

SENATE BILL NO. 553—COMMITTEE ON JUDICIARY

MARCH 26, 2007

Referred to Committee on Judiciary

**SUMMARY**—Makes various changes to provisions relating to construction. (BDR 3-960)

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

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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 construction; providing an inspection and dispute resolution process for claimants and contractors, subcontractors, suppliers or design professionals; abolishing the State Contractors' Board and transferring the duties of the Board to the Nevada Construction Authority; creating and establishing the duties of the Contractor Licensing Commission and the Nevada Residential Construction Commission; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires that a claimant, before commencing an action against a contractor, subcontractor, supplier or design professional, give notice of a constructional defect and allow for the inspection and cure of such defect. (NRS 40.600-40.695) **Sections 2-11** of this bill provide for a voluntary inspection and dispute resolution process for a claimant and a contractor, subcontractor, supplier or design professional. **Section 4** of this bill sets forth the manner by which a claimant may submit a request for initiation of the inspection and dispute resolution process. **Section 5** of this bill provides the time for requesting inspection and dispute resolution. **Section 6** of this bill imposes evidentiary penalties for failures to make required disclosures in requesting inspection and dispute resolution. **Section 7** of this bill establishes the presumptive effect of recommendations by third-party inspectors and rulings by review panels. **Section 8** of this bill sets forth the qualifications of third-party inspectors. **Section 9** of this bill provides a process for the selection of a third-party inspector. **Section 10** of this bill provides the process by which a third-party inspector may make a recommendation. **Section 11** of this bill provides a process for the appeal of a third-party's recommendation. **Section 29** of this bill creates the Contractor Licensing Commission and sets forth its duties. **Section 30** of this bill creates the Nevada Residential Construction Commission and provides for the qualifications, appointment and terms of the



\* S B 5 5 3 \*

members of the Construction Commission. **Section 31** of this bill establishes the powers and duties of the Construction Commission. **Section 32** of this bill provides that the registration fees paid by contractors and homeowners are to be used to pay the administrative costs of the Construction Commission and the costs of the inspection and dispute resolution process. **Section 33** of this bill requires contractors to register residences and pay fees.

**Section 34** of this bill abolishes the State Contractors' Board and transfers the duties of the Board to the Nevada Construction Authority. (NRS 624.010) **Section 37** of this bill provides that the Authority will consist of nine members, an increase from the existing State Contractors' Board which consists of seven members. (NRS 624.040) **Section 38** of this bill specifies that the two additional members must be: (1) a licensed professional engineer who practices in the area of residential construction; and (2) either a licensed architect or a building inspector who practices in the area of residential construction. (NRS 624.050)

Existing law provides authorization for regulations concerning application fees, examination fees and annual license fees. (NRS 624.280) **Section 58** of this bill authorizes the Contractor Licensing Commission to adopt regulations establishing the registration fee for contractors and homeowners.

**Section 59** of this bill adds to the grounds for disciplinary action against a licensed contractor the willful or deliberate disregard and violation of the inspection and dispute resolution process. (NRS 624.3011)

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

**Section 1.** Chapter 40 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this act.

**Sec. 2.** *“Construction Commission” means the Nevada Residential Construction Commission created pursuant to section 37 of this act.*

**Sec. 3. 1.** *The provisions of sections 2 to 11, inclusive, of this act apply to a dispute between a claimant and a contractor, subcontractor, supplier or design professional if:*

*(a) The dispute arises out of an alleged constructional defect, other than a claim solely for:*

*(1) Personal injury or wrongful death; or*

*(2) Damage to goods.*

*(b) A request pursuant to section 4 of this act is submitted to the Construction Commission on or before the expiration of the applicable limitations period set forth in section 5 of this act.*

**2.** *The provisions of sections 2 to 11, inclusive, of this act do not apply to:*

*(a) A dispute arising out of a contractor's wrongful abandonment of an improvement project before completion;*

*(b) A homeowner or a real estate broker, agent or property manager of a homeowner who supervises or arranges for the*



\* S B 5 5 3 \*

1 *construction of an improvement to a residence owned by the*  
2 *homeowner; or*

3 *(c) A residence that is:*

4 *(1) Built by the person who owns the residence, alone or*  
5 *with the assistance of the person's employee or independent*  
6 *contractor; and*

7 *(2) Used by the person as the person's primary residence*  
8 *for at least 1 year after completion or substantial completion of*  
9 *construction of the residence.*

10 **Sec. 4.** *1. If compliance with the requirements of NRS*  
11 *40.600 to 40.695, inclusive, and sections 2 to 11, inclusive, of this*  
12 *act regarding inspection and repair do not result in the resolution*  
13 *of a dispute arising out of an alleged constructional defect*  
14 *between a claimant and a contractor, subcontractor, supplier or*  
15 *design professional, the claimant may submit to the Construction*  
16 *Commission a written request for inspection and dispute*  
17 *resolution pursuant to the provisions of sections 2 to 11, inclusive,*  
18 *of this act.*

19 *2. The Construction Commission shall adopt by regulation a*  
20 *standard form for a request described in subsection 1 and provide*  
21 *a means of submitting such a request electronically.*

22 *3. The request must:*

23 *(a) Specify in reasonable detail the defects or any damages or*  
24 *injuries to each residence or appurtenance that is the subject of*  
25 *the request;*

26 *(b) State the amount of any known out-of-pocket expenses and*  
27 *engineering or consulting fees incurred by the claimant in*  
28 *connection with each alleged constructional defect;*

29 *(c) Include any evidence that describes or depicts the nature*  
30 *and cause of each alleged constructional defect;*

31 *(d) Include any evidence that describes or depicts the nature*  
32 *and extent of repairs necessary to remedy the constructional*  
33 *defect;*

34 *(e) State the name of any person who has, on behalf of the*  
35 *claimant, inspected the residence in connection with an alleged*  
36 *constructional defect; and*

37 *(f) Describe any repairs undertaken by the contractor,*  
38 *subcontractor, supplier or design professional pursuant to NRS*  
39 *40.600 to 40.695, inclusive, and sections 2 to 11, inclusive, of this*  
40 *act.*

41 *4. The evidence included pursuant to paragraphs (c) and (d)*  
42 *of subsection 3 must include, if available and discoverable*  
43 *pursuant to the laws of this State, expert reports, photographs and*  
44 *videotapes.*



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1       5. Not later than the 15th day before the date a claimant  
2 submits a request to the Construction Commission pursuant to the  
3 provisions of sections 2 to 11, inclusive, of this act, the claimant  
4 shall provide the contractor with a copy of the request, including  
5 the items set forth in subsections 3 and 4. The claimant shall give  
6 such written notice by certified mail, return receipt requested, to  
7 the contractor, at the contractor's address listed in the records of  
8 the Contractor Licensing Commission or in the records of the  
9 office of the county or city clerk or at the contractor's last known  
10 address if his address is not listed in those records.

11       6. A claimant who submits a request pursuant to sections 2 to  
12 11, inclusive, of this act shall send by certified mail, return receipt  
13 requested, a copy of the request, including the items set forth in  
14 subsections 3 and 4, to any subcontractor, supplier or design  
15 professional known to the claimant who may be responsible for  
16 the constructional defect.

17       7. A contractor, subcontractor, supplier or design  
18 professional may present the request to an insurer pursuant to  
19 NRS 40.649. Such a request shall be deemed to be a "claim" for  
20 the purposes of NRS 40.649.

21       8. The Construction Commission shall provide to a claimant  
22 who submits a request pursuant to the provisions of sections 2 to  
23 11, inclusive, of this act a copy of the policies and procedures  
24 established by the Construction Commission relating to the  
25 investigation and dispute resolution process.

26       9. The submission of a request pursuant to sections 2 to 11,  
27 inclusive, of this act tolls the statutes of limitation or repose in any  
28 action between the claimant and the contractor, subcontractor,  
29 supplier or design professional arising out of the subject of the  
30 request until the 30th day after the date on which a final  
31 recommendation or a ruling by a panel of third-party inspectors is  
32 issued.

33       **Sec. 5.** The inspection and dispute resolution process set  
34 forth in sections 2 to 11, inclusive, of this act must be requested on  
35 or before:

36       1. The 30th day after the contractor has elected not to repair  
37 pursuant to NRS 40.6472;

38       2. The 30th day after the contractor's response to a notice of  
39 defect pursuant to NRS 40.6472 is required, if no response is  
40 received by the claimant; or

41       3. For disputes involving the adequacy of repairs made  
42 pursuant to NRS 40.600 to 40.695, inclusive, and sections 2 to 11,  
43 inclusive, of this act, 1 year after the date of discovery of  
44 conditions alleged to be evidence that:



1 (a) The repair did not resolve the alleged constructional  
2 defect; or

3 (b) The repair was defective.

4 **Sec. 6.** A claimant who submits a request pursuant to section  
5 4 of this act but who fails to state the name of any person known  
6 to the claimant to have, on behalf of the claimant, inspected the  
7 residence in connection with an alleged constructional defect may  
8 not designate such a person as an expert or use materials prepared  
9 by that person in:

10 1. The inspection and dispute resolution process arising out  
11 of the request; or

12 2. Any action arising out of any alleged constructional defect  
13 that is the subject of the request.

14 **Sec. 7.** 1. In any action involving a constructional defect  
15 brought after a recommendation by a third-party inspector or a  
16 ruling by a review panel on the existence of the constructional  
17 defect or its appropriate repair, the recommendation or ruling  
18 creates a rebuttable presumption of the existence or nonexistence  
19 of a constructional defect or the reasonable method or manner of  
20 repair of the constructional defect. A claimant, contractor,  
21 subcontractor, supplier or design professional seeking to dispute,  
22 vacate or overcome that presumption must establish that the  
23 recommendation or ruling is incorrect by a preponderance of the  
24 evidence.

25 2. The rebuttable presumption applies only to an action  
26 between a claimant, contractor, subcontractor, supplier or design  
27 professional. A recommendation by a third-party inspector or a  
28 ruling by a review panel is not admissible in an action between the  
29 claimant, contractor, subcontractor, supplier, or design  
30 professional and any other party who did not give or receive notice  
31 pursuant to section 4 of this act.

32 **Sec. 8.** 1. The Construction Commission shall maintain a  
33 list of available third-party inspectors for the various regions of  
34 the State to assist in carrying out the provisions of sections 2 to 11,  
35 inclusive, of this act.

36 2. A third-party inspector approved by the Construction  
37 Commission must:

38 (a) Meet the minimum qualifications prescribed by this section  
39 and any other qualifications prescribed by the Construction  
40 Commission by regulation; and

41 (b) Submit an application to the Construction Commission  
42 annually with an application fee in the amount required by the  
43 Construction Commission by regulation.

44 3. A third-party inspector who conducts an inspection  
45 involving workmanship and materials must:



1 (a) Have at least 5 years of experience in the residential  
2 construction industry; and

3 (b) Be certified as a residential combination inspector by the  
4 International Code Council.

5 4. A third-party inspector who conducts an inspection  
6 involving a structural matter must:

7 (a) Be a licensed professional engineer or a registered  
8 architect; and

9 (b) Have at least 10 years of experience in residential  
10 construction.

