

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Eighty-First Session  
February 15, 2021**

The Committee on Commerce and Labor was called to order by Chair Sandra Jauregui at 1:30 p.m. on Monday, February 15, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Sandra Jauregui, Chair  
Assemblywoman Maggie Carlton, Vice Chair  
Assemblywoman Venicia Considine  
Assemblywoman Jill Dickman  
Assemblywoman Bea Duran  
Assemblyman Edgar Flores  
Assemblyman Jason Frierson  
Assemblywoman Melissa Hardy  
Assemblywoman Heidi Kasama  
Assemblywoman Susie Martinez  
Assemblywoman Elaine Marzola  
Assemblyman P.K. O'Neill  
Assemblywoman Jill Tolles

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Marjorie Paslov-Thomas, Committee Policy Analyst  
Sam Quast, Committee Counsel  
Terri McBride, Committee Manager  
Louis Magriel, Committee Secretary  
Cheryl Williams, Committee Assistant



**OTHERS PRESENT:**

Margi Grein, Executive Officer, State Contractors' Board  
Timothy Geswein, General Counsel, State Contractors' Board  
Richard "Skip" Daly, representing Laborers' Union Local 169  
James Hoffman, representing Nevada Attorneys for Criminal Justice  
Tori Kolinski, representing Southern Nevada Chapter, National Electrical Contractors Association  
John Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office  
Kendra Bertschy, Deputy Public Defender, Washoe County Public Defender's Office  
Alexis Motarex, Government Affairs Manager, Nevada Chapter, The Associated General Contractors of America, Inc.  
Chaunsey Chau-Duong, Public Affairs, Las Vegas Valley Water District  
Dylan Keith, Policy Analyst, Government Affairs, Vegas Chamber  
Matthew Walker, representing Southern Nevada Home Builders Association  
Dan Morgan, Chief Executive Officer, Builders Association of Northern Nevada; and representing Nevada Home Builders Association  
William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union

**Chair Sandra Jauregui:**

[Roll was called. Committee protocols and virtual rules were discussed.] Our first agenda item for today is going to be a presentation from the State Contractors' Board.

**Margi Grein, Executive Officer, State Contractors' Board:**

I have had the pleasure of serving as the Executive Officer of the State Contractors' Board for the past 23 years of my 35-year career with the Board. Our mission is to promote public confidence and trust in the competence and integrity of our licensees while protecting the health, safety, and welfare of the public. My presentation today will walk you through the operations of the Board and some of our most recent accomplishments and activities. Hopefully, you all have a copy of the presentation handouts ([Exhibit C](#)) that I have provided to the Committee. You should also have an overview of our legislative package ([Exhibit D](#)), our constituent services ([Exhibit E](#)), and our operational highlights for fiscal year (FY) 2019-2020 ([Exhibit F](#)) which I will make reference to in my presentation.

The State Contractors' Board was established in 1941 by the Nevada Legislature and comprises seven members, including six licensed contractors and one representative of the public. Each member is appointed by the Governor for a three-year term [page 2, [Exhibit C](#)]. Our Board meets monthly to provide staff direction on policy and governance matters, in addition to developing an annual strategic plan that outlines goals and objectives to be achieved each fiscal year [page 3, [Exhibit C](#)]. We have a number of subcommittees that meet as needed, with the exception of the Residential Recovery Fund Subcommittee which meets every other month and comprises three Board members.

The Board is self-funded by revenue received from licensing fees. We are not part of the General Fund budget, although we do remain under the Executive Branch of government. Our Board has maintained an operating reserve policy since 1948, which has been modified over the years based on recommendations from our auditors to comply with the most current financial statement reporting requirements [page 4, [Exhibit C](#)]. Our current operating reserve policy was most recently revised and approved by the Board on October 12, 2010, following audit recommendations received by the Board's certified public accounting firm which directed the Board to maintain a one-year operating reserve.

