



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

September 16, 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 Survey was sent on August 19, 2025, to licensed Nevada well drillers, some of which are the owners of well drilling companies that operate in the State. The survey included a summary description of the proposed regulation changes and began with questioning if the respondents' business fell under the definition of a small business. If the respondent qualified, they were prompted to answer the following questions.

1. If enacted, will the proposed changes to NAC 534 have a direct adverse economic effect upon your business?
2. Will the proposed regulation have any direct beneficial effect upon your business?
3. Do you anticipate any indirect adverse effects upon your business as a result of this proposed regulation?
4. Do you anticipate any indirect beneficial effects upon your business as a result of this proposed regulation?

Depending on their response to these questions, the survey taker may have been prompted to provide additional details, including estimated monetary values, if applicable.

The Division of Water Resources (Division) received 13 responses to the survey; however, only 7 indicated they qualified as a small business that employs fewer than 150 employees. The following table summarizes the responses received to the questions above by qualifying small businesses:

Yes or No	Q1	Q2	Q3	Q4
Yes	2	5	1	3
No	5	2	6	4

A couple of the respondents expressed opposition about making changes to testing standards or introducing reciprocal licenses out of concern that there could be lesser qualified well drillers obtaining licenses in the state that would not be as familiar with regulations.

Several other respondents expressed positive support for the proposed regulations, stating favorable positions for a more direct pathway to licensure for experienced out of state drillers, improved ability to expand into Nevada, and more streamlined succession planning and onboarding for existing businesses.

The correlation of responses to the potential financial impact to the small businesses that responded was inconclusive. Estimated annual impacts of \$0 to over \$10,000 were submitted with limited context as to how those estimates were derived.

In addition to the survey, the Division will be conducting a public workshop on October 3, 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 Bonnie Conference room located at 901 S. Stewart Street, 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 survey and comments from Nevada licensed well drillers, some of which are small business owners. The Division vetted all 13 responses to the survey. 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 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 and will minimally impact small businesses.

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 Survey 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