

## 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 or part-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?

No, the proposed regulation does not impose a direct and significant economic burden upon small business. The proposal directly regulates large and intermediate car manufacturers through a Zero Emission Vehicle sales credit compliance mechanism and reporting requirements. However, there are indirect impacts on a broader spectrum of automotive-related businesses, including small business, and retail automobile customers. Therefore, in the interest of transparency, NDEP has elected to explain the indirect economic impacts that the proposed regulation may impart to affected small businesses and inform all stakeholders of those potential impacts.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business?

No, the proposed regulation does not restrict the formation, operation or expansion of a small business.

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

## INDIRECT ECONOMIC IMPACTS TO SMALL BUSINESSES

Clean Cars Nevada would result in a direct economic impact to auto manufacturers by requiring them to deliver for sale in Nevada Low Emission Vehicles and increased numbers of Zero Emission Vehicles, and to prepare and submit associated compliance reporting.

The proposed regulation would not impose a direct and significant economic burden upon small businesses in Nevada, and would not directly restrict the formation, operation or expansion of a small business.

The impacts on small businesses are indirect. NDEP has prepared a qualitative assessment of small business impacts presented below.

### Impacts to Automotive Dealerships

- 1) Revenue from new vehicle sales will depend more on sales of ZEVs, and profit margins per vehicle for ZEVs may be less certain for auto dealers.
- 2) Auto dealers will likely experience a gradual decline of repair and maintenance revenue.
- 3) There will be costs to install needed electric vehicle charging infrastructure at dealerships.
- 4) There may be additional marketing, advertising, and purchase incentive costs associated with the introduction of ZEVs.

### Impacts to Used Car Retailers

- 1) Used car retailers may need to install charging infrastructure.
- 2) Remaining battery life on ZEVs is difficult to assess at the present time, creating greater uncertainty in assigning value to used ZEVs for customers and in the used car wholesale market.

### Impacts to Automotive Repair and Maintenance Shops

- 1) Fewer mechanical components in ZEVs will result in fewer repairs.
- 2) Greater electronic complexity in ZEVs will necessitate the need for better diagnostics and technician training.
- 3) No required fluid and filter changes in ZEVs will mean a decline in maintenance revenue.

### Impacts to Automotive Parts Shops and Suppliers

- 1) Fewer mechanical replacement parts will be needed for ZEVs, though many parts found on current vehicles will still be needed (steering, suspension, tires, brakes, windows, interior, exterior, and electronic components).

### Impacts to the Collision Repair Industry

- 1) Better diagnostics and training will be needed to service new lighter-weight automotive materials and innovative ZEV designs.

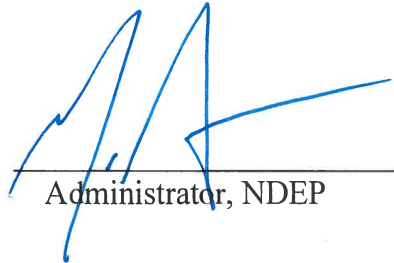
- 2) Collision damage to batteries and associated electronic hardware will present new challenges requiring new repair methods.

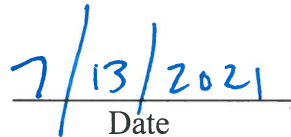
Impacts to Retail Fuel Providers, Fuel Suppliers, and the Smog Check Industry

- 1) Decreased fuel sales will impact retailers and suppliers.
- 2) The business model for convenience stores that sell fuel may change.
- 3) Smog checks performed at smog check stations will decline.

Summary of Small Business Impacts

- 1) There may be automotive dealer uncertainty over consumer acceptance of ZEVs, and how to market and profitably sell ZEVs.
- 2) There will be a decline in revenue for maintenance of ZEVs.
- 3) Capital costs for charging infrastructure, new diagnostic equipment and updated training will be required in the automotive service sector.
- 4) A decline in fossil fuel sales and associated businesses will occur.

  
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Administrator, NDEP

  
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