. The seal is circular and features the state's coat of arms, including a miner and a shearer, with the words 'STATE OF NEVADA' and '1863' visible.

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Sandy O'Laughlin  
Commissioner  
Financial Institutions Division  
State of Nevada, Department of Business and Industry

<b><u>EO 2023-003- Governor's Executive Order- Direct or Indirect Impact Item from Small Businesses</u></b>	<b><u>Number/ and %</u></b>	<b><u>Direct or Indirect</u></b>	<b><u>Adverse or Beneficial</u></b>	<b><u>NFID Answer/Mitigation</u></b>
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<p>Comment regarding Section 1, NAC 628B.100. The proposed regulation would allow any individual residing anywhere in the world to own a specialized and state specific industry and potentially serve as a guardian for the most vulnerable Nevada residents and we don't know the full economic impact the opening of this door will have on the industry in Nevada.</p>	<p>1 (100.00%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location. NRS 628B.520.</p> <p>During the review of its regulations, it was decided section NAC 628.100 was not needed because statute provides clear requirements for licensure, and it removed the requirement for an individual to be a United States citizen. The removal of the United States citizenship requirement is consistent with updating current statutes and regulations in this State to remove such requirement.</p>
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<p>Comment regarding Section 1, NAC 628B.100. The proposed change allows for outside foreign investors to purchase and take over any established existing private professional guardianship established business.</p>	<p>1 (100.00%)</p>	<p>Direct</p>	<p>Beneficial</p>	<p>The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.</p>

<p>Comment regarding Section 1, NAC 628B.100. The proposed change would likely increase pass-through expenses (licensing fees) to Private Professional Guardians due to increased state costs to complete license application approvals (financial status, solvency, bankruptcy-potentially international applicants) and ensuring that these license applicants comply with NAC 628B.120 and allows for outside investors with little or no knowledge or expertise in professional guardianship setting Nevada Guardians back in time and diluting our hard work establishing a fiduciary status and professional relationships.</p>	<p>1 (100.00%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>The Division does not anticipate any increase in time or expenses for the Division, applicants, or licensees.</p> <p>Anyone applying for licensure under NRS Chapter 628B will still have to follow the statutory requirements, including but not limited to, the need to have experience and the courts appointing protected persons to a licensed entity.</p>
<p>Comment regarding Section 1, NAC 628B.100. The proposed change allows for outside foreign investors, including those residing in foreign countries.</p>	<p>1 (100.00%)</p>	<p>Indirect</p>	<p>Beneficial</p>	<p>The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.</p>

**SBI Response Summary:**

Total Known Interested Parties Solicited: 102

Total Responded with Comments: 1  
Total Responded with N/A: 4  
Total Responded with over 150 Employees (outside the small business threshold): 5  
Total Comments Impacting the SBI % (Total Known Interested Parties Solicited - N/A - over 150 Employees=): 93

% Responded/Total Solicited (10/102): 9.8%  
% Responded with Comments/Total Comments Impacting SBI (1/93): 1.08%