

## **BUSINESS IMPACT STATEMENT**

### **BILL NO. 2023-13**

**(Amends LVMC Chapter 6.82, relating to smoking and vaping lounges and smoke or vape shops, and regulates hemp and hemp derived products, and revises related zoning provisions.)**

This business impact statement was prepared pursuant to NRS 237.090 to address the impact of the contents of a proposed ordinance, Bill No. 2023-13, Amends LVMC Chapter 6.82, relating to smoking and vaping lounges and smoke or vape shops, and regulates hemp and hemp derived products, and revises related zoning provisions.

**1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their responses and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

Notification of the proposal was provided by email to approximately 200 businesses and by US Mail to 1 business deemed likely to be impacted or interested in the proposal. Notification was also provided to approximately 28 other individuals or organizations representative of business or identified as community partners. The draft language of the proposal was made available on the City's website and at the office of the City's Business Licensing Division. Recipients of the notification were invited to respond in writing and to submit comments, data or arguments regarding whether the proposal would impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business.

The City received one written response to the solicitation, by email and three survey responses. One response was on behalf of a business owner suggesting that CBD introduction into food be permissible. The three survey responses were on behalf of two businesses, including a tobacco establishment and a CBD Retail Store that offer CBD and Hemp sales. The business survey responses also addressed the desire for allowing the sale of edible forms of CBD and Hemp products. One of the responses addressed the financial and logistical burden of complying with the new signage requirements as well as the difficulty of hiring. The preceding sentences of this paragraph are the means by which the summary is made available to interested persons.

**2. The estimated economic effect of the rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:**

**Adverse effects:**

The costs associated with purchasing signage and discarding any edible CBD and or Hemp products on hand.

**Beneficial effects:**

Provide for regulation of these businesses consistent with the public interest, State and Federal laws.

**Direct effects:**

See adverse and beneficial effects above.

**Indirect effects:**

None identified.

**3. The following constitutes a description of the methods the local government considered to reduce the impact of the rule on businesses and a statement regarding whether any, and if so which, of these methods were used:**

After consideration of possible adjustments to the proposed rule, no adjustments were made to address solicitation responses. However, minor adjustments to content and formatting have been made since the solicitation went out.

**4. The estimate of the annual cost to the local government for enforcement of the rule is:**

\$19,733 (This amount is calculated by using the estimate salary expense annually for an Auditor, Internet Investigator, and License Officer to enforce this).

**5. If the rule provides for a new fee or increases an existing fee, the total annual amount expected to be collected is:**

\$24,500 (This calculation is based on the anticipation that there are approximately 70 businesses that are currently licensed in a general business license category that would need to obtain a privileged business license to continue to maintain their current business activity).

**6. If the rule provides for a new fee or increases an existing fee, the money generated by the new fee or increase in existing fee will be used by the local government to:**

Offset the costs associated with monitoring the establishments to ensure they are compliant with state and local requirements as well as to ensure the establishments are reporting their gross revenue appropriately.

**7. If the rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity, the following explains why such duplicative or more stringent provisions are necessary:**

The regulations requiring specific signage are more stringent than that of the federal or state standards in order to provide protection to end consumers.

**8. The reasons for the conclusions regarding the impact of the rule on businesses:**

Any impact of the proposal on affected businesses is determined to be minimal in relation to the consumer protection provided.

## CERTIFICATION

I certify that, to the best of my knowledge or belief, the information contained in this business impact statement was prepared properly and is accurate.

By:   
City Manager

Date: April 25, 2023