11 5. Each third-party inspector who conducts an inspection  
12 involving a structural matter must receive:

13 (a) Training regarding the provisions of NRS 40.600 to 40.695,  
14 inclusive, and sections 2 to 11, inclusive, of this act; and

15 (b) Continuing education annually in the area of his practice.

16 6. A third-party inspector may not receive more than 10 ten  
17 percent of his gross income in a federal income tax year from  
18 providing expert witness services, including, without limitation,  
19 retention for the purpose of providing testimony, evidence or  
20 consultation in connection with a pending or threatened legal  
21 action.

22 **Sec. 9.** 1. On or before the 15th day after the date the  
23 Construction Commission receives a request pursuant to section 4  
24 of this act, the Construction Commission shall appoint the next  
25 available third-party inspector from the list of third-party  
26 inspectors maintained by the Construction Commission and notify  
27 all parties of the appointment. If a request relates to a structural  
28 matter, the Construction Commission shall appoint a licensed  
29 professional engineer as the third-party inspector.

30 2. The Construction Commission shall adopt regulations that  
31 allow, for each request submitted, a claimant or contractor,  
32 subcontractor, supplier or design professional to disqualify a  
33 third-party inspector one time each.

34 **Sec. 10.** 1. If a dispute relating to a nonstructural matter  
35 involves workmanship and materials, the third-party inspector  
36 shall issue a recommendation not later than the 15th day after the  
37 date the third-party inspector receives the appointment from the  
38 Construction Commission.

39 2. The third-party inspector shall inspect the residence not  
40 later than the 30th day after the date the request is submitted. The  
41 contractor, subcontractor, supplier or design professional and  
42 their respective consultants are permitted to be present at the  
43 inspection by the third-party inspector. The third-party inspector  
44 shall issue a written recommendation to all parties not later than  
45 the 60th day after the date the third-party inspector receives the



1 *appointment from the Construction Commission, unless additional*  
2 *time is requested by the third-party inspector or a party to the*  
3 *dispute.*

4 *3. A recommendation by a third-party inspector must:*

5 *(a) Address only the constructional defect based on the*  
6 *applicable warranty and building and performance standards; and*

7 *(b) Designate a method or manner of repair, if any.*

8 *4. Except as otherwise provided by this subsection, a*  
9 *recommendation by a third-party inspector may not include*  
10 *payment of any monetary consideration. If the third-party*  
11 *inspector finds for the claimant, the contractor, subcontractor,*  
12 *supplier or design professional shall reimburse the claimant for*  
13 *reasonable inspection expenses, reasonable repair costs and any*  
14 *registration fees paid by the claimant pursuant to section 40 of this*  
15 *act, in amounts determined and allocated by the third-party*  
16 *inspector.*

17 *5. A contractor, subcontractor, supplier or design*  
18 *professional may present the recommendation by the third-party*  
19 *inspector to an insurer pursuant to NRS 40.649. Such a*  
20 *recommendation shall be deemed to be a "claim" for the purposes*  
21 *of NRS 40.649.*

22 *6. The Construction Commission shall adopt regulations*  
23 *governing extensions of time described in this subsection.*

24 **Sec. 11.** *1. A claimant or contractor, subcontractor,*  
25 *supplier or design professional may appeal a recommendation by*  
26 *a third-party inspector on or before the 15th day after the date on*  
27 *which the recommendation was issued. Such an appeal must be*  
28 *filed with the Construction Commission in writing on a form*  
29 *approved by the Construction Commission. If a claimant or*  
30 *contractor, subcontractor, supplier or design professional does not*  
31 *appeal a recommendation by a third-party inspector pursuant to*  
32 *this section, the recommendation shall be deemed final.*

33 *2. If a claimant or contractor, subcontractor, supplier or*  
34 *design professional appeals a recommendation by a third-party*  
35 *inspector, the Executive Director of the Construction Commission*  
36 *shall appoint a panel of three third-party inspectors from the list*  
37 *of available inspectors to review the recommendation. If the*  
38 *recommendation involves a dispute regarding a structural matter,*  
39 *at least one of the members on the panel must be a licensed*  
40 *professional engineer.*

41 *3. The panel shall:*

42 *(a) Review the recommendation without a hearing unless a*  
43 *hearing is otherwise required by regulations adopted by the*  
44 *Construction Commission;*





1 (b) Approve, reject or modify the recommendation of the third-  
2 party inspector or remand the dispute with instructions for further  
3 action by the third-party inspector; and

4 (c) Issue written findings of fact and a ruling on the appeal to  
5 all parties not later than the 30th day after the date the notice of  
6 appeal is filed with the Construction Commission.

7 4. A contractor, subcontractor, supplier or design  
8 professional may present the ruling on the appeal to an insurer  
9 pursuant to NRS 40.649. Such a ruling shall be deemed to be a  
10 "claim" for the purposes of NRS 40.649.

11 **Sec. 12.** NRS 40.600 is hereby amended to read as follows:

12 40.600 As used in NRS 40.600 to 40.695, inclusive, *and*  
13 *sections 2 to 11, inclusive, of this act*, unless the context otherwise  
14 requires, the words and terms defined in NRS 40.605 to 40.634,  
15 inclusive, *and section 2 of this act* have the meanings ascribed to  
16 them in those sections.

17 **Sec. 13.** NRS 40.635 is hereby amended to read as follows:

18 40.635 *The provisions of* NRS 40.600 to 40.695, inclusive ~~§~~,  
19 *and sections 2 to 11, inclusive, of this act:*

20 1. Apply to any claim that arises before, on or after July 1,  
21 1995, as the result of a constructional defect, except a claim for  
22 personal injury or wrongful death, if the claim is the subject of an  
23 action commenced on or after July 1, 1995.

24 2. Prevail over any conflicting law otherwise applicable to the  
25 claim or cause of action.

26 3. Do not bar or limit any defense otherwise available, except  
27 as otherwise provided in those sections.

28 4. Do not create a new theory upon which liability may be  
29 based, except as otherwise provided in those sections.

30 **Sec. 14.** NRS 40.645 is hereby amended to read as follows:

31 40.645 1. Except as otherwise provided in this section and  
32 NRS 40.670, before a claimant commences an action or amends a  
33 complaint to add a cause of action for a constructional defect against  
34 a contractor, subcontractor, supplier or design professional the  
35 claimant:

36 (a) Must give written notice by certified mail, return receipt  
37 requested, to the contractor, at the contractor's address listed in the  
38 records of the ~~[State Contractors' Board]~~ *Contractor Licensing*  
39 *Commission* or in the records of the office of the county or city  
40 clerk or at the contractor's last known address if his address is not  
41 listed in those records; and

42 (b) May give written notice by certified mail, return receipt  
43 requested, to any subcontractor, supplier or design professional  
44 known to the claimant who may be responsible for the  
45 constructional defect, if the claimant knows that the contractor is no





1 longer licensed in this State or that he no longer acts as a contractor  
2 in this State.

3 2. The notice given pursuant to subsection 1 must:

4 (a) Include a statement that the notice is being given to satisfy  
5 the requirements of this section;

6 (b) Specify in reasonable detail the defects or any damages or  
7 injuries to each residence or appurtenance that is the subject of the  
8 claim; and

9 (c) Describe in reasonable detail the cause of the defects if the  
10 cause is known, the nature and extent that is known of the damage  
11 or injury resulting from the defects and the location of each defect  
12 within each residence or appurtenance to the extent known.

13 3. Notice that includes an expert opinion concerning the cause  
14 of the constructional defects and the nature and extent of the damage  
15 or injury resulting from the defects which is based on a valid and  
16 reliable representative sample of the components of the residences  
17 or appurtenances may be used as notice of the common  
18 constructional defects within the residences or appurtenances to  
19 which the expert opinion applies.

20 4. Except as otherwise provided in subsection 5, one notice  
21 may be sent relating to all similarly situated owners of residences or  
22 appurtenances within a single development that allegedly have  
23 common constructional defects if:

24 (a) An expert opinion is obtained concerning the cause of the  
25 common constructional defects and the nature and extent of the  
26 damage or injury resulting from the common constructional defects;

27 (b) That expert opinion concludes that based on a valid and  
28 reliable representative sample of the components of the residences  
29 and appurtenances included in the notice, it is the opinion of the  
30 expert that those similarly situated residences and appurtenances  
31 may have such common constructional defects; and

32 (c) A copy of the expert opinion is included with the notice.

33 5. A representative of a homeowner's association may send  
34 notice pursuant to this section on behalf of an association that is  
35 responsible for a residence or appurtenance if the representative is  
36 acting within the scope of his duties pursuant to chapter 116 or 117  
37 of NRS.

38 6. Notice is not required pursuant to this section before  
39 commencing an action if:

40 (a) The contractor, subcontractor, supplier or design professional  
41 has filed an action against the claimant; or

42 (b) The claimant has filed a formal complaint with a law  
43 enforcement agency against the contractor, subcontractor, supplier  
44 or design professional for threatening to commit or committing an



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1 act of violence or a criminal offense against the claimant or the  
2 property of the claimant.

3 **Sec. 15.** NRS 40.668 is hereby amended to read as follows:

4 40.668 1. Notwithstanding the provisions of NRS 40.600 to  
5 40.695, inclusive, *and sections 2 to 11, inclusive, of this act*, a  
6 claimant may not commence an action against a subdivider or  
7 master developer for a constructional defect in an appurtenance  
8 constructed on behalf of the subdivider or master developer in a  
9 planned unit development, to the extent that the appurtenance was  
10 constructed by or through a licensed general contractor, unless:

11 (a) The subdivider or master developer fails to provide to the  
12 claimant the name, address and telephone number of each contractor  
13 hired by the subdivider or master developer to construct the  
14 appurtenance within 30 days of the receipt by the subdivider or  
15 master developer of a request from the claimant for such  
16 information; or

17 (b) After the claimant has made a good faith effort to obtain full  
18 recovery from the contractors hired by the subdivider or master  
19 developer to construct the appurtenance, the claimant has not  
20 obtained a full recovery. *As used in this paragraph, "good faith*  
21 *effort to obtain full recovery" does not require the claimant to*  
22 *submit a request pursuant to sections 2 to 11, inclusive, of this act.*

23 2. All statutes of limitation or repose applicable to a claim  
24 governed by this section are tolled from the time the claimant  
25 notifies a contractor hired by the subdivider or master developer of  
26 the claim until the earlier of the date:

27 (a) A court determines that the claimant cannot obtain a full  
28 recovery against those contractors; or

29 (b) The claimant receives notice that those contractors are  
30 bankrupt, insolvent or dissolved.

31 ➤ Tolling pursuant to this subsection applies only to the subdivider  
32 or master developer. Notwithstanding any applicable statute of  
33 limitation or repose, the claimant may commence an action against  
34 the subdivider or master developer for the claim within 1 year after  
35 the end of the tolling described in this subsection.

36 3. Nothing in this section prohibits the commencement of an  
37 action against a subdivider or master developer for a constructional  
38 defect in a residence sold, designed or constructed by or on behalf of  
39 the subdivider or master developer.

40 4. Nothing in this section prohibits a person other than the  
41 claimant from commencing an action against a subdivider or master  
42 developer to enforce his own rights.

