
ASSEMBLY BILL NO. 56—COMMITTEE ON COMMERCE AND LABOR

PREFILED FEBRUARY 1, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Provides for the suspension or revocation of a contractor's license for certain offenses. (BDR 54-880)

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; providing for the suspension or revocation of the license of a contractor who knowingly enters into a contract with an unlicensed contractor or bids to contract or enters into a contract with a contractor in excess of that contractor's limit or beyond the scope of that contractor's license; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law provides that a contractor who commits certain acts, including
 - 2 knowingly entering into a contract with an unlicensed contractor or bidding to
 - 3 contract or entering into a contract with a contractor in excess of that contractor's
 - 4 limit or beyond the scope of that contractor's license, may be punished by the
 - 5 imposition of a fine, the suspension or refusal to renew his license, or the taking of
 - 6 other disciplinary action. (NRS 624.300, 624.3015) This bill provides that a
 - 7 contractor who enters into such a contract, or bids to do so, shall be punished by the
 - 8 suspension of his license for 6 months for a first offense and for 1 year for a second
 - 9 offense and by the revocation of his license for a third offense.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 624.300 is hereby amended to read as follows:
2 624.300 1. Except as otherwise provided in subsections 3
3 ~~and 4,~~, **4 and 6**, the Board may:
4 (a) Suspend or revoke licenses already issued;
5 (b) Refuse renewals of licenses;
6 (c) Impose limits on the field, scope and monetary limit of the
7 license;
8 (d) Impose an administrative fine of not more than \$10,000;
9 (e) Order a licensee to repay to the account established pursuant
10 to NRS 624.470, any amount paid out of the account pursuant to
11 NRS 624.510 as a result of an act or omission of that licensee;
12 (f) Order the licensee to take action to correct a condition
13 resulting from an act which constitutes a cause for disciplinary
14 action, at the licensee's cost, that may consist of requiring the
15 licensee to:
16 (1) Perform the corrective work himself;
17 (2) Hire and pay another licensee to perform the corrective
18 work; or
19 (3) Pay to the owner of the construction project a specified
20 sum to correct the condition; or
21 (g) Issue a public reprimand or take other less severe
22 disciplinary action, including, without limitation, increasing the
23 amount of the surety bond or cash deposit of the licensee,
24 ➤ if the licensee commits any act which constitutes a cause for
25 disciplinary action.
26 2. If the Board suspends or revokes the license of a contractor
27 for failure to establish financial responsibility, the Board may, in
28 addition to any other conditions for reinstating or renewing the
29 license, require that each contract undertaken by the licensee for a
30 period to be designated by the Board, not to exceed 12 months, be
31 separately covered by a bond or bonds approved by the Board and
32 conditioned upon the performance of and the payment of labor and
33 materials required by the contract.
34 3. If a licensee violates the provisions of NRS 624.3014,
35 subsection 2 ~~for 3~~ of NRS 624.3015, subsection 1 of NRS 624.302
36 or subsection 1 of NRS 624.305, the Board may impose for each
37 violation an administrative fine in an amount that is not more than
38 \$50,000. The Board shall, by regulation, establish standards for use
39 by the Board in determining the amount of an administrative fine
40 imposed pursuant to this subsection. The standards must include,
41 without limitation, provisions requiring the Board to consider:
42 (a) The gravity of the violation;



1 (b) The good faith of the licensee; and
2 (c) Any history of previous violations of the provisions of this
3 chapter committed by the licensee.

4 4. If a licensee is prohibited from being awarded a contract for
5 a public work pursuant to NRS 338.017, the Board may suspend the
6 license of the licensee for the period of the prohibition.

7 5. If a licensee commits a fraudulent act which is a cause for
8 disciplinary action under NRS 624.3016, the correction of any
9 condition resulting from the act does not preclude the Board from
10 taking disciplinary action.

11 6. *If a licensee violates the provisions of subsection 3 of NRS*
12 *624.3015, the Board shall:*

13 (a) *For a first offense, suspend the license of the licensee for 6*
14 *months;*

15 (b) *For a second offense, suspend the license of the licensee*
16 *for 1 year; and*

17 (c) *For a third offense, revoke the license of the licensee.*

18 7. If the Board finds that a licensee has engaged in repeated
19 acts that would be cause for disciplinary action, the correction of
20 any resulting conditions does not preclude the Board from taking
21 disciplinary action pursuant to this section.

22 ~~18-1~~ 8. The expiration of a license by operation of law or by
23 order or decision of the Board or a court, or the voluntary surrender
24 of a license by a licensee, does not deprive the Board of jurisdiction
25 to proceed with any investigation of, or action or disciplinary
26 proceeding against, the licensee or to render a decision suspending
27 or revoking the license.

28 ~~18-1~~ 9. The Board shall not issue a private reprimand to a
29 licensee.

30 ~~19-1~~ 10. An order that imposes discipline and the findings of
31 fact and conclusions of law supporting that order are public records.

32 ~~10-1~~ 11. An administrative fine imposed pursuant to this
33 section, NRS 624.341 or 624.710 plus interest at a rate that is equal
34 to the prime rate at the largest bank in this State, as determined by
35 the Commissioner of Financial Institutions on January 1 or July 1,
36 as appropriate, immediately preceding the date of the order
37 imposing the administrative fine, plus 4 percent, must be paid to the
38 Board before the issuance or renewal of a license to engage in the
39 business of contracting in this State. The interest must be collected
40 from the date of the order until the date the administrative fine is
41 paid.



- 1 ~~11.1~~ 12. All fines and interest collected pursuant to this
- 2 section must be deposited with the State Treasurer for credit to the
- 3 Construction Education Account created pursuant to NRS 624.580.