The Board employs personnel between our two offices in northern and southern Nevada and maintains our own benefit and retirement packages. The Contractors' Board has never been a part of the Public Employees' Retirement System, although we have been an active participant in social security and offer both a 401(a) employer-funded retirement plan as well as a 457(b) employee-funded retirement plan [page 5, [Exhibit C](#)].

We currently license 17,717 construction businesses in the state of Nevada, which includes both residential and commercial contractors. Licensees consist of corporations, limited liability companies, partnerships, and sole proprietors. Of the current licensees, 16,687 are in active status while 1,030 are in inactive status. Two hundred and sixty-five licensees hold veteran or military status [page 6, [Exhibit C](#)]. Of the licensees, approximately 33 percent, or 5,802, are from out of state, with 5,347 of those in active status and 455 in inactive status. Comparatively, 11,915 licensees, or 67 percent, are based in Nevada with 11,340 active licenses and 575 inactive licenses [page 7, [Exhibit C](#)]. Each of these licensed entities is directly responsible for the hiring and employment of the estimated 95,000 workers in Nevada's construction industry [page 8, [Exhibit C](#)].

Our licensing process includes, among other requirements, a review of the applicants' experience, financial wherewithal, and character [page 9, [Exhibit C](#)]. Applicants are required to take and pass a business and law exam, which tests the applicants' understanding of applicable state laws and knowledge of operating a business, as well as required trade examinations. Nevada's license classification ranges from specialty licenses, such as plumbers or electricians, to general contractors [page 10, [Exhibit C](#)]. Projects can range from small home repairs to large-scale projects such as the Allegiant Stadium.

The Board currently has license by endorsement opportunities with 12 states, including Alabama, Arizona, California, Connecticut, Florida, Hawaii, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, and West Virginia. This program allows for the endorsement of trade exams and/or trade experience requirements when applicants make those requirements [page 11, [Exhibit C](#)]. Making licensure more accessible for those that have an interest in starting a construction business in Nevada is something the Board remains committed to.

To give you an idea of the work performed by our licensing department during the past fiscal year, 4,627 new license and license change applications were received, and 7,482 license renewals were processed. Our licensing data often correlates with the economic conditions

of the state. Surprisingly enough, in FY 2019-2020 we received 1,991 new license applications, which represented the slightest decrease of less than one percent in the number of new license applications compared to FY 2018-2019, even as the construction industry weathered the COVID-19 pandemic [page 12, [Exhibit C](#)].

Since 2017, our Board has been engaged in the Nevada team participating in the National Occupational Licensing Learning Consortium, which aims to identify potential barriers to licensure and labor market entry while also seeking opportunities to expand license portability and endorsement programs [page 13, [Exhibit C](#)]. From this engagement, we were able to implement several strategic initiatives to address these concerns.

Our strategic initiatives included implementing regulations related to licensure by endorsement, which allows the Board to recognize licensure and exams from other states when considering licensees' Nevada applications. It also included researching the various trade examinations and experience requirements of each state to identify those that are most in line with Nevada. With this information, we were able to produce a state equivalency chart which applicants can use to determine whether they can apply for a waiver of our trade exam or experience requirements. We also worked with our exam provider to allow applicants to take the Nevada-based exams in any of their approved facilities across the nation. Lastly, we have been making efforts to raise awareness of our small business assistance and veteran assistance programs. These programs provide for individualized assistance to veteran and veteran spouse applicants and offer monthly seminars for business applicants that provide information concerning application requirements and multiple other tips [page 14, [Exhibit C](#)].

In addition to our licensing efforts, our Board maintains a responsibility to ensure licensees comply with the statutory and regulatory provisions under the *Nevada Revised Statutes* (NRS) Chapter 64 and the *Nevada Administrative Code* (NAC) Chapter 64. Our Enforcement Division includes three departments: the Compliance Department, the Criminal Department, and the Fraud Unit [page 15, [Exhibit C](#)].