43 5. The provisions of this section do not apply to a subdivider or  
44 master developer who acts as a general contractor or uses his license



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1 as a general contractor in the course of constructing the  
2 appurtenance that is the subject of the action.

3 6. As used in this section:

4 (a) "Master developer" means a person who buys, sells or  
5 develops a planned unit development, including, without limitation,  
6 a person who enters into a development agreement pursuant to  
7 NRS 278.0201.

8 (b) "Planned unit development" has the meaning ascribed to it in  
9 NRS 278A.065.

10 (c) "Subdivider" has the meaning ascribed to it in  
11 NRS 278.0185.

12 **Sec. 16.** NRS 171.17751 is hereby amended to read as  
13 follows:

14 171.17751 1. Any board of county commissioners or  
15 governing body of a city may designate the chief officer of the  
16 organized fire department or any employees designated by him, and  
17 certain of its inspectors of solid waste management, building,  
18 housing and licensing inspectors, zoning enforcement officers,  
19 parking enforcement officers, animal control officers, traffic  
20 engineers, marshals and park rangers of units of specialized law  
21 enforcement established pursuant to NRS 280.125, and other  
22 persons charged with the enforcement of county or city ordinances,  
23 to prepare, sign and serve written citations on persons accused of  
24 violating a county or city ordinance.

25 2. The State Health Officer and the health officer of each  
26 county, district and city may designate certain of his employees to  
27 prepare, sign and serve written citations on persons accused of  
28 violating any law, ordinance or regulation of a board of health that  
29 relates to public health.

30 3. The Chief of the Manufactured Housing Division of the  
31 Department of Business and Industry may designate certain of his  
32 employees to prepare, sign and serve written citations on persons  
33 accused of violating any law or regulation of the Division relating to  
34 the provisions of chapters 118B, 461, 461A and 489 of NRS.

35 4. The ~~{State—Contractors'—Board}~~ *Contractor Licensing*  
36 *Commission* may designate certain of its employees to prepare, sign  
37 and serve written citations on persons pursuant to subsection 2 of  
38 NRS 624.115.

39 5. An employee designated pursuant to this section:

40 (a) May exercise the authority to prepare, sign and serve  
41 citations only within the field of enforcement in which he works;

42 (b) May, if he is employed by a city or county, prepare, sign and  
43 serve a citation only to enforce an ordinance of the city or county by  
44 which he is employed; and

45 (c) Shall comply with the provisions of NRS 171.1773.



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**Sec. 17.** NRS 228.420 is hereby amended to read as follows:

228.420 1. The Attorney General has primary jurisdiction to investigate and prosecute any alleged criminal violations of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, and any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS.

2. For this purpose, the Attorney General shall establish within his office a Fraud Control Unit for Industrial Insurance. The Unit must consist of such persons as are necessary to carry out the duties set forth in this section, including, without limitation, an attorney, an auditor and an investigator.

3. The Attorney General, acting through the Unit established pursuant to subsection 2:

(a) Is the single state agency responsible for the investigation and prosecution of any alleged criminal violations of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, and any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS;

(b) Shall cooperate with the Division of Industrial Relations of the Department of Business and Industry, self-insured employers, associations of self-insured public or private employers, private carriers and other state and federal investigators and prosecutors in coordinating state and federal investigations and prosecutions involving violations of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, and any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS;

(c) Shall protect the privacy of persons who are eligible to receive compensation pursuant to the provisions of chapter 616A, 616B, 616C, 616D or 617 of NRS and establish procedures to prevent the misuse of information obtained in carrying out this section; and

(d) May, upon request, inspect the records of any self-insured employer, association of self-insured public or private employers, or private carrier, the Division of Industrial Relations of the Department of Business and Industry and the ~~[State-Contractors' Board]~~ **Contractor Licensing Commission** to investigate any alleged violation of any of the provisions of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, or any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS.



4. When acting pursuant to this section or NRS 228.175 or 228.410, the Attorney General may commence his investigation and file a criminal action without leave of court, and he has exclusive charge of the conduct of the prosecution.

5. The Attorney General shall report the name of any person who has been convicted of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, to the occupational board that issued the person's license or certificate to provide medical care, remedial care or other services in this State.

6. The Attorney General shall establish a toll-free telephone number for persons to report information regarding alleged violations of any of the provisions of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, and any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS.

7. As used in this section:

(a) "Association of self-insured private employers" has the meaning ascribed to it in NRS 616A.050.

(b) "Association of self-insured public employers" has the meaning ascribed to it in NRS 616A.055.

(c) "Private carrier" has the meaning ascribed to it in NRS 616A.290.

(d) "Self-insured employer" has the meaning ascribed to it in NRS 616A.305.

**Sec. 18.** NRS 233B.130 is hereby amended to read as follows:

233B.130 1. Any party who is:

(a) Identified as a party of record by an agency in an administrative proceeding; and

(b) Aggrieved by a final decision in a contested case, is entitled to judicial review of the decision. Where appeal is provided within an agency, only the decision at the highest level is reviewable unless a decision made at a lower level in the agency is made final by statute. Any preliminary, procedural or intermediate act or ruling by an agency in a contested case is reviewable if review of the final decision of the agency would not provide an adequate remedy.

2. Petitions for judicial review must:

(a) Name as respondents the agency and all parties of record to the administrative proceeding;

(b) Be instituted by filing a petition in the district court in and for Carson City, in and for the county in which the aggrieved party resides or in and for the county where the agency proceeding occurred; and



\* S B 5 5 3 \*

(c) Be filed within 30 days after service of the final decision of the agency.

➡ Cross-petitions for judicial review must be filed within 10 days after service of a petition for judicial review.

3. The agency and any party desiring to participate in the judicial review must file a statement of intent to participate in the petition for judicial review and serve the statement upon the agency and every party within 20 days after service of the petition.

4. A petition for rehearing or reconsideration must be filed within 15 days after the date of service of the final decision. An order granting or denying the petition must be served on all parties at least 5 days before the expiration of the time for filing the petition for judicial review. If the petition is granted, the subsequent order shall be deemed the final order for the purpose of judicial review.

5. The petition for judicial review and any cross-petitions for judicial review must be served upon the agency and every party within 45 days after the filing of the petition, unless, upon a showing of good cause, the district court extends the time for such service. If the proceeding involves a petition for judicial review or cross-petition for judicial review of a final decision of the ~~{State Contractors' Board}~~ *Nevada Residential Construction Commission or the Contractor Licensing Commission*, or of a final decision of an agency or hearing officer in a contested case involving the grant, denial or renewal of a license, the district court shall, on its own motion or the motion of a party, dismiss from the proceeding any agency or person who:

(a) Is named as a party in the petition for judicial review or cross-petition for judicial review; and

(b) Was not a party to the administrative proceeding for which the petition for judicial review or cross-petition for judicial review was filed.

6. The provisions of this chapter are the exclusive means of judicial review of, or judicial action concerning, a final decision in a contested case involving an agency to which this chapter applies.

**Sec. 19.** NRS 289.300 is hereby amended to read as follows:

289.300 1. A person employed as an investigator by the Private Investigator's Licensing Board pursuant to NRS 648.025 has the powers of a peace officer.

2. A person employed as a criminal investigator by the ~~{State Contractors' Board}~~ *Contractor Licensing Commission* pursuant to NRS 624.112 has the powers of a peace officer to carry out his duties pursuant to subsection 2 of NRS 624.115.



\* S B 5 5 3 \*

**Sec. 20.** NRS 334.010 is hereby amended to read as follows:

334.010 1. No automobile may be purchased by any department, office, bureau, officer or employee of the State without prior written consent of the State Board of Examiners.

2. All such automobiles must be used for official purposes only.

3. All such automobiles, except:

(a) Automobiles maintained for and used by the Governor;

(b) Automobiles used by or under the authority and direction of the Chief Parole and Probation Officer, the ~~State Contractors' Board~~ **Contractor Licensing Commission** and auditors, the State Fire Marshal, the Investigation Division of the Department of Public Safety, the investigators of the State Gaming Control Board, the investigators of the Securities Division of the Office of the Secretary of State and the investigators of the Attorney General;

(c) One automobile used by the Department of Corrections;

(d) Two automobiles used by the Caliente Youth Center;

(e) Three automobiles used by the Nevada Youth Training Center; and

(f) Four automobiles used by the Youth Parole Bureau of the Division of Child and Family Services of the Department of Health and Human Services,

must be labeled by painting the words "State of Nevada" and "For Official Use Only" on the automobiles in plain lettering. The Director of the Department of Administration or his representative shall prescribe the size and location of the label for all such automobiles.

4. Any officer or employee of the State of Nevada who violates any provision of this section is guilty of a misdemeanor.

**Sec. 21.** NRS 338.017 is hereby amended to read as follows:

338.017 If any administrative penalty is imposed against a person for the commission of an offense:

1. That person, and the corporate officers, if any, of that person, may not be awarded a contract for a public work:

(a) For the first offense, for a period of 3 years after the date of the imposition of the administrative penalty; and

(b) For the second or subsequent offense, for a period of 5 years after the date of the imposition of the administrative penalty.

2. The Labor Commissioner shall notify the ~~State Contractors' Board~~ **Contractor Licensing Commission** of each contractor who is prohibited from being awarded a contract for a public work pursuant to this section.

**Sec. 22.** NRS 482.368 is hereby amended to read as follows:

482.368 1. Except as otherwise provided in subsection 2, the Department shall provide suitable distinguishing license plates for



\* S B 5 5 3 \*



1 exempt vehicles. These plates must be displayed on the vehicles in  
2 the same manner as provided for privately owned vehicles. The fee  
3 for the issuance of the plates is \$5. Any license plates authorized by  
4 this section must be immediately returned to the Department when  
5 the vehicle for which they were issued ceases to be used exclusively  
6 for the purpose for which it was exempted from the governmental  
7 services tax.

8 2. License plates furnished for:

9 (a) Those vehicles which are maintained for and used by the  
10 Governor or under the authority and direction of the Chief Parole  
11 and Probation Officer, the ~~{State Contractors' Board}~~ **Contractor**  
12 **Licensing Commission** and auditors, the State Fire Marshal, the  
13 Investigation Division of the Department of Public Safety and any  
14 authorized federal law enforcement agency or law enforcement  
15 agency from another state;

16 (b) One vehicle used by the Department of Corrections, three  
17 vehicles used by the Department of Wildlife, two vehicles used by  
18 the Caliente Youth Center and four vehicles used by the Nevada  
19 Youth Training Center;

20 (c) Vehicles of a city, county or the State, if authorized by the  
21 Department for the purposes of law enforcement or work related  
22 thereto or such other purposes as are approved upon proper  
23 application and justification; and

24 (d) Vehicles maintained for and used by investigators of the  
25 following:

- 26 (1) The State Gaming Control Board;
- 27 (2) The State Department of Agriculture;
- 28 (3) The Attorney General;
- 29 (4) City or county juvenile officers;
- 30 (5) District attorneys' offices;
- 31 (6) Public administrators' offices;
- 32 (7) Public guardians' offices;
- 33 (8) Sheriffs' offices;
- 34 (9) Police departments in the State; and
- 35 (10) The Securities Division of the Office of the Secretary of

36 State,

37 ➤ must not bear any distinguishing mark which would serve to  
38 identify the vehicles as owned by the State, county or city. These  
39 license plates must be issued annually for \$12 per plate or, if issued  
40 in sets, per set.

