

SENATE BILL NO. 401—SENATOR GOICOECHEA

MARCH 20, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revising the applicability of statutes governing contractors. (BDR 54-639)

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

~

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

AN ACT relating to contractors; revising the “handyman” exception to the applicability of the statutes governing contractors; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law generally requires a person to be licensed as a contractor to engage in the business of constructing, altering or repairing any structure or other improvement. (NRS 624.020, 624.700) Existing law also provides various exceptions to the applicability of the statutes governing contractors, including the licensure requirement. (NRS 624.031) One such exception, commonly referred to as the “handyman” exception, allows a person to engage in the repair and maintenance of property without obtaining a license as a contractor if the work has a value of less than \$1,000, including labor and materials. However, the scope of this exception is limited by several conditions, including limitations on the type of work which may be performed under this exception. (NRS 624.031)

This bill revises the “handyman” exception by: (1) limiting the exception to work performed on single-family residential units; and (2) expanding the exception by removing all limitations on the type of work which may be performed under the exception. This bill also revises the language of the exception so that the total amount that may be paid for work performed under this exception must not be more than \$1,000.

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

Section 1. 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



* S B 4 0 1 *

1 incorporated city, county, irrigation district, reclamation district, or
2 other municipal or political corporation or subdivision of this State.

3 2. Any entity that is recognized as exempt under section
4 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3),
5 which:

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

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

14 (c) Is a party with the owner of such a property and a person
15 licensed pursuant to this chapter to a contract or agreement for the
16 work on the property.

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

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

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

33 6. Any work to repair or maintain ~~property the value of which~~
34 ~~is less than~~ *a single-family residential unit if the total amount to*
35 *be paid for the work is \$1,000 or less*, including labor and
36 materials, unless:

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

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

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

43 ~~—(d) The work is performed as a part of a larger project;~~

44 (1) The value of which is ~~[\$500 or] more [;] than \$1,000;~~ or



(2) For which contracts of **\$1,000 or** less ~~than \$500~~ have been awarded to evade the provisions of this chapter; or

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

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.

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

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.

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.

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.

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 property pursuant to a written brokerage agreement or a property



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

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

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

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

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

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

26 (f) "Residential property" means:

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

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

34 **Sec. 2.** This act becomes effective upon passage and approval.

