

**FORM 4:  
NEVADA STATE ENVIRONMENTAL COMMISSION SMALL BUSINESS IMPACT DISCLOSURE  
PROCESS PURSUANT TO 233B "Nevada Administrative Procedures Act"**

The purpose of this Form is to provide a framework pursuant to NRS 233B.0608 for drafting and submitting a Small Business Impact Statement (SBIS) to the State Environmental Commission (SEC) and to determine whether a SBIS is required to be noticed and available at the public workshop. A SBIS must be completed and submitted to the Legislative Counsel Bureau for ALL adopted regulations.

**Note: Small Business is defined as a "business conducted for profit which employs fewer than 150 full-time employees" (NRS 233B.0382).**

To determine whether a SBIS must be noticed and available at the public workshop, answer the following questions:

**1. Does this proposed regulation impose a direct and significant economic burden upon a small business? (state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)**

Sections 3 of this regulation revision could cause a direct economic impact on a small business. The potential impact is not anticipated to be significant. Please see the Small Business Impact Statement attached.

**2. Does this proposed regulation restrict the formation, operation or expansion of a small business? (state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)**

No.

If Yes to either of question 1 & 2, a SBIS must be noticed and available at the public workshop.

**FORM 4: SMALL BUSINESS IMPACT STATEMENT (NRS 233B.0609)**

(Provide attachments as needed)

**1. Describe the manner in which comment was solicited from affected small businesses, a summary of the response from small businesses and an explanation of the manner in which other interested persons may obtain a copy of the summary. (Attach copies of the comments received and copies of any workshop attendance sheets, noting which are identified as a small business.)**

The Bureau of Mining Regulation and Reclamation (BMRR) has developed a document reflecting possible bond costs associated with small mining operations on private land that use chemicals and/or have underground mine workings. Small Mining operations permitted prior to September 1, 2018 will be exempt from the new bonding requirement. This information will be shared with small mining operators during the Public Notice and Workshops.

BMRR does not anticipate that the regulation amendment will impose a significant economic burden on small business, and will seek concurrence or opposition to those assumptions at the Workshops and through the public process.

Interested persons may obtain a copy of the summary by contacting BMRR at 775-687-9400.

**2. The manner in which the analysis was conducted (if an impact was determined).**

The summary of potential bond costs, for small mining operations that use chemicals or are underground mines, was developed using information provided from the Nevada Division of Minerals (which manages a bond pool program to assist small mining operators with bonding requirements of the regulating agencies), Nevada Division of Environmental Protection, Bureau of Land Management and the United States Forest Service. In addition bond costs for several small operators were developed to use as examples.

**3. The estimated economic effect of the proposed regulation on small businesses:**

Only section 3 is estimated to have an economic effect on small business for future reclamation bonding of new projects. The effect on a small mining operation will vary depending on the complexity of the mine project. Costs will depend on the amount and type of chemicals used and/or the number and size of underground openings on five acres. Additional bond cost would be due to any finance charges that may be incurred by a small operator that did not have adequate cash available to post for a bond.

**a. Both adverse and beneficial effects:**

There are no adverse effects to the mining industry anticipated for the proposed regulation changes, with the exception of bonding costs discussed above. The beneficial effects are to provide for surety bonding to insure that the required reclamation work is completed for protection of waters of the State and public safety.

**b. Both direct and indirect effects:**

The direct effect is the requirement for reclamation bonding on small mining operations that use chemicals and/or have underground mine workings. Indirect effects would be enhanced public safety and protection of waters of the State.

4. 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 the methods. *(Include a discussion of any considerations of the methods listed below.)*

The agency is not requiring reclamation bonding for small mining operations that do not involve chemical processing or do not have underground mine workings. The agency also included provision to exempt small mining operations that have an active water pollution control permit issued prior to September 1, 2018, thereby grandfathering in any existing operations.

**A. Simplification of the proposed regulation:**

Discussed above.

**B. Establishment of different standards of compliance for a small business:**

Discussed above.

**C. Modification of fees or fines so that a small business is authorized to pay a lower fee or fine:**

Fees are not affected by these regulation amendments.

5. The estimated cost to the agency for enforcement of the proposed regulation. *(Include a discussion of the methods used to estimate those costs.)*

BMRR will be required to confirm the amount and existence of bonding for future small mining operations on private land that use chemicals and/or have underground mine workings. Labor associated with this activity is anticipated to be minimal and will be absorbed into existing human resources.

6. If this regulation provides for a new fee or increases an existing fee, the total annual amount the agency expects to collect and manner in which the money will be used.

The proposed regulation amendments do not revise any fees. However the existing reclamation application permit fee is \$27.50 and annual fee is \$527.50. This modification would require that the existing reclamation fees be paid for new mining operations under 5 acres that have chemicals and/or underground workings on private land. There are currently only two existing small mine operators that would fall into this class but are grandfathered in and will retain their exemption. Only one or two permits per year are expected to fall into this class.

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

The proposed regulation amendments do not duplicate nor are more stringent than existing federal, state or local regulations. The Bureau of Land Management and U.S. Forest Service already require project bonding for all mining and chemical processing disturbance activities on public lands.

Since 2011 it has been the experience of the NDEP that approximately 50% of the small mining operations on private land that use chemicals or have underground facilities fail and in some cases leave the underlying land owner having to deal with closure costs. Any additional bonding costs to small miners will be offset by the benefit to public safety and protection of waters of the State.

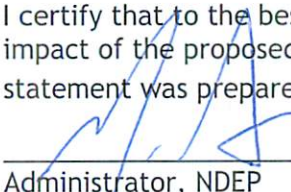
**8. The reasons for the conclusions regarding the impact of a regulation on small businesses.**

Section 3 of this regulation revision could cause a direct economic impact on a small business as discussed herein and in the BMRR summary of the economic analysis publicly available. The economic impact will vary depending on specific project elements of the small mining operation, but the resultant benefit to protection of human health and the environment are expected to outweigh the adverse effect of reclamation bonding. The Nevada Division of Minerals manages a bond pool program that is designed to reduce the financial burden of, and time-frame for, obtaining a reclamation bond for small operators.

The Bureau of Land Management and U.S. Forest Service require project bonding for all mining and chemical processing disturbance activities on public lands.

Existing small mining operations that have active water pollution control permits as of September 1, 2018 are proposed to be exempted from the bonding requirement, and therefore will not be affected.

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 a small business and the information contained in this statement was prepared properly and is accurate.

  
\_\_\_\_\_  
Administrator, NDEP

3/8/18  
\_\_\_\_\_  
Date

<http://www.leg.state.nv.us/Statutes/77th2013/Stats201314.html#Stats201314page2304>