41 3. The Director may enter into agreements with departments of  
42 motor vehicles of other states providing for exchanges of license  
43 plates of regular series for vehicles maintained for and used by  
44 investigators of the law enforcement agencies enumerated in  
45 paragraph (d) of subsection 2, subject to all of the requirements



\* S B 5 5 3 \*

1 imposed by that paragraph, except that the fee required by that  
2 paragraph must not be charged.

3 4. Applications for the licenses must be made through the head  
4 of the department, board, bureau, commission, school district or  
5 irrigation district, or through the chairman of the board of county  
6 commissioners of the county or town or through the mayor of the  
7 city, owning or controlling the vehicles, and no plate or plates may  
8 be issued until a certificate has been filed with the Department  
9 showing that the name of the department, board, bureau,  
10 commission, county, city, town, school district or irrigation district,  
11 as the case may be, and the words "For Official Use Only" have  
12 been permanently and legibly affixed to each side of the vehicle,  
13 except those vehicles enumerated in subsection 2.

14 5. As used in this section, "exempt vehicle" means a vehicle  
15 exempt from the governmental services tax, except a vehicle owned  
16 by the United States.

17 6. The Department shall adopt regulations governing the use of  
18 all license plates provided for in this section. Upon a finding by the  
19 Department of any violation of its regulations, it may revoke the  
20 violator's privilege of registering vehicles pursuant to this section.

21 **Sec. 23.** NRS 607.165 is hereby amended to read as follows:

22 607.165 1. The Labor Commissioner shall notify the ~~[State~~  
23 ~~Contractors' Board]~~ *Contractor Licensing Commission* after three  
24 substantiated claims for wages have been filed against a contractor  
25 within a 2-year period. The notification must include a copy of the  
26 final written decision of the Labor Commissioner with regard to  
27 each such claim.

28 2. The Labor Commissioner may recommend to the ~~[State~~  
29 ~~Contractors' Board]~~ *Contractor Licensing Commission* the amount  
30 of the bond or cash deposit that a contractor should be required to  
31 file or establish pursuant to subsection 6 of NRS 624.270.

32 3. As used in this section:

33 (a) "Contractor" has the meaning ascribed to it in NRS 624.020.

34 (b) "Employee" means a natural person who receives wages or  
35 other remuneration from a contractor for personal services,  
36 including, without limitation, commissions, bonuses and  
37 remuneration payable in a medium other than cash.

38 (c) "Substantiated claim for wages" means a claim for wages by  
39 an employee against a contractor that the Labor Commissioner  
40 determines to be valid after providing notice and an opportunity for  
41 a hearing pursuant to the provisions of this chapter.

42 **Sec. 24.** NRS 612.265 is hereby amended to read as follows:

43 612.265 1. Except as otherwise provided in this section,  
44 information obtained from any employing unit or person pursuant to  
45 the administration of this chapter and any determination as to the



benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or his legal representative is entitled to information from the records of the Division, to the extent necessary for the proper presentation of his claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the Division for any other purpose.

3. Subject to such restrictions as the Administrator may by regulation prescribe, the information obtained by the Division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of laws relating to unemployment compensation, public assistance, workers' compensation or labor and industrial relations, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The Department of Taxation; and

(e) The ~~{State-Contractors'-Board}~~ **Contractor Licensing Commission** in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of the Employment Service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

4. Upon written request made by a public officer of a local government, the Administrator shall furnish from the records of the Division the name, address and place of employment of any person listed in the records of employment of the Division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The Administrator may charge a reasonable fee for the cost of providing the requested information.

5. The Administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of



\* S B 5 5 3 \*

1 employees employed by each such employer, if the information  
2 released will assist unemployed persons to obtain employment or  
3 will be generally useful in developing and diversifying the economic  
4 interests of this State. Upon request by a state agency which is able  
5 to demonstrate that its intended use of the information will benefit  
6 the residents of this State, the Administrator may, in addition to the  
7 information listed in this subsection, disclose the number of  
8 employees employed by each employer and the total wages paid by  
9 each employer. The Administrator may charge a fee to cover the  
10 actual costs of any administrative expenses relating to the disclosure  
11 of this information to a state agency. The Administrator may require  
12 the state agency to certify in writing that the agency will take all  
13 actions necessary to maintain the confidentiality of the information  
14 and prevent its unauthorized disclosure.

15 6. Upon request therefor the Administrator shall furnish to any  
16 agency of the United States charged with the administration of  
17 public works or assistance through public employment, and may  
18 furnish to any state agency similarly charged, the name, address,  
19 ordinary occupation and employment status of each recipient of  
20 benefits and the recipient's rights to further benefits pursuant to this  
21 chapter.

22 7. To further a current criminal investigation, the chief  
23 executive officer of any law enforcement agency of this State may  
24 submit a written request to the Administrator that he furnish, from  
25 the records of the Division, the name, address and place of  
26 employment of any person listed in the records of employment of  
27 the Division. The request must set forth the social security number  
28 of the person about whom the request is made and contain a  
29 statement signed by the chief executive officer certifying that the  
30 request is made to further a criminal investigation currently being  
31 conducted by the agency. Upon receipt of such a request, the  
32 Administrator shall furnish the information requested. He may  
33 charge a fee to cover the actual costs of any related administrative  
34 expenses.

35 8. In addition to the provisions of subsection 5, the  
36 Administrator shall provide lists containing the names and addresses  
37 of employers, and information regarding the wages paid by each  
38 employer to the Department of Taxation, upon request, for use in  
39 verifying returns for the taxes imposed pursuant to chapters 363A  
40 and 363B of NRS. The Administrator may charge a fee to cover the  
41 actual costs of any related administrative expenses.

42 9. A private carrier that provides industrial insurance in this  
43 State shall submit to the Administrator a list containing the name of  
44 each person who received benefits pursuant to chapters 616A to  
45 616D, inclusive, or 617 of NRS during the preceding month and



\* S B 5 5 3 \*

1 request that he compare the information so provided with the  
2 records of the Division regarding persons claiming benefits pursuant  
3 to chapter 612 of NRS for the same period. The information  
4 submitted by the private carrier must be in a form determined by the  
5 Administrator and must contain the social security number of each  
6 such person. Upon receipt of the request, the Administrator shall  
7 make such a comparison and, if it appears from the information  
8 submitted that a person is simultaneously claiming benefits under  
9 chapter 612 of NRS and under chapters 616A to 616D, inclusive, or  
10 617 of NRS, the Administrator shall notify the Attorney General or  
11 any other appropriate law enforcement agency. The Administrator  
12 shall charge a fee to cover the actual costs of any related  
13 administrative expenses.

14 10. The Administrator may request the Comptroller of the  
15 Currency of the United States to cause an examination of the  
16 correctness of any return or report of any national banking  
17 association rendered pursuant to the provisions of this chapter, and  
18 may in connection with the request transmit any such report or  
19 return to the Comptroller of the Currency of the United States as  
20 provided in section 3305(c) of the Internal Revenue Code of 1954.

21 11. If any employee or member of the Board of Review, the  
22 Administrator or any employee of the Administrator, in violation of  
23 the provisions of this section, discloses information obtained from  
24 any employing unit or person in the administration of this chapter,  
25 or if any person who has obtained a list of applicants for work, or of  
26 claimants or recipients of benefits pursuant to this chapter uses or  
27 permits the use of the list for any political purpose, he is guilty of a  
28 gross misdemeanor.

29 12. All letters, reports or communications of any kind, oral or  
30 written, from the employer or employee to each other or to the  
31 Division or any of its agents, representatives or employees are  
32 privileged and must not be the subject matter or basis for any  
33 lawsuit if the letter, report or communication is written, sent,  
34 delivered or prepared pursuant to the requirements of this chapter.

35 **Sec. 25.** NRS 622A.120 is hereby amended to read as follows:

36 622A.120 1. The following regulatory bodies are exempted  
37 from the provisions of this chapter:

38 (a) ~~{State—Contractors’—Board.}~~ *Contractor Licensing*  
39 *Commission.*

40 (b) State Board of Professional Engineers and Land Surveyors.

41 (c) Nevada State Board of Accountancy.

42 (d) Board of Medical Examiners.

43 (e) Board of Dental Examiners of Nevada.

44 (f) State Board of Nursing.

45 (g) Chiropractic Physicians’ Board of Nevada.



\* S B 5 5 3 \*

- (h) Nevada State Board of Optometry.
- (i) State Board of Pharmacy.
- (j) Board of Examiners for Marriage and Family Therapists.
- (k) Real Estate Commission, Real Estate Administrator and Real Estate Division of the Department of Business and Industry.
- (l) Commission of Appraisers of Real Estate.
- (m) Commissioner of Mortgage Lending and Division of Mortgage Lending of the Department of Business and Industry.
- (n) Commissioner of Financial Institutions and Division of Financial Institutions of the Department of Business and Industry.
- (o) State Board of Health and Health Division of the Department of Health and Human Services.

2. Any regulatory body which is exempted from the provisions of this chapter pursuant to subsection 1 may elect by regulation to follow the provisions of this chapter or any portion thereof.

**Sec. 26.** Chapter 624 of NRS is hereby amended by adding thereto the provisions set forth as sections 27 to 33, inclusive, of this act.

**Sec. 27.** *“Construction Commission” means the Nevada Residential Construction Commission created pursuant to section 30 of this act.*

**Sec. 28.** *“Licensing Commission” means the Contractor Licensing Commission created pursuant to section 29 of this act.*

**Sec. 29. 1.** *The Contractor Licensing Commission is hereby created.*

**2.** *The Licensing Commission shall consist of the seven members of the Authority appointed by the Governor pursuant to subsections 1 and 4 of NRS 624.050.*

**3.** *A member of the Commission, while engaged in the business of the Commission, shall receive from the Authority the same salary, per diem allowance and reimbursement for travel expenses he receives while engaged in the business of the Authority.*

**4.** *The Licensing Commission may make such reasonable bylaws, rules of procedure and regulations as are necessary to carry out the provisions of this chapter. Such regulations are subject to the approval of the Authority.*

**Sec. 30. 1.** *The Nevada Residential Construction Commission is hereby created.*

**2.** *The Construction Commission shall consist of seven members appointed by the Governor as follows:*

*(a) Three members must be licensed contractors;*

*(b) Two members must be representatives of the general public;*



1 (c) Two members must be the persons appointed to the  
2 Authority pursuant to subsections 2 and 3 of NRS 624.050; and

3 (d) At least five members of the Construction Commission  
4 must be members of the Authority, including the members  
5 appointed pursuant to subsections 2 and 3 of NRS 624.050.

6 3. The members of the Construction Commission serve  
7 staggered 4-year terms. The terms of each of the three members  
8 who are licensed contractors must expire in odd-numbered years  
9 and must be staggered to result in, as nearly as possible, the  
10 appointment of one or two members to the Construction  
11 Commission each odd-numbered year. The terms of each of the  
12 two members who are representatives of the general public must  
13 expire in odd-numbered years and be staggered to result in the  
14 appointment of one member to the Construction Commission each  
15 odd-numbered year.