The Compliance Department investigates all complaints received by the Board related to licensed contractors, which typically fall into one of three categories [page 16, [Exhibit C](#)]. Workmanship complaints can be from property owners and may include, but are not limited to, abandonment of the project, failure to correct, or failure to complete contractual obligations. The second category is money-owing complaints involving contractors, subcontractors, suppliers, or vendors. The third category is violations of industry regulations. These offenses normally concern violations of laws such as failure to obtain a building permit, hiring or doing business with an unlicensed contractor, or failure to maintain industrial insurance.

Our Criminal Department investigates all unlicensed contractor complaints and may forward validated cases to the local district attorney's (DA) office for criminal prosecution, or they may take administrative action. In addition to investigating complaints, our criminal

investigators coordinate unlicensed contractor sting operations and proactively monitor a variety of electronic mediums where construction-related services are being advertised, such as craigslist, Facebook, and other online bulletins [page 17, [Exhibit C](#)].

The Board's Fraud Unit is charged with taking on significantly complex cases of contractors who prey upon unsuspecting homeowners, often senior citizens, by committing felony crimes such as obtaining money under false pretenses, diversion of funds, and property theft amongst other things. The Fraud Unit also assists licensed contractors who have been victimized by criminal activity such as embezzlement, theft, diversion of funds, forgery, and misrepresentation [page 18, [Exhibit C](#)]. Because many of these cases are often rejected by the courts as civil matters, the ability for the Contractors' Board to investigate the allegations and prepare criminal charges with enhanced penalties for crimes against seniors has been successful when presenting the case to the DA or Attorney General for prosecution [[Exhibit E](#)]. The efforts of our Fraud Unit have resulted in prosecution and conviction in multiple criminal fraud cases, which have resulted in both restitution for the victims and prison time for the offenders.

During FY 2019-2020, our Enforcement Division received 2,630 complaints, processed nearly 3,400 fingerprint cards, and performed 179 background investigations [page 19, [Exhibit C](#)]. A total of 406 administrative citations were issued. We filed 104 criminal cases with the DA's offices, issued 372 cease and desist orders to persons operating without a license, and investigated 19 cases alleging fraudulent activity [page 20, [Exhibit C](#)]. Additionally, the Board held 154 disciplinary hearings which resulted in the revocation of 54 contractor licenses and assessed fines totaling more than \$410,000 [page 21, [Exhibit C](#)].

The money received from fines is deposited into the Construction Education Fund and is distributed by the Commission on Construction Education in the form of grants to community, educational, and industry-affiliated organizations that desire to implement and promote construction education and workforce development in the state of Nevada. The Commission on Construction Education comprises a total of seven members. One member is a member of the Contractors' Board and six members are appointed by the Governor as follows: four members who are representatives of the construction industry, and two members who have knowledge of construction education programs. In FY 2019-2020, the Commission on Construction Education awarded nearly \$298,000 in grants to 11 programs. The Commission has awarded just over \$3.9 million since its inception in 2001 [page 22, [Exhibit C](#)].

Additionally, in FY 2019-2020 the Residential Recovery Fund Subcommittee considered 107 claims and awarded nearly \$1.05 million to harmed homeowners, many of whom were senior citizens that had been taken advantage of or homeowners whose projects were abandoned [page 23, [Exhibit C](#)]. The Recovery Fund is an important protection we offer for owners of single-family residences who hire licensed contractors because it allows them to receive

financial recourse up to \$40,000 without having to go through civil litigation [page 24, [Exhibit C](#)]. Since the first claim was paid in 2001, the Recovery Fund has awarded over \$13 million to harmed homeowners across our state [page 25, [Exhibit C](#)]. I can tell you firsthand that there is no greater feeling than helping a homeowner who has been harmed by an unscrupulous contractor.

