



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

January 3, 2025

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.

A Small Business Impact Questionnaire was sent on December 12, 2024, to all licensed Nevada well drillers or to the owners of well drilling businesses that operate in the State. The questionnaire included a summary description of the proposed regulation changes. The questions on the questionnaire were:

1. How many employees are currently employed by your business in Nevada?
2. Will this regulation have a direct adverse economic effect upon your business?
3. Will the regulation have any direct beneficial effect upon your business?
4. Do you anticipate any indirect adverse effects upon your business?
5. Do you anticipate any indirect beneficial effects upon your business?

The Division of Water Resources (Division) received six responses to the questionnaire; however, one of those responses indicated they employed more than 150 employees and therefore did not qualify as a small business for the purpose of the questionnaire. The following table summarizes the responses by each of the respondents for each question:

Response #	Q1	Q2	Q3	Q4	Q5
1	21	No	Yes	No	Yes
2	35	No	Yes	No	Yes
3	180	N/A	N/A	N/A	N/A
4	21	Yes	No	Yes	No
5	3	Yes	No	Yes	No
6	12	Yes	No	No	No

Generally, respondents that selected 'No' for Question 2 could be classified as the responses that were generally in favor of the proposed regulations. The explanations provided by those in this category were limited, with one respondent suggesting the proposed regulations would hopefully make hiring licensed well drillers easier.

Conversely, respondents that selected 'Yes' for Questions 2 could be classified as responses that were generally opposed to the proposed regulations. Those opposed to the proposed regulations expressed their opinion that no part of obtaining a license should be made "easier" and that the current licensing process shows that those able to obtain a license in Nevada have demonstrated knowledge, skills, and abilities to drill in this State. If an out of

state driller is issued a license via reciprocity, there is concern that driller may not be as familiar with regulations and requirements to drill in Nevada. There is also concern that out-of-state contractors could take jobs away from in-state contractors and for there to be more new businesses in Nevada. One commenter expressed that even waiting for three references can delay a driller for months before getting their license while these same jobs could be awarded to out-of-state contractors that get licensed by reciprocity while the in-state contractor is still working to get their license.

In addition to the Questionnaire, the Division will be conducting a public workshop on January 23, 2025, at 9:00 am to solicit input and public comment on the proposed amendments to the regulations. The workshop will be held in person at the Division of Water Resources Tahoe Hearing room located at 901 S. Stewart Street, Suite 2002, Carson City, NV 89701, and broadcast virtually via Microsoft Teams. The Division will also accept written public comments.

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

The Division solicited answers to a questionnaire and comments from Nevada licensed well drillers, some of which are small business owners. The Division vetted all six responses to the questionnaire. The Division will also hold a public workshop pursuant to NRS 233B.061 to solicit comments from interested persons which may cause the Division of Water Resources to amend this Small Business Impact Statement.

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.

The Division estimates that the proposed amendments to existing licensing regulations provide benefits to small businesses that outweigh the potential adverse effects, and they do not pose a significant direct or indirect economic burden on small businesses.

The potential impacts resulting from establishing a pathway to obtain a license by way of reciprocity are difficult to estimate. It is possible that providing a more direct path to licensure by way of reciprocity could invite competitors from out-of-state to seek licensure in Nevada. As a result, they may be awarded projects that could otherwise be performed by an in-state contractor. The Division estimates this potential is greater for larger companies that perform work in many states. On the other hand, in-state contractors may benefit from reciprocity because it would improve their ability to attract skilled workers. Those well drillers who already possess the necessary skills and expertise can get to work more easily in Nevada with less regulatory barriers.

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.

The Division will hold a public workshop to accept public comments as described above. Comments received to both the Small Business Impact Questionnaire and any that are received during the workshop will be considered with the proposed regulations to account for and minimize impacts on businesses.

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

There are no anticipated costs for the Division.

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.

The proposed amendments to the regulations seek to provide clarity and updates to the requirements for obtaining a water well drilling license 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,



Adam Sullivan
State Engineer