16 4. The Governor shall appoint the Chairman of the  
17 Construction Commission from among the members of the  
18 Construction Commission to serve in that capacity at the pleasure  
19 of the Governor.

20 5. The Construction Commission shall employ an Executive  
21 Director for the Construction Commission. The Construction  
22 Commission may employ other personnel as are necessary to carry  
23 out the duties of the Construction Commission.

24 6. The members of the Construction Commission who are  
25 appointed by the Governor serve without compensation, per diem  
26 allowance or reimbursement for travel expenses. While engaged in  
27 the business of the Construction Commission, any member who is  
28 a member of the Authority shall receive from the Authority the  
29 same salary, per diem allowance and reimbursement for travel  
30 expenses he receives while engaged in the business of the  
31 Authority.

32 **Sec. 31. The Construction Commission:**

33 1. Shall adopt regulations as necessary for the  
34 implementation of sections 2 to 11, inclusive, of this act. Such  
35 regulations are subject to the approval of the Authority.

36 2. Shall prepare information of public interest describing the  
37 inspection and dispute resolution process and the procedures by  
38 which complaints and requests are filed with and resolved by the  
39 Construction Commission.

40 3. Shall make the information described in subsection 2  
41 available to the public and the appropriate state agencies and post  
42 the information on the website of the Construction Commission.

43 4. May submit a recommendation to the Licensing  
44 Commission, based on information from the inspection and  
45 dispute resolution process set forth in sections 2 to 11, inclusive, of





1 *this act, that the Licensing Commission investigate and take*  
2 *disciplinary action against a licensee who is before the*  
3 *Construction Commission pursuant to the inspection and dispute*  
4 *resolution process. Such a recommendation must include, with*  
5 *specificity, the findings by the Construction Commission of any*  
6 *grounds for disciplinary action pursuant to NRS 624.300.*

7 **Sec. 32.** *The registration fee paid by a contractor or*  
8 *homeowner pursuant to NRS 624.280 must be used to pay the*  
9 *administrative costs associated with the Construction Commission*  
10 *and the costs associated with the inspection and dispute resolution*  
11 *process.*

12 **Sec. 33. 1.** *A contractor shall register a new residence with*  
13 *the Construction Commission on or before the 15th day of the*  
14 *month following the month in which the transfer of title from the*  
15 *builder to the homeowner occurs. The registration must include*  
16 *any information required by the regulations of the Construction*  
17 *Commission and must be accompanied by the registration fee*  
18 *required pursuant to NRS 624.280.*

19 **2.** *A contractor who enters into a transaction governed by this*  
20 *chapter, other than the transfer of title of a new residence from*  
21 *the contractor to the seller, shall register the residence involved in*  
22 *the transaction with the Construction Commission. The*  
23 *registration must:*

24 *(a) Include any information required by the regulations of the*  
25 *Construction Commission;*

26 *(b) Be accompanied by the registration fee required pursuant*  
27 *to NRS 624.280; and*

28 *(c) Be delivered to the Construction Commission not later than*  
29 *the 15th day after the earlier of:*

30 *(1) The date of the agreement that describes the transaction*  
31 *between the homeowner and contractor; or*

32 *(2) The date of commencement of work on the residence.*

33 **3.** *If the transfer of the title of the residence from the*  
34 *contractor to the initial homeowner occurred before October 1,*  
35 *2007, or if the contractor and homeowner entered into a contract*  
36 *for improvements or additions before October 1, 2007, a*  
37 *homeowner who submits a request pursuant to the provisions of*  
38 *sections 2 to 11, inclusive, of this act shall pay the registration fee*  
39 *required pursuant to NRS 624.280.*

40 **Sec. 34.** *NRS 624.010 is hereby amended to read as follows:*  
41 *624.010 ~~["Board"]~~ "Authority" means the ~~["State Contractors'~~*  
42 *~~Board.]~~ Nevada Construction Authority.*

43 **Sec. 35.** *NRS 624.020 is hereby amended to read as follows:*  
44 *624.020 1. "Contractor" is synonymous with "builder."*



2. A contractor is any person, except a registered architect or a licensed professional engineer, acting solely in his professional capacity, who in any capacity other than as the employee of another with wages as the sole compensation, undertakes to, offers to undertake to, purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith. Evidence of any permit from a governmental agency or the employment of any person on a construction project must be accepted by the ~~Board~~ *Licensing Commission* or any court of this State as prima facie evidence that the person securing that permit or employing any person on a construction project is acting in the capacity of a contractor pursuant to the provisions of this chapter.

3. A contractor includes a subcontractor or specialty contractor, but does not include anyone who merely furnishes materials or supplies without fabricating them into, or consuming them in the performance of, the work of a contractor.

4. A contractor includes a construction manager who performs management and counseling services on a construction project for a professional fee.

5. A contractor does not include an owner of a planned unit development who enters into one or more oral or written agreements with one or more general building contractors or general engineering contractors to construct a work of improvement in the planned unit development if the general building contractors or general engineering contractors are licensed pursuant to this chapter and contract with the owner of the planned unit development to construct the entire work of improvement.

**Sec. 36.** NRS 624.031 is hereby amended to read as follows:

624.031 The provisions of this chapter do not apply to:

1. Work performed exclusively by an authorized representative of the United States Government, the State of Nevada, or an incorporated city, county, irrigation district, reclamation district, or other municipal or political corporation or subdivision of this State.

2. An officer of a court when acting within the scope of his office.

3. Work performed exclusively by a public utility operating pursuant to the regulations of the Public Utilities Commission of Nevada on construction, maintenance and development work incidental to its business.



\* S B 5 5 3 \*

4. An owner of property who is building or improving a residential structure on the property for his own occupancy and not intended for sale or lease. The sale or lease, or the offering for sale or lease, of the newly built structure within 1 year after its completion creates a rebuttable presumption for the purposes of this section that the building of the structure was performed with the intent to sell or lease that structure. An owner of property who requests an exemption pursuant to this subsection must apply to the ~~[Board]~~ Authority for the exemption. The ~~[Board]~~ Authority shall adopt regulations setting forth the requirements for granting the exemption.

5. An owner of a complex containing not more than four condominiums, townhouses, apartments or cooperative units, the managing officer of the owner or an employee of the managing officer, who performs work to repair or maintain that property the value of which is less than \$500, including labor and materials, unless:

(a) A building permit is required to perform the work;

(b) The work is of a type performed by a plumbing, electrical, refrigeration, heating or air-conditioning contractor;

(c) The work is of a type performed by a contractor licensed in a classification prescribed by the ~~[Board]~~ Authority that significantly affects the health, safety and welfare of members of the general public;

(d) The work is performed as a part of a larger project:

(1) The value of which is \$500 or more; or

(2) For which contracts of less than \$500 have been awarded to evade the provisions of this chapter; or

(e) The work is performed by a person who is licensed pursuant to this chapter or by an employee of that person.

6. The sale or installation of any finished product, material or article of merchandise which is not fabricated into and does not become a permanent fixed part of the structure.

7. The construction, alteration, improvement or repair of personal property.

8. The construction, alteration, improvement or repair financed in whole or in part by the Federal Government and conducted within the limits and boundaries of a site or reservation, the title of which rests in the Federal Government.

9. An owner of property, the primary use of which is as an agricultural or farming enterprise, building or improving a structure on the property for his use or occupancy and not intended for sale or lease.



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1     **Sec. 37.** NRS 624.040 is hereby amended to read as follows:  
2     624.040 There is hereby created the ~~[State Contractors' Board]~~  
3     *Nevada Construction Authority* to consist of ~~[seven]~~ *nine* members  
4     to be appointed by the Governor.

5     **Sec. 38.** NRS 624.050 is hereby amended to read as follows:  
6     624.050 1. Six members of the ~~[Board]~~ *Authority* must each:  
7     (a) At the time of appointment, hold an unexpired license to  
8     operate as a contractor.

9     (b) Be a contractor actively engaged in the contracting business  
10    and must have been so engaged for not less than 5 years preceding  
11    the date of his appointment.

12    (c) Have been a citizen and resident of the State of Nevada for at  
13    least 5 years next preceding his appointment.

14    2. *One member of the Authority must be a licensed*  
15    *professional engineer who practices in the area of residential*  
16    *construction.*

17    3. *One member of the Authority must be either:*

18    (i) *A registered architect; or*

19    (ii) *A building inspector,*

20    ➔ *who practices in the area of residential construction.*

21    4. One member of the ~~[Board]~~ *Authority* must be a  
22    representative of the general public. This member must not be:

23    (a) A licensed contractor; or

24    (b) The spouse or the parent or child, by blood, marriage or  
25    adoption, of a licensed contractor.

26    **Sec. 39.** NRS 624.070 is hereby amended to read as follows:

27    624.070 Each member of the ~~[Board]~~ *Authority* shall:

28    1. Receive a certificate of appointment from the Governor.

29    2. Before entering upon the discharge of the duties of his  
30    office, take the constitutional oath of office.

31    **Sec. 40.** NRS 624.080 is hereby amended to read as follows:

32    624.080 1. The ~~[Board]~~ *Authority* shall hold such meetings  
33    as may be necessary for the purpose of transacting its business.

34    2. ~~[Four]~~ *Five* members of the ~~[Board]~~ *Authority* may call a  
35    special meeting at any time.

36    3. Due notice of each meeting and of the time and place thereof  
37    shall be given each member in the manner provided by the bylaws.

38    **Sec. 41.** NRS 624.090 is hereby amended to read as follows:

39    624.090 ~~[Four]~~ *Five* members of the ~~[Board-shall]~~ *Authority*  
40    constitute a quorum.

41    **Sec. 42.** NRS 624.100 is hereby amended to read as follows:

42    624.100 1. The ~~[Board]~~ *Authority* may appoint such  
43    committees and make such reasonable bylaws, rules of procedure  
44    and regulations as are necessary to carry out the provisions of this  
45    chapter.



2. The ~~[Board]~~ Authority may establish advisory committees composed of its members or employees, homeowners, contractors or other qualified persons to provide assistance with respect to fraud in construction, or in any other area that the ~~[Board]~~ Authority considers necessary.

3. If the ~~[Board]~~ Authority establishes an advisory committee, the ~~[Board]~~ Authority shall:

(a) Select five members for the committee from a list of volunteers approved by the ~~[Board;]~~ Authority; and

(b) Adopt rules of procedure for informal conferences of the committee.

4. If the ~~[Board]~~ Authority establishes an advisory committee, the members:

(a) Serve at the pleasure of the ~~[Board;]~~ Authority.

(b) Serve without compensation, but must be reimbursed for travel expenses necessarily incurred in the performance of their duties. The rate must not exceed the rate provided for state officers and employees generally.

(c) Shall provide a written summary report to the ~~[Board;]~~ Authority, within 15 days after the final informal conference of the committee, that includes recommendations with respect to actions that are necessary to reduce and prevent the occurrence of fraud in construction, or on such other issues as requested by the ~~[Board;]~~ Authority.