While much of our work centers around accountability of our licensees and regulating their abilities to follow the laws of the state, our greater purpose and outcome is measured by the people that we protect each and every day. We have developed a number of programs that include a senior citizen awareness program that addresses construction-related scams and highlights the resources available from the Board; a home improvement forum that brings industry professionals and the Contractors' Board together to highlight for homeowners of all ages the importance of hiring licensed contractors when looking to engage in home repair or remodel projects; and an informational program that has been provided to community managers, Realtors, and governmental agencies responsible for hiring contractors [page 26, [Exhibit C](#)].

The Board facilitates construction career panels to educate and inform at-risk populations, students, and others about employment in the construction industry and how it is a viable career option [[Exhibit F](#)]. We also hold legislative town hall events virtually, and in-person when we can, to raise awareness of the Board's resources and related public safety initiatives and programs [page 27, [Exhibit C](#)]. Topics discussed in these forums include the value of hiring a licensed contractor, home repair scams and how to identify them, and a joint task force that is run with the Labor Commissioner. We make an effort to meet with various industry associations to share the objectives and activities of the Board, seek their input, and proactively address their concerns.

We partner with governmental agencies to promote collaborative initiatives such as fraud protection, and we have developed a series of informational videos and material which we make available to the public on our website and social media platforms [page 27, [Exhibit C](#)]. As noted earlier, it is the Contractors' Board's vision to be a model regulatory agency, which is why we engage in our strategic planning session discussions to reflect on environmental changes and recent experiences in order to continue advancing the services of the Board. We are proud of the efforts we make to protect the public and promote the integrity of the construction industry. I am more than happy to answer any questions you may have.

**Chair Jauregui:**

I am going to turn it over to the Committee members first. Committee members, do you have any questions?

**Assemblywoman Carlton:**

I want to talk about the Recovery Fund because I think there are a lot of folks who do not realize that it is out there. I am trying to remember when we set that up. I have had some folks ask me questions about how they can access it and who can access it. Could you please expand upon the Recovery Fund a little bit more?

**Margi Grein:**

Certainly. The Recovery Fund was formed by Assembly Bill 636 of the 70th Session in 1999, sponsored by former Assemblywoman Barbara Buckley. We modified it over the years, but it applies to owners of single-family residences who contract with a licensed contractor and who have been damaged by a failure of that contractor to perform adequate services. It does not apply to renters or property owners. It only applies to the owner of a single-family residence. You will see that we brought forward one bill today which modifies that a little bit, which we will get to later.

We try to make the process as easy as possible. Most of the time, the contractor involved has either gone out of business, abandoned the project, or left the state. This is a resource for the homeowners to be able to apply to the fund and submit their claims. We pay up to \$40,000, or \$750,000 aggregate for one contractor. For instance, we had a solar contractor a few years ago who had close to \$2 million in claims against him. At the time, the limit was \$400,000, so those owners only got a prorated share of the fund. At the last session, we increased that to \$750,000, or 20 percent of the fund, whichever was less [Assembly Bill 26 of the 80th Session]. We provide information on our website to homeowners so that they can download the forms and file them electronically. By statute, we have to act on those claims within six months from the date that a completed claim is received [per NRS 624.500]. We have a couple of claims where they may have current litigation going on at the same time; they will ask to continue that, so the litigation will stay their claim for the 12-month statute of limitations.

**Assemblywoman Carlton:**

How much is in the Recovery Fund currently?

**Margi Grein:**

Currently, we have \$5.8 million.

**Assemblywoman Carlton:**

One of the concerns I have is that if you are a homeowner but it is a second home that you are working on and hire a contractor for, and something happens to that home, you are not allowed to access the Recovery Fund because it is not your primary residence, even though you are just as damaged since you are the homeowner. I am a little confused about why we would penalize someone who has already been harmed by a contractor by not allowing them to get compensation back from the fund.

