

Small Business Impact Statement

Proposed Regulations R013-19

1.0 Overview

The Nevada State Contractors Board (NSCB) proposes an addition to the Administrative Code regarding the regulation of contractors in Nevada. The amendment creates, as required by AB 25 (2019), a regulation regarding the qualifications of hearing officers for the NSCB.

The Nevada State Contractors Board has determined that the proposed regulation should not have an adverse financial impact upon a small business. The proposed regulation is not expected to negatively impact the formation, operation, or expansion of a small business in Nevada.

2.0 Authority

This small business impact statement is made pursuant to NRS 233B.0608 and complies with the requirements of NRS 233B.0609. As required by NRS 233B.0608(3), this statement identifies the methods used by the agency in determining the impact of the proposed regulation on a small business and provides the reasons for the conclusions of the agency followed by the certification by the person responsible for the agency.

3.0 Background

The Nevada State Contractors Board was tasked with establishing regulations for its hearing officers by AB 25 (2019), which amended NRS 624.2545(4). That portion of the statute now reads, “The Board may delegate to a hearing officer or panel its authority to hold a hearing concerning the denial of an application pursuant to this section. The Board shall adopt regulations setting forth the qualifications of a hearing officer.”

For several years, the NSCB successfully used private-practice attorneys as hearing officers, also known as administrative law judges, for “contested matters” involving licensee discipline. These individuals, with their construction law backgrounds, were expected to follow judicial canons and to otherwise preserve the integrity, dignity, and public confidence in the administrative law process. There has been a uniform adherence to these standards; however, with the new statutory authority to delegate licensing application denial matters, the statute requires the NSCB to formalize its hearing officer qualifications requirements.

4.0 Method used to determine no small business impact

Pursuant to NRS 233B.0608, the Nevada State Contractors Board made a concerted effort to determine whether the proposed regulation was likely to: 1) impose a direct and significant economic burden upon a small business, or 2) directly restrict the formation, operation, or expansion of a small business. As a result of this effort, the NSCB determined that there is no impact upon small business as a result of the proposed regulation.

To reach this conclusions, the NSCB considered the scope of the statutory change and narrowly tailored the proposed regulation to address the statutory mandate. After preparing the statutorily-mandated regulation, the NSCB recognized that no small business would endure any economic burden related to the NSCB’s criteria for selecting competent hearing officers. Indeed,

qualifications-based selection of hearing officers was more likely to reduce potential costs upon small business. Likewise, no small business was likely to be affected by the qualifications-based selection of hearing officers in the small business's formation, operation, or expansion. Instead, a hearing officer chosen based upon defined qualification requirements was likely to increase the public's trust in the competency and integrity of the licensees thereby promoting business formation, operation, and expansion.

Ultimately, no adverse economic effects were identified because the proposed regulation does not affect NRS Chapter 624 licensees or those who may seek to become a licensee. Instead, the regulation establishes qualifications for hearing officers so that the public's confidence and trust of the administrative proceedings may be assured.

5.0 Certification by Person Responsible for the Agency

I, Margi Grein, Executive Officer of the Nevada State Contractors Board, certify 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 the information contained in this statement was prepared properly and is accurate.

Signature Margi Grein Date 8/15/2019