5. The ~~[Board]~~ Authority is not bound by any recommendation made by an advisory committee.

**Sec. 43.** NRS 624.105 is hereby amended to read as follows:

624.105 1. The ~~[Board]~~ Authority shall designate an employee as Ombudsman for Residential Pools and Spas.

2. The Ombudsman for Residential Pools and Spas shall:

(a) Assist owners of single-family residences and contractors to understand their rights and responsibilities as set forth in NRS 624.900 to 624.965, inclusive, and any regulations adopted pursuant thereto.

(b) Notify the ~~[Board]~~ Authority if it appears that any person has engaged in any act or practice that constitutes a violation of any of the provisions of this chapter or any regulations adopted pursuant thereto.

**Sec. 44.** NRS 624.110 is hereby amended to read as follows:

624.110 1. The ~~[Board]~~ Authority may maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter, but it shall maintain one office in which there must be at all times open to public inspection a complete record of applications, licenses issued, licenses renewed and all revocations, cancellations and suspensions of licenses.



2. Except as otherwise required in NRS 624.327, credit reports, references, financial information and data pertaining to a licensee's net worth are confidential and not open to public inspection.

**Sec. 45.** NRS 624.112 is hereby amended to read as follows:

624.112 1. The ~~Board~~ **Licensing Commission** shall:

(a) Establish an Investigations Office to enforce the provisions of this chapter. The Investigations Office must include a Special Investigations Unit consisting of criminal investigators and a Compliance Investigations Unit consisting of compliance investigators.

(b) Adopt regulations setting forth the qualifications required for investigators employed to carry out this section.

2. As used in this section, "criminal investigator" means a person authorized to perform the duties set forth in subsection 2 of NRS 624.115.

**Sec. 46.** NRS 624.115 is hereby amended to read as follows:

624.115 1. The ~~Board~~ **Licensing Commission** may employ attorneys, investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.

2. The ~~Board~~ **Licensing Commission** may require criminal investigators who are employed by the ~~Board~~ **Licensing Commission** pursuant to NRS 624.112 to:

(a) Conduct a background investigation of:

(1) A licensee or an applicant for a contractor's license; or

(2) An applicant for employment with the ~~Board~~ **Licensing Commission or any other authority, board or commission created pursuant to this chapter;**

(b) Locate and identify persons who:

(1) Engage in the business or act in the capacity of a contractor within this State in violation of the provisions of this chapter;

(2) Submit bids on jobs situated within this State in violation of the provisions of this chapter; or

(3) Otherwise violate the provisions of this chapter or the regulations adopted pursuant to this chapter;

(c) Investigate any alleged occurrence of constructional fraud; and

(d) Issue a misdemeanor citation prepared manually or electronically pursuant to NRS 171.1773 to a person who violates a provision of this chapter that is punishable as a misdemeanor. A criminal investigator may request any constable, sheriff or other peace officer to assist him in the issuance of such a citation.

**Sec. 47.** NRS 624.120 is hereby amended to read as follows:

624.120 The ~~Board~~ **Authority** shall adopt a seal for its own use. The seal must have imprinted thereon the words ~~"State~~



1 ~~Contractors' Board,~~ *"Nevada Construction Authority*, State of  
2 Nevada." The Executive Officer has the care and custody of the  
3 seal. A person shall not use, copy or reproduce the seal in any way  
4 not authorized by this chapter or the regulations of the ~~[Board.]~~  
5 *Authority.*

6 **Sec. 48.** NRS 624.135 is hereby amended to read as follows:

7 624.135 The ~~[Board]~~ *Authority* shall operate on the basis of a  
8 fiscal year commencing on July 1 and terminating on June 30.

9 **Sec. 49.** NRS 624.140 is hereby amended to read as follows:

10 624.140 1. Except as otherwise provided in subsection 3, if  
11 money becomes available from the operations of this chapter and  
12 payments made for licenses, the ~~[Board]~~ *Authority* may pay from  
13 that money:

14 (a) The expenses of the operations of this chapter, including the  
15 maintenance of offices.

16 (b) The salary of the Executive Officer who must be ~~[named]~~  
17 *appointed* by the ~~[Board.]~~ *Governor and who shall serve as*  
18 *Executive Officer to the Authority and the Licensing Commission.*

19 (c) A salary to each member of the ~~[Board]~~ *Authority* of not  
20 more than \$80 per day, as fixed by the ~~[Board.]~~ *Authority*, while  
21 engaged in the business of the ~~[Board.]~~ *Authority or a commission*  
22 *created pursuant to this chapter.*

23 (d) A per diem allowance and travel expenses for each member  
24 and employee of the ~~[Board.]~~ *Authority* at a rate fixed by the  
25 ~~[Board.]~~ *Authority*, while engaged in the business of the ~~[Board.]~~  
26 *Authority or a commission created pursuant to this chapter.* The  
27 rate must not exceed the rate provided for state officers and  
28 employees generally.

29 2. The ~~[Board]~~ *Licensing Commission* may delegate to a  
30 hearing officer or panel its authority to take any disciplinary action  
31 pursuant to this chapter, impose and collect fines therefor and  
32 deposit the money therefrom in banks, credit unions or savings and  
33 loan associations in this State.

34 3. Except as otherwise provided in NRS 624.520, if a hearing  
35 officer or panel is not authorized to take disciplinary action pursuant  
36 to subsection 2, the ~~[Board]~~ *Licensing Commission* shall deposit  
37 any money collected from the imposition of fines with the State  
38 Treasurer for credit to the Construction Education Account created  
39 pursuant to NRS 624.580.

40 **Sec. 50.** NRS 624.150 is hereby amended to read as follows:

41 624.150 1. The ~~[Board]~~ *Authority* shall elect one of its  
42 members as Treasurer.

43 2. All money received by the ~~[Board]~~ *Authority* shall be turned  
44 over to the Treasurer who shall keep books of account and who is  
45 authorized to deposit the money in banks, credit unions or savings





1 and loan associations in the State of Nevada, and to expend money  
2 necessary for the operation of the ~~{Board}~~ Authority under the terms  
3 of this chapter when the expenses have been approved by the  
4 ~~{Board-}~~ Authority.

5 3. All balances at any time in the possession of the Treasurer  
6 shall be subject to legislative disposition.

7 **Sec. 51.** NRS 624.160 is hereby amended to read as follows:

8 624.160 1. The ~~{Board}~~ Authority is vested with all of the  
9 functions and duties relating to the administration of this chapter.

10 2. The ~~{Board}~~ Authority shall:

11 (a) Carry out a program of education for customers of  
12 contractors.

13 (b) Maintain and make known a telephone number for the public  
14 to obtain information about self-protection from fraud in  
15 construction and other information concerning contractors and  
16 contracting.

17 3. The ~~{Board}~~ Authority may provide advisory opinions and  
18 take other actions that are necessary for the effective administration  
19 of this chapter and the regulations of the ~~{Board-}~~ Authority.

20 **Sec. 52.** NRS 624.165 is hereby amended to read as follows:

21 624.165 1. The ~~{Board}~~ Licensing Commission shall:

22 (a) Designate one or more of its employees for the investigation  
23 of constructional fraud;

24 (b) Cooperate with other local, state or federal investigative and  
25 law enforcement agencies, and the Attorney General;

26 (c) Assist the Attorney General or any official of an  
27 investigative or a law enforcement agency of this State, any other  
28 state or the Federal Government who requests assistance in  
29 investigating any act of constructional fraud; and

30 (d) Furnish to those officials any information concerning its  
31 investigation or report on any act of constructional fraud.

32 2. The ~~{Board}~~ Licensing Commission may obtain records of a  
33 law enforcement agency or any other agency that maintains records  
34 of criminal history, including, without limitation, records of:

35 (a) Arrests;

36 (b) Guilty pleas;

37 (c) Sentencing;

38 (d) Probation;

39 (e) Parole;

40 (f) Bail;

41 (g) Complaints; and

42 (h) Final dispositions,

43 ➔ for the investigation of constructional fraud.

44 3. For the purposes of this section, constructional fraud occurs  
45 if a person engaged in construction knowingly:



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(a) Misapplies money under the circumstances described in NRS 205.310;

(b) Obtains money, property or labor by false pretense as described in NRS 205.380;

(c) Receives payments and fails to state his own true name, or states a false name, contractor's license number, address or telephone number of the person offering a service;

(d) Diverts money or commits any act of theft, forgery, fraud or embezzlement, in connection with a construction project, that violates a criminal statute of this State;

(e) Acts as a contractor without:

(1) Possessing a contractor's license issued pursuant to this chapter; or

(2) Possessing any other license required by this State or a political subdivision of this State;

(f) In any report relating to a contract for a public work, submits false information concerning a payroll to a public officer or agency; or

(g) Otherwise fails to disclose a material fact.

**Sec. 53.** NRS 624.170 is hereby amended to read as follows:

624.170 1. Any member of the ~~[Board]~~ *Licensing Commission* or the Executive Officer may take testimony and proofs concerning all matters within the jurisdiction of the ~~[Board.]~~ *Licensing Commission.*

2. The ~~[Board]~~ *Licensing Commission* or any member thereof, or the Executive Officer, may:

(a) Administer oaths.

(b) Certify to all official acts.

(c) Issue subpoenas for the attendance of witnesses and the production of records, books and papers in connection with any hearing, investigation or other proceeding of the ~~[Board.]~~ *Licensing Commission.*

**Sec. 54.** NRS 624.215 is hereby amended to read as follows:

624.215 1. For the purpose of classification, the contracting business includes the following branches:

(a) General engineering contracting.

(b) General building contracting.

(c) Specialty contracting.

↪ General engineering contracting and general building contracting are mutually exclusive branches.

2. A general engineering contractor is a contractor whose principal contracting business is in connection with fixed works, including irrigation, drainage, water supply, water power, flood control, harbors, railroads, highways, tunnels, airports and airways, sewers and sewage disposal systems, bridges, inland waterways,



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1 pipelines for transmission of petroleum and other liquid or gaseous  
2 substances, refineries, chemical plants and industrial plants  
3 requiring a specialized engineering knowledge and skill, power  
4 plants, piers and foundations and structures or work incidental  
5 thereto.

6 3. A general building contractor is a contractor whose principal  
7 contracting business is in connection with the construction or  
8 remodeling of buildings or structures for the support, shelter and  
9 enclosure of persons, animals, chattels or movable property of any  
10 kind, requiring in their construction the use of more than two  
11 unrelated building trades or crafts, upon which he is a prime  
12 contractor and where the construction or remodeling of a building is  
13 the primary purpose. Unless he holds the appropriate specialty  
14 license, a general building contractor may only contract to perform  
15 specialty contracting if he is a prime contractor on a project. A  
16 general building contractor shall not perform specialty contracting  
17 in plumbing, electrical, refrigeration and air-conditioning or fire  
18 protection without a license for the specialty. A person who  
19 exclusively constructs or repairs mobile homes, manufactured  
20 homes or commercial coaches is not a general building contractor.

21 4. A specialty contractor is a contractor whose operations as  
22 such are the performance of construction work requiring special  
23 skill and whose principal contracting business involves the use of  
24 specialized building trades or crafts.

