

**FORM 4:
NEVADA SAGEBRUSH ECOSYSTEM PROGRAM SMALL BUSINESS IMPACT DISCLOSURE
PROCESS PURSUANT TO 233B “Nevada Administrative Procedures Act”**

The purpose of this Form is to provide a framework pursuant to NRS 233B.0608 for drafting and submitting a Small Business Impact Statement (SBIS) to the Sagebrush Ecosystem Council in order to determine whether a SBIS is required to be noticed and available at the public workshop. A SBIS must be completed and submitted to the Legislative Counsel Bureau for ALL adopted regulations.

Note: Small Business is defined as a “business conducted for profit which employs fewer than 150 full-time employees” (NRS 233B.0382).

To determine whether a SBIS must be noticed and available at the public workshop, answer the following questions:

1. Does this proposed regulation impose a direct and significant economic burden upon a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)*

No. See Question 8.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)*

Yes, See attached Small Business Impact Statement

If **Yes** to either of question 1 & 2, a SBIS must be noticed and available at the public workshop.

FORM 4: SMALL BUSINESS IMPACT STATEMENT (NRS 233B.0609)

(Provide attachments as needed)

1. Describe the manner in which comment was solicited from affected small businesses, a summary of the response from small businesses and an explanation of the manner in which other interested persons may obtain a copy of the summary. *(Attach copies of the comments received and copies of any workshop attendance sheets, noting which are identified as a small business.)*

The Sagebrush Ecosystem Program (SEP) sent a questionnaire out to all known affected businesses, which included independent consultants, consulting firms, ranches, and mining/energy/technology companies. It was determined that there are 105 small businesses in Nevada that may be impacted by the regulation change. All other entities not captured by this mailing will be able to voice their concerns during the workshop on October 30, 2024 in the Tahoe 2-E Conference Room at the Department of Conservation and Natural Resources, 901 S. Stewart St., Carson City, Nevada.

Of the one hundred and five questionnaires sent out, four were undeliverable, and one was returned with answers. The main concern was the indirect cost associated with attending in-person verifier certification training. Although training is provided free of charge, attendees must pay for their own travel, lodging, and food.

Minutes of the public workshop and subsequent hearing will capture the discussions held regarding the adopted regulation. These may be obtained online at sagebrusheco.nv.gov no later than 30 days after the meetings.

2. The manner in which the analysis was conducted (if an impact was determined).

As noted above, the SEP solicited input from all known small businesses who may be affected by the regulation change. The regulation would primarily affect small businesses who are involved in the Conservation Credit System (CCS), including independent consultants, consulting firms, ranches, and small mining, energy, and technology firms. Few concerns were voiced through this initial process, but those affected will have two more opportunities to provide input and participate in the process during the workshop and hearing.

3. The estimated economic effect of the proposed regulation on small businesses:

a. Both adverse and beneficial effects:

The proposed regulations will codify two SEP policies that relate to third-party verifiers for the CCS. Verifiers are consultants hired by CCS project proponents to act as an unbiased third-party to accurately assess ecosystem conditions at a potential project site for Greater Sage-grouse mitigation. The proposed regulation changes will codify 1) requirements for becoming and remaining a certified verifier for the CCS, and 2) the verifier decertification process for when rules and/or standards are not adhered to.

The proposed regulation change will not directly affect small businesses, but has the potential for indirect economic effects, both adverse and beneficial.

Adverse economic effects could arise from the cost of traveling to the Reno/Carson City area for the full in-person training, required once every five years for each person certified. Additionally, adverse effects could occur if a certified verifier chooses not to adhere to rules and standards set forth by the SEP and is subsequently decertified through a standardized process and disciplinary hearing. Decertification would result in a loss of opportunity to conduct work as a verifier for the CCS, and the associated loss of income. For other small businesses, indirect economic effects could occur from the need to hire a new verifier and potential project delays if their verifier is decertified.

Indirect beneficial economic effects on small businesses are also expected as a result of this regulation change. Once certified, verifiers can generate significant income by performing work for CCS Project Proponents (on average, rates for consulting work can range from approximately \$100 - \$200/hour). Additionally, by requiring rigorous training and holding verifiers accountable when they do not adhere to the SEP's rules and standards, the SEP can ensure that small businesses who hire verifiers will not pay extraneous consulting charges or experience significant project delays when work is completed inefficiently or incorrectly.

a. Both direct and indirect effects:

Same as above.

4. 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 the methods. (Include a discussion of any considerations of the methods listed below.)

The SEP has worked to improve documents and training materials for verifier certification to ensure those becoming certified are clear of the process, their role, and responsibilities.

The SEP has considered methods to minimize the burden of the regulation on the most affected small businesses through several means:

- Providing verifier certification training free of charge
- Requiring in-person attendance for re-certification every 5 years instead of at more frequent intervals
- Offering a virtual option for re-certification in years between a verifier's required in-person training
- Allowing for multiple warnings prior to initiating the decertification process
- Allowing an appeals process at several points during the decertification process

A. Simplification of the proposed regulation:

- See above

B. Establishment of different standards of compliance for a small business:

- NA

C. Modification of fees or fines so that a small business is authorized to pay a lower fee or fine:

- See above

5. The estimated cost to the agency for enforcement of the proposed regulation. (Include a discussion of the methods used to estimate those costs.)

The enforcement of the regulation falls within current operations of the Program; therefore, there will be no additional cost to the agency above the current legislatively approved budget.

6. If this regulation provides for a new fee or increases an existing fee, the total annual amount the agency expects to collect and manner in which the money will be used.

The proposed regulation does not provide for new fees or increase an existing fee.

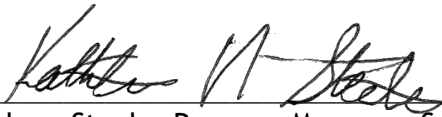
7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, provide an explanation of why such duplicative or more stringent provisions are necessary.

There is no other federal, state, or local standard regulating the activity of verifiers certified by the SEP.

8. The reasons for the conclusions regarding the impact of a regulation on small businesses.

After an analysis of the 105 impacted businesses that the Program is aware of, it was determined that the regulation has the potential to cause indirect financial impacts (both adverse and beneficial) on smaller businesses. The SEP has mitigated the costs of attending in-person training as much as possible (as discussed in number 4) while still ensuring the integrity of the program. Other indirect adverse impacts can be avoided by verifiers adhering to the rules and standards set forth by the SEP. A workshop and a subsequent hearing will be held to acquire more comments from the public and affected businesses.

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 a small business and the information contained in this statement was prepared properly and is accurate.



Kathleen Steele, Program Manager, Sagebrush Ecosystem Program

10/14/2024

Date

<http://www.leg.state.nv.us/Statutes/77th2013/Stats201314.html#Stats201314page2304>