**Margi Grein:**

I believe that those discussions occurred initially when the bill was enacted in 1999. It was the decision of the Legislature along with the Board; we were not certain if the Fund would be healthy enough to provide. It was all new to us. I do not have our legal counsel with me, but it was based on the definition of a single-family homeowner who resides in the residence. We are making a couple of changes to the bill this session which we are proposing today, but it has always applied to the owner of a single-family residence who resides in the home. I am sorry that I cannot be more specific on that.

**Assemblywoman Carlton:**

That is fine, and I remember the original conversations; it was because we did not know how much money was going to be in the fund. How much do licensees contribute to the fund? How is it assessed?

**Margi Grein:**

The licensed contractors pay into the Recovery Fund according to their license limit [per NRS 624.470]. If they have a limit of up to \$1 million, that fee is \$200 per biennium. If they have a limit of more than \$1 million but it is limited, that is \$500 per biennium. Unlimited licenses have a fee of \$1,000 per biennium. The amount they pay is on a graduated scale.

**Assemblywoman Carlton:**

I think it is worth having the conversation. Harm is harm, whether it was the primary residence or not. You were just as harmed by that contractor and that contractor has paid into that fund. I think anyone who has been put into this position should have at least some avenue to address what has happened. I will let that go for now and we will have further conversations on it in the future.

**Chair Jauregui:**

Are there any Committee members with other questions?

**Assemblywoman Duran:**

Do you have to have a written contract to recover funds, or can it be verbal?

**Margi Grein:**

We prefer a written contract as it makes it much easier. But as you know, a contract can be verbal. If the owner can show proof that they paid money for some work in return, we can establish that. We try to encourage everyone to get written contracts, but I can tell you that is not going to prohibit us from investigating that case and trying to make that determination.

**Chair Jauregui:**

You said that it has to be a licensed contractor. If someone hires a contractor thinking that they were a licensed contractor, and then it turns out that maybe they were an unlicensed contractor, that homeowner would not have access to the Recovery Fund?

**Margi Grein:**

That is correct. The fund is paid for by licensed contractors. That is why we try to promote hiring a licensed contractor on every corner, because it does not apply if they hire an unlicensed contractor.

**Chair Jauregui:**

Committee members, are there any other questions? [There were none.] I know you mentioned that your Board members were appointed to three-year terms. Can they rerun or be appointed again for a second term?



**Margi Grein:**

Yes, they can. I believe there was a change made in NRS 622.207 where a member cannot serve more than 12 years, although they can reapply [[Senate Bill 69 of the 79th Session](#)]. That statute went into effect for terms from that point forward; it was not retroactive.

**Chair Jauregui:**

I know you mentioned that your Board employs Nevadans throughout the north and the south. How many employees do you have, and is everything paid for through the fees that you collect, even their salaries?

**Margi Grein:**

That is correct. We currently have 46 employees. I had furloughed some of the positions when COVID-19 started a year ago. Of course, we are hoping that some of those positions will be brought back. In regard to our personnel structure, we are not employed through the State of Nevada—our payroll is separate; our benefit packages are separate. It has been like that since 1941 and I believe that we are one of maybe two boards that has that operation.

**Chair Jauregui:**

Committee members, any last questions? [There were none.] Going back to the Recovery Fund, I think you mentioned that we actually changed the structure of the Recovery Fund to make it \$750,000 or 20 percent of the fund, whichever is less, when it is for a group or class. Did we not also increase the award amount for homeowners as well?

**Margi Grein:**

Yes, it went from \$35,000 to \$40,000 [[Assembly Bill 26 of the 80th Session](#)].

**Chair Jauregui:**

It looks like we are all caught up with questions. That concludes our presentation from the State Contractors' Board.

Next up on the agenda, we have three bills from the State Contractors' Board that we will be hearing today. We are going to take them in order and begin with [Assembly Bill 49](#).

