

SENATE BILL NO. 380—SENATOR SCHNEIDER

MARCH 19, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to contractors. (BDR 32-944)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to contractors; eliminating the duty of a contractor to require proof of payment of the business tax from a subcontractor with whom he has a contract; eliminating the liability of a contractor for payments for industrial insurance and contributions for benefits for unemployment owed by such a subcontractor; requiring a person who wishes to obtain or renew a contractor's license to submit to the state contractors' board proof that he has obtained a business license and made certain payments; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 364A.340 is hereby amended to read as follows:
2 364A.340 A person who:
3 1. Is required to be licensed pursuant to chapter 624 of NRS; and
4 2. Contracts with a subcontractor who is required to be licensed
5 pursuant to that chapter and to have a business license and pay the tax
6 imposed by this chapter,
7 shall require proof that the subcontractor has a business license ~~and has~~
8 ~~paid the tax imposed by this chapter~~ before commencing payments to the
9 subcontractor. For the purposes of this section, a subcontractor proves that
10 he has a business license ~~and has paid the tax imposed by this chapter by~~
11 ~~presenting a receipt for or other evidence that he made the last quarterly~~
12 ~~payment required pursuant to this chapter.~~ *by submitting a copy of the*
13 *business license to the contractor.*
14 **Sec. 2.** Chapter 624 of NRS is hereby amended by adding thereto a
15 new section to read as follows:
16 1. *In addition to the requirements set forth in NRS 624.250 and*
17 *624.256, to obtain or renew a contractor's license, an applicant must*
18 *submit to the board proof that he has:*
19 (a) *Obtained a business license and paid the tax required by chapter*
20 *364A of NRS; and*



1 *(b) Paid to the employment security division of the department of*
2 *employment, training and rehabilitation the contributions for benefits for*
3 *unemployment required by chapter 612 of NRS.*

4 *2. For the purposes of this section, an applicant proves that he has a*
5 *business license and has paid the tax imposed by chapter 364A of NRS by*
6 *presenting a receipt for or other evidence that he made the last quarterly*
7 *payment required by chapter 364A of NRS.*

8 **Sec. 3.** NRS 612.687 and 624.640 are hereby repealed.

9 **Sec. 4.** This act becomes effective on July 1, 2001.

TEXT OF REPEALED SECTIONS

612.687 Liability of contractor to assure payment of amounts due from subcontractors.

1. Every contractor, as defined in NRS 624.020, who contracts with a subcontractor who is an employer under the provisions of this chapter or becomes such an employer before the completion of the contract shall, in connection with each such contract:

(a) Withhold sufficient money on the contract; or

(b) Require of such subcontractor a good and sufficient surety bond,

to guarantee the payment of all contributions, penalties and interest which are due or become due pursuant to the provisions of this chapter with respect to wages paid for employment on the contract.

2. Any contractor who fails to comply with the provisions of subsection 1 is directly liable for all contributions, penalties and interest due from the subcontractor pursuant to the provisions of this chapter with respect to wages paid for employment on the contract, as if the services in question had been performed directly for the contractor, and the remedies of collection which are available to the administrator under the provisions of this chapter against the subcontractor as employer are equally available against the contractor.

624.640 Availability to contractor of names and addresses of subcontractors delinquent in payment of contributions for unemployment or industrial insurance. The employment security division of the department of employment, training and rehabilitation and the administrator of the division of industrial relations of the department of business and industry shall make available, upon request, to any licensed contractor the names and addresses of subcontractors who are delinquent in paying the amounts owed by the subcontractor to:

1. The division for benefits for unemployment pursuant to chapter 612 of NRS; and

2. A private carrier that provides industrial insurance in this state for premiums for industrial insurance.

