

Small Business Impact Statement for proposed amendments to NAC 625.260

Summary

The State Board of Professional Engineers and Land Surveyors has determined that the proposed amendments could potentially have a negative financial impact on a small business that chooses to only employ civil engineers to design structures.

However, considering the potential risks and costs to Nevada and its citizens in the event of a catastrophic seismic occurrence, the possibility of economic detriment to a small business is significantly less important.

The proposed regulations are not expected to negatively impact the formation or expansion of a small business in Nevada. The operation of a small business could be impacted if the business chooses to not employ a licensed structural engineer or if its civil engineer chooses to not seek licensure as a structural engineer.

A small business in Nevada is defined in Nevada Revised Statute (NRS) 233B as a, “business conducted for profit which employs fewer than 150 full-time or part-time employees.”

This small business impact statement was created pursuant to NRS 233B.0608(3) 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 regulations on a small business and provides the reasons for the conclusions of the agency followed by certification by the agency’s responsible person.

Background

The proposed amendments to the regulation include the following –

The inclusion of parameters to define an upper point of reference in determining the 45 foot height limitation for civil engineers who perform structural design. This is to provide clarification in the interpretation of the regulation, with the impetus for a more specific upper height reference coming from planning authorities.

Also included in the proposed amendment is to have licensed structural engineers design buildings and other structures designated as essential facilities assigned a IV Risk Category in accordance with the International Building Code. Essential facilities include buildings such as hospitals, fire stations, and schools that would be occupied by the public and used by first responders during a catastrophic event. This proposed amendment is intended to enhance public health, safety and welfare, as significant portions of Nevada’s population reside in areas with high seismic activity, areas that are classified by the USGS as the two highest levels of hazard.

1 – Manner in which comments were solicited, response summary, and explanation of how interested parties may obtain a copy of summary

Referencing the requirements of NRS 233B.0608, the Nevada Board of Professional Engineers and Land Surveyors requested input from owners and officers of professional engineering and land surveying small businesses via an e-mailed survey link. Feedback was also solicited from stakeholders in similar management and ownership positions in the partner industries of architecture and contracting/construction via notification and survey link through each of the respective state boards.

The survey asked for input on adverse/beneficial economic effects on small businesses, and indirect adverse/beneficial effects – with space to elaborate on responses.

A summary of the survey results is available for viewing on the Nevada Board of Professional Engineers and Land Surveyors website at <https://www.nvbpels.org/board/business-impact-study>.

2 – Manner in which the analysis was conducted

Survey results were initially reviewed for general comments to gauge if the intent of the proposed regulation changes were adequately conveyed. The general comments provided a basis for refining revisions to the proposed amendments prior to holding public workshops.

Survey analysis then focused on “YES” responses – in the direct economic effect and indirect adverse effect, and the associated comments and explanations to determine the individual concerns. The same was done with survey results for the direct and indirect beneficial impacts.

3 – Estimated economic impacts of the proposed regulation on small businesses

Based on the survey results, some adverse economic impacts could be felt by small businesses that currently provide design services for buildings and structures identified as Risk Category IV in accordance with the International Building Code. Currently civil engineers can practice structural design up to a building height limit of 45’, without limitation of structure type. If a business does not employ a licensed structural engineer it would limit the businesses ability to provide design services for critical structures. If a cost impact were to be estimated, it would be the cost associated with recruiting and hiring a licensed structural engineer, or the cost for a civil engineer to seek licensure as a professional structural engineer, or loss of related business. Any small business onboarding costs or structural engineer licensing cost could be offset by possible benefits of expanding the range of services offered.

4 – Considerations were made to reduce impact of proposed regulation

Concerns related to possible impacts on civil engineering small businesses were taken into account during the drafting of the proposed amendment, but a greater weighting was placed on the consideration of public health, safety and welfare.

5– Cost estimate for agency enforcement

At this time there would be no additional cost to the regulatory board to enforce the proposed amendments. Any issues relation to compliance would be absorbed into the existing workload of the current staffing levels

6– New fees or increases in existing fees

The proposed amendments do not involve an increase to existing fees or create any new fees.

7– Are any duplicative or more stringent provisions involved

There are no federal regulations associated with professional engineers and land surveyors. However every state and US territory regulates the professions of engineering and land surveying. The addition of item NAC 625.260 (1) (d), requiring a structural engineer for critical structures, is more stringent than the current regulation, but with respect to the seismic hazard classification of significant areas of Nevada, in the opinion of the Nevada Board of Professional Engineers and Land Surveyors, the proposed amendment best serves the public interest.

8– Summary of conclusions

Any additional regulation proposed by the board is not undertaken lightly. Considerations were made of potential adverse economic impacts, both direct and indirect, to small businesses offering services in Nevada. In the final determination though, the interests of safeguarding life, health and property and the promotion of public welfare along with considering the potential costs to Nevada and its citizens in the event of a catastrophic seismic occurrence, substantially out-weighed the possibility of economic detriment to a small business.