

**SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY
NRS 233B.0608**

LCB File No. R026-19

1. Background

The need and purpose of this proposed regulation is to clarify the distribution of \$3,500,000.00 to localities. Specifically, the regulation clarifies that the distribution is to each local government in which a marijuana establishment or medical marijuana establishment has been established and received a license. This regulation also clarifies how population will be defined for distribution and revises the distribution date of whether the seller has a physical presence in the state.

2. A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

The Department used informed, reasonable judgment in determining that there will not be a negative impact on small businesses due to the nature of the regulation changes. The Department conducted its own analysis by considering the extent of the regulatory provisions contained in Local Distribution of Marijuana Excise Tax and if the provisions impacted small businesses. Because the provisions only impact governmental entities, the Department determined there is no impact on small businesses.

The Department submitted a Proposed Regulation R026-19 dated July 30, 2019 which mirrored the Temporary Regulation T002-18 that was adopted by the Nevada Tax Commission on October 1, 2018. A workshop was conducted on September 14, 2018, No testimony neither positive nor negative was provided at the Nevada Tax Commission Meeting and the workshop. No written comment was provided at either meeting.

3. The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small business.

The Department determined in its analysis that the only parties affected by the proposed regulation are State, Counties, Local Governments and qualifying localities.

4. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:

Direct and indirect adverse effects

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect adverse economic effect on small businesses.

Direct and indirect beneficial effects

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect beneficial economic effect on small businesses.

- 5. 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 proposed permanent regulation presents no reasonable, foreseeable or anticipated adverse impact to small businesses; therefore no efforts were required to reduce the impact on small businesses.

- 6. The estimated cost to the agency for enforcement of the proposed regulation.**

The proposed permanent regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

- 7. 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 permanent regulation does not include new fees or increase an existing fee.

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

The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

- 9. The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

The Department has determined that there will be no adverse impacts to small businesses based on its analysis of the language and the entities impacted.

I hereby 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 that this statement was properly prepared and the information contained herein is accurate.



Melanie Young, Executive Director
August 6, 2019