

ASSEMBLY BILL NO. 359—ASSEMBLYMAN THOMPSON

MARCH 20, 2017

Referred to Committee on Commerce and Labor

SUMMARY—Exempts certain entities that enter into contracts or agreements with the State of Nevada or a political corporation or subdivision of the State from certain provisions relating to contractors. (BDR 54-643)

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

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

AN ACT relating to contractors; exempting certain entities that enter into contracts or agreements with the State or a political corporation or subdivision of this State from certain provisions relating to contractors; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides that chapter 624 of NRS, which provides for the
2 licensing and regulation of contractors, does not apply to work performed by an
3 authorized representative of the State of Nevada or an incorporated city, county,
4 irrigation district, reclamation district, or other municipal or political corporation or
5 subdivision of this State. (NRS 624.031) This bill expands this exemption to
6 include a nonprofit entity which takes the following actions without performing any
7 act that requires a contractor's license: (1) enters into a contract with the State of
8 Nevada, or any such political corporation or subdivision of this State, to facilitate
9 the repair or maintenance of properties; (2) facilitates work to be performed on such
10 a property by a licensed contractor; and (3) becomes a party with the owner of such
11 a property and a licensed contractor to a contract or agreement for the work on the
12 property.

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

1 **Section 1.** NRS 624.031 is hereby amended to read as follows:
2 624.031 The provisions of this chapter do not apply to:



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

5 2. *Any entity that is recognized as exempt under section*
6 *501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3),*
7 *which takes the following actions without performing any act that*
8 *requires a license pursuant to this chapter:*

9 (a) *Enters into a contract or other agreement with the State of*
10 *Nevada, or an incorporated city, county, irrigation district,*
11 *reclamation district, or other municipal or political corporation or*
12 *subdivision of this State, to facilitate the repair or maintenance of*
13 *properties, including, without limitation, weatherization and*
14 *energy efficiency services;*

15 (b) *Facilitates work to be performed on such a property by a*
16 *person licensed pursuant to this chapter; and*

17 (c) *Becomes a party with the owner of such a property and a*
18 *person licensed pursuant to this chapter to a contract or*
19 *agreement for the work on the property.*

20 3. An officer of a court when acting within the scope of his or
21 her office.

22 ~~13-1~~ 4. Work performed exclusively by a public utility
23 operating pursuant to the regulations of the Public Utilities
24 Commission of Nevada on construction, maintenance and
25 development work incidental to its business.

26 ~~14-1~~ 5. An owner of property who is building or improving a
27 residential structure on the property for his or her own occupancy
28 and not intended for sale or lease. The sale or lease, or the offering
29 for sale or lease, of the newly built structure within 1 year after its
30 completion creates a rebuttable presumption for the purposes of this
31 section that the building of the structure was performed with the
32 intent to sell or lease that structure. An owner of property who
33 requests an exemption pursuant to this subsection must apply to the
34 Board for the exemption. The Board shall adopt regulations setting
35 forth the requirements for granting the exemption.

36 ~~15-1~~ 6. Any work to repair or maintain property the value of
37 which is less than \$1,000, including labor and materials, unless:

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

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

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

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

45 (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.

~~16-1~~ 7. 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.

~~17-1~~ 8. The construction, alteration, improvement or repair of personal property.

~~18-1~~ 9. 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.

~~19-1~~ 10. 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 or her use or occupancy and not intended for sale or lease.

~~110-1~~ 11. Construction oversight services provided to a long-term recovery group by a qualified person within a particular geographic area that is described in a proclamation of a state of emergency or declaration of disaster by the State or Federal Government, including, without limitation, pursuant to NRS 414.070. A long-term recovery group may reimburse such reasonable expenses as the qualified person incurs in providing construction oversight services to that group. Except as otherwise provided in this subsection, nothing in this subsection authorizes a person who is not a licensed contractor to perform the acts described in paragraphs (a) and (b) of subsection 1 of NRS 624.700. As used in this subsection:

(a) "Construction oversight services" means the coordination and oversight of labor by volunteers.

(b) "Long-term recovery group" means a formal group of volunteers coordinating response and recovery efforts related to a state of emergency or disaster that is proclaimed or declared by the State or Federal Government.

(c) "Qualified person" means a person who possesses the abilities, education, experience, knowledge, skills and training that a long-term recovery group has identified as being necessary to provide construction oversight services for a project to be performed by that group.

~~111-1~~ 12. A person licensed as a real estate broker, real estate broker-salesperson or real estate salesperson pursuant to chapter 645 of NRS who, acting within the scope of the license or a permit to engage in property management issued pursuant to NRS 645.6052, assists a client in scheduling work to repair or maintain residential



1 property pursuant to a written brokerage agreement or a property
2 management agreement. Such assistance includes, without
3 limitation, assisting a client in the hiring of any number of licensed
4 contractors to perform the work. Nothing in this subsection
5 authorizes the performance of any work for which a license is
6 required pursuant to this chapter by a person who is not licensed
7 pursuant to this chapter or the payment of any additional
8 compensation to a person licensed as a real estate broker, real estate
9 broker-salesperson or real estate salesperson for assisting a client in
10 scheduling the work. The provisions of this subsection apply only if
11 a building permit is not required to perform the work and if the
12 value of the work does not exceed \$10,000 per residential property
13 during the fixed term of the written brokerage agreement, if the
14 assistance is provided pursuant to such an agreement, or during a
15 period not to exceed 6 months if the assistance is provided pursuant
16 to a property management agreement. As used in this subsection:

17 (a) "Brokerage agreement" has the meaning ascribed to it in
18 NRS 645.005.

19 (b) "Property management agreement" has the meaning ascribed
20 to it in NRS 645.0192.

21 (c) "Real estate broker" has the meaning ascribed to it in
22 NRS 645.030.

23 (d) "Real estate broker-salesperson" has the meaning ascribed to
24 it in NRS 645.035.

25 (e) "Real estate salesperson" has the meaning ascribed to it in
26 NRS 645.040.

27 (f) "Residential property" means:

28 (1) Improved real estate that consists of not more than four
29 residential units; or

30 (2) A single-family residential unit, including a
31 condominium, townhouse or home within a subdivision, if the unit
32 is sold, leased or otherwise conveyed unit by unit, regardless of
33 whether the unit is part of a larger building or parcel that consists of
34 more than four units.

35 **Sec. 2.** NRS 645.6051 is hereby amended to read as follows:

36 645.6051 1. A person licensed pursuant to this chapter as a
37 real estate broker, real estate broker-salesperson or real estate
38 salesperson shall maintain a record of all work performed on a
39 residential property that the person assists a client in scheduling
40 pursuant to subsection ~~111~~ 12 of NRS 624.031.

41 2. The record required by subsection 1 must include, without
42 limitation:

43 (a) The name of any person licensed pursuant to chapter 624 of
44 NRS who performs such work;

45 (b) The date on which the work was performed;



- 1 (c) A copy of any written contract to perform the work; and
- 2 (d) A copy of any invoice prepared in connection with the work.
- 3 3. As used in this section, “residential property” has the
- 4 meaning ascribed to it in NRS 624.031.
- 5 **Sec. 3.** This act becomes effective on July 1, 2017.