**[Assembly Bill 49](#): Revises provisions relating to disciplinary action by the State Contractors' Board. (BDR 54-322)**

**Margi Grein, Executive Officer, State Contractors' Board:**

Today I have with me our Board's counsel, Tim Geswein. I will turn it over to him to give you the overview of our three bills, and we have amendments for all three as well.

**Timothy Geswein, General Counsel, State Contractors' Board:**

The first bill that we have proposed is [Assembly Bill 49](#) as well as some proposed changes ([Exhibit G](#)). [Assembly Bill 49](#) proposes some revisions to the State Contractors' Board's disciplinary statutes. After meeting with stakeholders and an internal review, the Board is

now asking that the original changes expressed in sections 1 and 2 be omitted from the bill. Those statutes would then remain in the statutory scheme unchanged by A.B. 49. With that edit, section 3 in the original bill draft would now become section 1.

Section 1 proposes a revision to *Nevada Revised Statutes* (NRS) 624.3016, section 1, subsection 2. This statute imposes discipline upon contractors for committing certain crimes, including crimes of moral turpitude. Because the term "crimes of moral turpitude" is vague, the Board proposes to instead use the crimes listed in an existing licensing statute, NRS 624.266. The licensing statute in question requires applicants for a license to disclose certain crimes. With this revision, the disciplinary statute will mirror the application statute and will make it clear that crimes against a child, sexual offenses, murder, voluntary manslaughter, and any other felony or crimes of moral turpitude will now be a cause for contractor discipline. This more comprehensive list will protect the public and remove ambiguity about the causes of discipline for committing certain crimes. In the final portion of this bill, section 4 becomes section 2 and the act is made effective upon passage.

Are there any questions about the Board's A.B. 49 for the executive officer or for me?

**Chair Jauregui:**

Committee members, do you have any questions?

**Assemblywoman Carlton:**

When looking at the reference to NRS 624.266, is the term "moral turpitude" still in that citation?

**Timothy Geswein:**

Yes. NRS 624.266 does still include the term "crimes of moral turpitude."

**Assemblywoman Carlton:**

What are we fixing if that is still there? I thought the whole idea was to get rid of moral turpitude.

**Timothy Geswein:**

We can remove that. There has been some discussion about it. We do believe that NRS 624.266, that existing application statute, does clarify what would be a cause for discipline. The term "crimes of moral turpitude" is vague. However, there are crimes where one could easily say it is a crime of moral turpitude. This is really an issue that we can fully flesh out and strike in its entirety if that is everyone's desire.

**Assemblywoman Carlton:**

I just wanted to make sure that we are all on the same page. You are eliminating the term from one section and citing another section that it still exists in. It seems to be a bit of a round robin. I wanted to make sure that was on the record.

**Assemblyman O'Neill:**

Can you explain to me why we are dropping all of sections 1 and 2?

**Timothy Geswein:**

We had exceptional, lengthy discussions with members of our community, our stakeholders, contractors, organized labor, and other interested parties. Many people believed that those changes were unnecessary and could create two problems. The first would be unintended consequences to local building codes and secondly, it would remove defenses for contractors subject to discipline.

**Assemblywoman Tolles:**

Most of my questions have been addressed through the amendment because I, too, had some concerns there. Thank you, Assemblywoman Carlton, for your clarification. I also noticed that moral turpitude is still in NRS 624.266, but I do appreciate that it adds value to have clarity over what specific types of crimes would be subject to discipline. The last two speakers addressed my questions, so this was more of a comment than a question.

**Assemblywoman Considine:**

I want to clarify the changes that you have made with this amendment. You are simply taking those sections out of the bill, not out of the NRS, correct?

**Timothy Geswein:**

That is correct. Those statutes would remain unchanged in the existing statutory scheme.

**Chair Jauregui:**

Committee members, are there any further questions? [There were none.] I am going to move this bill hearing over to testimony. We will start with people who are here in support of A.B. 49.

