

**SMALL BUSINESS IMPACT STATEMENT
LCB FILE NO. R115-15**

LCB File No. R115-15 Small Business Impact Statement pursuant to NRS 233B.0608:

(a) A description of the manner in which comment was solicited from affected small business, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

The Commission for Common-Interest Communities and Condominium Hotels (Commission) discussed an agenda item regarding possible changes to regulations at the September 2015 meeting. The Commission decided to move forward with the proposed language.

The Notice of Workshop was posted on the Real Estate Division (Division) website, State Public Notice website, and sent to several real estate and community manager associations within the State on October 15, 2015 and a workshop was conducted on November 17, 2015. There was one comment regarding the increase in the application fee for a community manager certificate and temporary community manager certificate in which the person making the comment was concerned about that the State of Nevada being the most expensive state to issue certificates for community managers.

Interested persons may obtain a copy of the small business impact statement or submit statements of impact to:

Teralyn Thompson, Administration Section Manager
Nevada Real Estate Division
2501 East Sahara Avenue, Suite 303
Las Vegas, NV 89104
tlthompson@red.nv.gov
702-486-4036

(b) The manner in which the small business analysis was conducted for LCB File No. R115-15.

The Division posted the proposed regulation on the Division's website and distributed through the Division's posting list which includes industry associations and members of the public who might be interested.

(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:

(1) Both adverse and beneficial effects:

(I) Adverse effects:

There is a possible adverse effect for future community managers. The proposed changes to NAC 116A.515 will increase existing regulatory fees for the application fee for a community manager certificate or a temporary community manager certificate.

(II) Beneficial effects:

Proposed changes to NAC 116A.515 to increase licensing application fees was supported by the community management industry. Proposed changes to NAC 116.445 will stabilize the depleting reserve fund for the Ombudsman's Office budget account ensuring that Division can complete its Ombudsman section functions which provide for dispute resolutions which benefits homeowners and community managers.

(2) Both direct and indirect effects.

(I) Direct effect:

The fee increase would directly affect an individual who seeks a certificate to practice the duties of a community manager or a temporary community manager.

(II) Indirect effect:

No indirect effect to small businesses

(d) A description of the methods that the Real Estate Division considered to reduce the impact of LCB File No. R115-15 on small businesses and a statement whether the Real Estate Division actually used any part of those methods.

The Division has not considered a method to reduce the impact of LCB File No. R115-15 on small businesses at this time.

(e) The estimated cost to the agency for enforcement of the proposed regulation.

There is no cost to the agency for enforcement of the proposed regulation.

(f) If LCB File No. R115-15 provides a new fee or increases an existing fee, the total annual amount the Real Estate Division expects to collect and the manner in which the money will be used.

Proposed change to NAC 116.445 to increase the annual fee from \$3.00 to \$4.25 would result in collecting \$628,260.00 in FY17 and the proposed changes to NAC 116A515 to increase the application fees for a community manager certificate and a temporary certificate will result in collecting an estimated \$34,200.00.

Existing fees fund the Ombudsman's Office budget account through the use of reserve funds. The increase in fees will stabilize the depletion of the reserve fund and provide adequate operating expenses.

(g) If LCB File No. R115-15 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.

LCB File No. R115-15 does not duplicate any existing federal, state or local standards regulating the same activity.

(h) The reasons for the conclusions of the Real Estate Division regarding the impact of LCB File No. R115-15 on small businesses.

Staff from the Division has attended the public meeting of the Commission, listened to and observed discussions and public comments. There have not been any comments from small businesses regarding the change to regulation

I certify that, to the best of my knowledge or belief, the information contained in the Small Business Impact Statement for LCB File No. R115-15 was prepared properly and is accurate.

Joseph (JD) Decker, Administrator
Department of Business & Industry
Real Estate Division

NRS 233B.0608(3) Statement

1. Identify the methods used by the agency in determining the impact of the proposed regulation on a small business.

The Commission for Common-Interest Communities and Condominium Hotels (Commission) discussed an agenda item regarding possible changes to regulations at the September 2015 meeting. The Commission decided to move forward with the proposed language.

The Notice of Workshop was posted on the Real Estate Division (Division) website, State Public Notice website, and sent to several real estate and community manager associations within the State on October 15, 2015 and a workshop was conducted on November 17, 2015. There was no public comment from community managers regarding the impact of the fee increases in the proposed regulation.

2. Identify the reasons for the conclusions of the agency concerning the impact of the proposed regulation on a small business.

Staff from the Division has attended the public meeting of the Commission, listened to and observed discussions and public comments. There have not been any comments from small businesses regarding the change to regulation

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 in this statement is accurate. (NRS 233B.0608(3))

Joseph (JD) Decker, Administrator
Department of Business & Industry
Real Estate Division