25 5. This section does not prevent the **[Board] Licensing**  
26 **Commission** from establishing, broadening, limiting or otherwise  
27 effectuating classifications in a manner consistent with established  
28 custom, usage and procedure found in the building trades. The  
29 **[Board] Licensing Commission** is specifically prohibited from  
30 establishing classifications in such a manner as to determine or limit  
31 craft jurisdictions.

32 **Sec. 55.** NRS 624.218 is hereby amended to read as follows:

33 624.218 1. The **[Board] Licensing Commission** shall adopt  
34 by regulation a classification of licensing for persons who construct  
35 or improve community antenna television systems. Except as  
36 otherwise provided in subsection 2, a person who engages in such  
37 construction, alteration or improvement must be licensed in this  
38 classification and may not be required to be licensed in any other  
39 classification.

40 2. The licensing requirements adopted pursuant to subsection 1  
41 do not apply to a person who is engaged solely in the alteration or  
42 repair of antennae used by a community antenna television system.

43 **Sec. 56.** NRS 624.220 is hereby amended to read as follows:

44 624.220 1. The **[Board] Licensing Commission** shall adopt  
45 regulations necessary to effect the classification and



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1 subclassification of contractors in a manner consistent with  
2 established usage and procedure as found in the construction  
3 business, and may limit the field and scope of the operations of a  
4 licensed contractor to those in which he is classified and qualified to  
5 engage as defined by NRS 624.215 and the regulations of the  
6 ~~[Board]~~ *Licensing Commission*.

7 2. The ~~[Board]~~ *Licensing Commission* shall limit the field and  
8 scope of the operations of a licensed contractor by establishing a  
9 monetary limit on a contractor's license, and the limit must be the  
10 maximum contract a licensed contractor may undertake on one or  
11 more construction contracts on a single construction site or  
12 subdivision site for a single client. The ~~[Board]~~ *Licensing*  
13 *Commission* may take any other action designed to limit the field  
14 and scope of the operations of a contractor as may be necessary to  
15 protect the health, safety and general welfare of the public. The limit  
16 must be determined after consideration of the factors set forth in  
17 NRS 624.260 to 624.265, inclusive.

18 3. A licensed contractor may request that the ~~[Board]~~  
19 *Licensing Commission* increase the monetary limit on his license,  
20 either on a permanent basis or for a single construction project. A  
21 request submitted to the ~~[Board]~~ *Licensing Commission* pursuant to  
22 this subsection must be in writing on a form prescribed by the  
23 ~~[Board]~~ *Licensing Commission* and accompanied by such  
24 supporting documentation as the ~~[Board]~~ *Licensing Commission*  
25 may require. If a request submitted pursuant to this section is for a  
26 single construction project, the request must be submitted to the  
27 ~~[Board]~~ *Licensing Commission* at least 2 working days before the  
28 date on which the licensed contractor intends to submit his bid for  
29 the project.

30 4. Nothing contained in this section prohibits a specialty  
31 contractor from taking and executing a contract involving the use of  
32 two or more crafts or trades, if the performance of the work in the  
33 crafts or trades, other than in which he is licensed, is incidental and  
34 supplemental to the performance of work in the craft for which the  
35 specialty contractor is licensed.

36 **Sec. 57.** NRS 624.273 is hereby amended to read as follows:

37 624.273 1. Each bond or deposit required by NRS 624.270  
38 must be in favor of the State of Nevada for the benefit of any person  
39 who:

40 (a) As owner of the property to be improved entered into a  
41 construction contract with the contractor and is damaged by failure  
42 of the contractor to perform the contract or to remove liens filed  
43 against the property;

44 (b) As an employee of the contractor performed labor on or  
45 about the site of the construction covered by the contract;



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(c) As a supplier or materialman furnished materials or equipment for the construction covered by the contract; or

(d) Is injured by any unlawful act or omission of the contractor in the performance of a contract.

2. Any person claiming against the bond or deposit may bring an action in a court of competent jurisdiction on the bond or against the ~~{Board}~~ *Licensing Commission* on the deposit for the amount of damage he has suffered to the extent covered by the bond or deposit. No action may be commenced on the bond or deposit 2 years after the commission of the act on which the action is based. If an action is commenced on the bond, the surety that executed the bond shall notify the ~~{Board}~~ *Licensing Commission* of the action within 30 days after the date that:

(a) The surety is served with a complaint and summons; or

(b) The action is commenced,

↪ whichever occurs first.

3. Upon receiving a request from a person for whose benefit a bond or deposit is required, the ~~{Board}~~ *Licensing Commission* shall notify him that:

(a) A bond is in effect or that a deposit has been made, and the amount of either;

(b) There is an action against a bond, if that is the case, and the court, the title and number of the action and the amount sought by the plaintiff; and

(c) There is an action against the ~~{Board}~~ *Licensing Commission*, if that is the case, and the amount sought by the plaintiff.

4. If a surety, or in the case of a deposit, the ~~{Board}~~ *Licensing Commission*, desires to make payment without awaiting court action, the amount of the bond or deposit must be reduced to the extent of any payment made by the surety or the ~~{Board}~~ *Licensing Commission* in good faith under the bond or deposit. Any payment must be based on written claims received by the surety or ~~{Board}~~ *Licensing Commission* before the court action.

5. The surety or the ~~{Board}~~ *Licensing Commission* may bring an action for interpleader against all claimants upon the bond or deposit. If an action for interpleader is commenced, the surety or the ~~{Board}~~ *Licensing Commission* must serve each known claimant and publish notice of the action at least once each week for 2 weeks in a newspaper of general circulation in the county where the contractor has his principal place of business. The surety is entitled to deduct its costs of the action, including publication, from its liability under the bond. The ~~{Board}~~ *Licensing Commission* is entitled to deduct its costs of the action, including attorney's fees and publication, from the deposit.



6. A claim of any employee of the contractor for labor is a preferred claim against a bond or deposit. If any bond or deposit is insufficient to pay all claims for labor in full, the sum recovered must be distributed among all claimants for labor in proportion to the amounts of their respective claims. Partial payment of claims is not full payment, and the claimants may bring actions against the contractor for the unpaid balances.

7. Claims, other than claims for labor, against a bond or deposit have equal priority, except where otherwise provided by law, and if the bond or deposit is insufficient to pay all of those claims in full, they must be paid pro rata. Partial payment of claims is not full payment, and the claimants may bring actions against the contractor for the unpaid balances.

8. The ~~Board~~ *Licensing Commission* may not claim against the bond or deposit required pursuant to NRS 624.270 for the payment of an administrative fine imposed for a violation of the provisions of this chapter.

**Sec. 58.** NRS 624.280 is hereby amended to read as follows:

624.280 1. The ~~Board~~ *Licensing Commission* may adopt regulations fixing ~~the~~ :

(a) *The* fee for an application, the fee for an examination and the annual fee for a license to be paid by applicants and licensees ~~;~~ ;  
*and*

(b) *The fee for registration to be paid by licensees and homeowners.*

2. Except as otherwise provided in NRS 624.281, the fee for:

~~(1)~~ (a) An application must not exceed \$550.

~~(2)~~ (b) A license must not exceed \$450 annually.

~~(3)~~ (c) An examination must not exceed \$300.

(d) *Registration must not exceed \$100 for each residence registered pursuant to section 33 of this act.*

**Sec. 59.** NRS 624.3011 is hereby amended to read as follows:

624.3011 1. The following acts, among others, constitute cause for disciplinary action under NRS 624.300:

(a) Willful and prejudicial departure from or disregard of plans or specifications in any material respect without the consent of the owner or his authorized representative and the person entitled to have the particular construction project or operation completed in accordance with the plans and specifications.

(b) Willful or deliberate disregard and violation of:

(1) The building laws of the State or of any political subdivision thereof.

(2) The safety laws or labor laws of the State.



(3) Any provision of the Nevada health and safety laws or the regulations adopted thereunder relating to the digging, boring or drilling of water wells.

(4) The laws of this State regarding industrial insurance.

*(5) The inspection and dispute resolution process set forth in sections 2 to 11, inclusive, of this act.*

2. If a contractor performs construction without obtaining any necessary building permit, there is a rebuttable presumption that the contractor willfully and deliberately violated the building laws of this State or of its political subdivisions.

**Sec. 60.** NRS 624.3017 is hereby amended to read as follows:

624.3017 The following acts, among others, constitute cause for disciplinary action under NRS 624.300:

1. Workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed. If no applicable building or construction code has been adopted locally, then workmanship must meet the standards prescribed in the Uniform Building Code, Uniform Plumbing Code or National Electrical Code in the form of the code most recently approved by the ~~{Board}~~ Authority. The ~~{Board}~~ Authority shall review each edition of the Uniform Building Code, Uniform Plumbing Code or National Electrical Code that is published after the 1996 edition to ensure its suitability. Each new edition of the code shall be deemed approved by the ~~{Board}~~ Authority unless the edition is disapproved by the ~~{Board}~~ Authority within 60 days of the publication of the code.

2. Advertising projects of construction without including in the advertisements the name and license number of the licensed contractor who is responsible for the construction.

3. Advertising projects of construction beyond the scope of the license.

**Sec. 61.** NRS 624.540 is hereby amended to read as follows:

624.540 1. The ~~{Board}~~ Authority shall:

(a) On or before February 1 of each year, prepare and submit to the Director of the Legislative Counsel Bureau for transmittal to the appropriate legislative committee if the Legislature is in session, or to the Interim Finance Committee if the Legislature is not in session, a statement of the condition of the account that is prepared in accordance with generally accepted accounting principles.

(b) Employ accountants as necessary for the performance of the duties set forth in this section and pay any related expenses from the money in the account. Except as otherwise provided in subsection 3, the expenditures made by the ~~{Board}~~ Authority pursuant to this paragraph must not exceed \$10,000 in any fiscal year.



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(c) Employ or contract with persons and procure necessary equipment, supplies and services to be paid from or purchased with the money in the account as may be necessary to monitor or process claims filed by injured persons that may result in a recovery from the account.

2. Any interest earned on the money in the account must be credited to the account. The ~~[Board]~~ Authority may expend the interest earned on the money in the account to increase public awareness of the account. Except as otherwise provided in subsection 3, the expenditures made by the ~~[Board]~~ Authority for this purpose must not exceed \$50,000 in any fiscal year.

3. The total expenditures made by the ~~[Board]~~ Authority pursuant to this section must not exceed 10 percent of the account in any fiscal year.

**Sec. 62.** NRS 624.550 is hereby amended to read as follows:

624.550 Once an initial balance of \$200,000 exists in the account, the ~~[Board]~~ Authority shall maintain a minimum balance of \$200,000 in the account.

**Sec. 63.** NRS 624.560 is hereby amended to read as follows:

624.560 The ~~[Board]~~ Authority shall adopt such regulations as are necessary to carry out the provisions of NRS 624.400 to 624.560, inclusive, including, without limitation, regulations governing:

1. The disbursement of money from the account; and

2. The manner in which a complaint is filed with the ~~[Board]~~ Licensing Commission or its designee pursuant to NRS 624.480.

**Sec. 64.** NRS 624.570 is hereby amended to read as follows:

624.570 1. The Commission on Construction Education is hereby created.

2. The Commission on Construction Education consists of one member who is a member of the ~~[Board]~~ Authority and six members appointed by the Governor as follows:

(a) Four members who are representatives of the construction industry; and

(b) Two members who have knowledge of construction education programs.

3. Each member of the Commission on Construction Education serves a term of 3 years.

4. The members of the Commission on Construction Education who are appointed by the Governor serve without compensation, per diem allowance or reimbursement for travel expenses. While engaged in the business of the Commission on Construction Education, the member who is a member of the ~~[Board]~~ Authority shall receive from the ~~[Board]~~ Authority the same salary, per diem allowance and reimbursement for travel



1 expenses he receives while engaged in the business of the ~~[Board]~~  
2 *Authority*.

3 5. The Commission *on Construction Education* shall review  
4 programs of education which relate to building construction and  
5 distribute grants from the Construction Education Account created  
6 pursuant to NRS 624.580 for programs that the Commission *on*  
7 *Construction Education* determines qualify for such a grant.

8 6. The ~~[Board]~~ *Authority* may adopt regulations which  
9 establish the rules of procedure for meetings of the Commission *on*  
10 *Construction Education*.

11 7. The Commission *on Construction Education* shall adopt  
12 regulations providing:

13 (a) Procedures for applying for a grant of money from the  
14 Construction Education Account;

15 (b) Procedures for reviewing an application for a grant from the  
16 Construction Education Account; and

17 (c) Qualifications for receiving a grant from the Construction  
18 Education Account.

19 **Sec. 65.** NRS 624.600 is hereby amended to read as follows:

20 624.600 A general building contractor shall provide in writing  
21 to the owner of a single-family residence with whom he has  
22 contracted:

23 1. The name, license number, business address and telephone  
24 number of:

25 (a) All subcontractors with whom he has contracted on the  
26 project; and

27 (b) All persons who furnish material of the value of \$500 or  
28 more to be used in the project.

29 2. A notice that a person described in subsection 1 may record  
30 a notice of lien upon the residence of the owner and any building,  
31 structure and improvement thereon pursuant to the provisions of  
32 NRS 108.226.

33 3. An informational form, whose contents must be prescribed  
34 by the ~~[Board]~~ *Licensing Commission*, regarding:

35 (a) Contractors pursuant to chapter 624 of NRS; and

36 (b) Mechanics' and materialmen's liens pursuant to chapter 108  
37 of NRS.

38 **Sec. 66.** NRS 624.925 is hereby amended to read as follows:

39 624.925 1. The ~~[Board]~~ *Licensing Commission* shall adopt  
40 regulations to provide for classifications of licensing that authorize a  
41 contractor who performs work concerning a residential pool or spa  
42 to perform, in connection with such work, the installation of:

43 (a) Plumbing, including, without limitation, connections to  
44 potable water; and

45 (b) Gas lines.



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2. The regulations adopted by the ~~{Board}~~ **Licensing Commission** must include, without limitation, regulations establishing the qualifications, training and examinations that are required for such classifications.

**Sec. 67.** NRS 627.180 is hereby amended to read as follows:

627.180 1. The provisions of this section do not apply to:

(a) Savings and loan associations, state banks and national banking associations licensed to do business in the State of Nevada, under the laws of the State of Nevada or under the laws of the United States.

(b) Title insurers or underwritten title insurance companies authorized to do business in the State of Nevada.

(c) Lenders of construction loan money for dwelling units who are approved by the Federal Housing Administration or Department of Veterans Affairs and who have been licensed and authorized to do business in the State of Nevada.

2. Except as otherwise provided in subsection 1 and NRS 627.183, as a condition to doing business in this State, each construction control shall deposit with the ~~{State-Contractors' Board}~~ **Contractor Licensing Commission** and keep in full force and effect a surety bond, in the amount set forth in subsection 4, which is executed by some corporation authorized to issue surety bonds in this State.

3. The surety bond must be in substantially the following form:

BOND NO.

### CONSTRUCTION CONTROL BOND

KNOW ALL MEN BY THESE PRESENTS:

That I, ....., having a principal place of business in ....., Nevada, as principal, and ....., a corporation licensed to execute surety bonds under the provisions of the Nevada Insurance Code, as surety, are held and firmly bound to the State of Nevada, for the use of any person by whom funds are entrusted to the principal or to whom funds are payable by the principal, in the sum of ..... Dollars, lawful money of the United States of America, to be paid to the State of Nevada, for which payment well and truly to be made we bind ourselves, our heirs, executors and successors, jointly and severally, firmly by these presents:

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT:

WHEREAS, Under the Construction Control Law, certain duties, obligations and requirements are imposed upon all persons, copartnerships, associations or corporations acting as construction controls;



\* S B 5 5 3 \*

NOW, THEREFORE, If the principal and its agents and employees shall faithfully and in all respects conduct business as a construction control in accordance with the provisions of the Construction Control Law, this obligation shall be void, otherwise to remain in full force and effect;

PROVIDED, HOWEVER, That the surety or sureties may cancel this bond and be relieved of further liability hereunder by delivering 30 days' written notice of cancellation to the principal; however, such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of such 30-day period;

PROVIDED FURTHER, That the total aggregate liability of the surety or sureties herein for all claims which may arise under this bond shall be limited to the payment of ..... Dollars.

IN WITNESS WHEREOF, The principal and surety have hereunto set their hands this ..... day of the month ..... of the year.....

By.....

Principal

(SURETY)

By.....

Attorney

4. Each construction control shall initially deposit a surety bond that complies with the provisions of this section or a substitute form of security that complies with the provisions of NRS 627.183 in the amount of \$20,000. Not later than 3 months after the initial deposit and annually thereafter, the construction control shall:

(a) Submit to the ~~{State—Contractors'—Board}~~ **Contractor Licensing Commission** a signed and notarized affidavit attesting to the average monthly balance in the trust account maintained by the construction control; and

(b) Deposit a surety bond that complies with the provisions of this section or a substitute form of security that complies with the provisions of NRS 627.183 in the following amount based upon the average monthly balance in the trust account maintained by the construction control:

AVERAGE MONTHLY  
BALANCE

AMOUNT OF BOND OR  
SECURITY REQUIRED

Less than \$2,000,000.....	\$20,000
\$2,000,000 or more but less than \$4,000,000 .....	40,000
\$4,000,000 or more but less than \$6,000,000 .....	60,000



1	\$6,000,000 or more but less than \$8,000,000 .....	\$80,000
2	\$8,000,000 or more but less than \$12,000,000 .....	120,000
3	\$12,000,000 or more but less than \$20,000,000 .....	200,000
4	\$20,000,000 or more .....	250,000

5     **Sec. 68.** NRS 40.6887 is hereby repealed.

6     **Sec. 69.** 1. Any regulations adopted by the State  
7 Contractors' Board relating to:

8     (a) The State Contractors' Board, exemptions for owner-  
9 builders, and questions and disputes concerning constructional  
10 defects remain in force until amended or repealed by the Nevada  
11 Construction Authority.

12     (b) Fees, the Investigations Office, classifications, licenses,  
13 certificates of eligibility, required disclosures for general building  
14 contractors, residential pools and spas, and disciplinary action  
15 remain in force until amended or repealed by the Contractor  
16 Licensing Commission.

17     (c) Grants from the Construction Education Account remain in  
18 force until amended or repealed by the Commission on Construction  
19 Education.

20     2. Any contracts or other agreements entered into by the State  
21 Contractors' Board, whose responsibilities have been transferred  
22 pursuant to this act, are binding on:

23     (a) For contracts and other agreements relating to the regulation  
24 of licenses, investigations and disciplinary action, the Contractor  
25 Licensing Commission.

26     (b) For contracts and other agreements relating to the  
27 Commission on Construction Education and programs of education  
28 which relate to building construction, the Commission on  
29 Construction Education.

30     ➤ Such contracts and other agreements may be enforced by the  
31 agency to which the responsibility for the enforcement of the  
32 provisions of the contract or other agreement is transferred.

33     3. Any contractors' license, master's license, certification for  
34 preference in bidding on public works projects, or order issued by  
35 the State Contractors' Board that is in effect on October 1, 2007,  
36 shall be deemed to have been issued by the Contractor Licensing  
37 Commission.

38     4. Any citation or fine issued by the State Contractors' Board  
39 that is in effect on October 1, 2007, shall be deemed to have been  
40 issued by the Contractor Licensing Commission.

41     5. Any disciplinary order or cease and desist order issued by  
42 the State Contractors' Board that is in effect on October 1, 2007,  
43 shall be deemed to have been issued by the Contractor Licensing  
44 Commission.



\* S B 5 5 3 \*

1     **Sec. 70.** The State Contractors' Board, the Nevada  
2 Construction Authority, the Contractor Licensing Commission, the  
3 Nevada Residential Construction Commission and the Commission  
4 on Construction Education shall cooperate fully and take all  
5 reasonable steps before October 1, 2007, to ensure that the  
6 amendatory provisions of this act are carried out in an orderly  
7 fashion.

8     **Sec. 71.** The Legislative Counsel shall:

9     1. In preparing the reprint and supplements to the Nevada  
10 Revised Statutes, change any reference to the State Contractors'  
11 Board to refer to the appropriate agency.

12    2. In preparing the supplements to the Nevada Administrative  
13 Code, change any reference to the State Contractors' Board to refer  
14 to the appropriate agency.

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### TEXT OF REPEALED SECTION

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#### **40.6887 Submission of questions or disputes concerning defects to State Contractors' Board; regulations.**

1. A claimant or any contractor, subcontractor, supplier or design professional may submit a question or dispute to the State Contractors' Board concerning any matter which may affect or relate to a constructional defect, including, without limitation, questions concerning the need for repairs, the appropriate method for repairs, the sufficiency of any repairs that have been made and the respective rights and responsibilities of homeowners, claimants, contractors, subcontractors, suppliers and design professionals.

2. If a question or dispute is submitted to the State Contractors' Board pursuant to this section, the State Contractors' Board shall, pursuant to its regulations, rules and procedures, respond to the question or investigate the dispute and render a decision. Nothing in this section authorizes the State Contractors' Board to require the owner of a residence or appurtenance to participate in any administrative hearing which is held pursuant to this section.

3. Not later than 30 days after a question or dispute is submitted to the State Contractors' Board pursuant to subsection 1, the State Contractors' Board shall respond to the question or render its decision. The response or decision of the State Contractors' Board:

(a) Is not binding and is not subject to judicial review pursuant to the provisions of chapters 233B and 624 of NRS; and



(b) Is not admissible in any judicial or administrative proceeding brought pursuant to the provisions of this chapter.

4. The provisions of this chapter do not preclude a claimant or a contractor, subcontractor, supplier or design professional from pursuing any remedy otherwise available from the State Contractors' Board pursuant to the provisions of chapter 624 of NRS concerning a constructional defect.

5. If an action for a constructional defect has been commenced, the court shall not stay or delay any proceedings before the court pending an answer to a question or decision concerning a dispute submitted to the State Contractors' Board.

6. The State Contractors' Board shall adopt regulations necessary to carry out the provisions of this section and may charge and collect reasonable fees from licensees to cover the cost of carrying out its duties pursuant to this section.