**Richard "Skip" Daly, representing Laborers' Union Local 169:**

I was reached out to by Margi Grein regarding all three of the bills being heard today. I wanted to lend our support. After discussions, I think the changes are agreeable and yes, the two provisions that are being struck in the amendment will remain in the statute. We are comfortable with the change and we believe it makes sense to move forward. Ms. Grein asked me if I would lend my support after our discussions and I agreed that I would, so here I am.

**James Hoffman, representing Nevada Attorneys for Criminal Justice:**

We support this because we know that in empirical terms, one of the best ways to prevent people from committing crimes is for them to have actual, legal jobs. The current language on moral turpitude is really vague and ambiguous and does not do a good job of screening out the people that are actually dangerous versus the people who are just trying to get back on their feet. We support this bill, we support the amendment, and we would certainly support what Assemblywoman Carlton was saying about taking moral turpitude out of the other statute as well.

**Tori Kolinski, representing Southern Nevada Chapter, National Electrical Contractors Association:**

We just want to lend our support to this bill and to Margi Grein and her efforts. We want to give our contractors' association all the tools that they need to do the great job that they do.

**John Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office:**

We are also in support, but we do recognize the problem that Assemblywoman Carlton brought up. Perhaps that statutory language can be cleaned up, because it is important to provide access for people trying to get a second chance in their lives by becoming a contractor and moving on in the direction of a well-paying job. We definitely support the intent of the Contractors' Board in moving this bill forward, and perhaps if we can clean up the language as Assemblywoman Carlton said, this would be an even better bill. Nevertheless, we are still in support.

**Kendra Bertschy, Deputy Public Defender, Washoe County Public Defender's Office:**

The Washoe County Public Defender's Office is in support of this bill as it is amended. We did have some concerns regarding the initial sections, sections 1 and 2, and we appreciate the sponsor removing that language from the bill. We do believe that this will reduce the barriers for licensure and allow more of our citizens to become part of this great profession. We appreciate this bill.

**Chair Jauregui:**

Do we have anyone on the telephone line wishing to testify in support of A.B. 49?

**Alexis Motarex, Government Affairs Manager, Nevada Chapter, The Associated General Contractors of America, Inc.:**

The Nevada Chapter of The Associated General Contractors of America is in support of A.B. 49 as presented with the amendment. We would like to thank the Contractors' Board for meeting with us and addressing our concerns with the original bill. We appreciate the clarification of what constitutes moral turpitude as this bill defines it and the removal of some ambiguity.

**Chair Jauregui:**

Do we have anyone on the telephone line that is in opposition to A.B. 49? [There was no one.] Do we have anyone on the telephone line testifying in neutral to A.B. 49? [There was no one.] I would like to go back to those who are waiting to testify in support of A.B. 49. It looks like I was too quick and did not give Chaunsey Chau-Duong the opportunity to unmute himself. I know that there were some technical difficulties.

**Chaunsey Chau-Duong, Public Affairs, Las Vegas Valley Water District:**

I wanted to provide testimony in support of this bill, and to also let you know that we will be working with the State Contractors' Board to possibly include water theft as a cause for disciplinary action. We are seeing numerous instances of water theft throughout the

Las Vegas Valley. We definitely understand that it might be difficult for the Contractors' Board to utilize and dedicate resources to investigate this issue, but we will certainly work with them to see if we can come to a resolution.

**Chair Jauregui:**

We have taken testimony in support, neutral, and opposition. I will now close the hearing on Assembly Bill 49. We will open the hearing on Assembly Bill 50.

**Assembly Bill 50: Revises provisions governing the issuance of cease and desist orders for unlicensed activity by the State Contractors' Board. (BDR 54-323)**

**Margi Grein, Executive Officer, State Contractors' Board:**

I will once again be turning over the presentation on Assembly Bill 50 and the proposed amendment ([Exhibit H](#)) to Mr. Geswein.

**Timothy Geswein, General Counsel, State Contractors' Board:**

Assembly Bill 50, which has also been revised from its earliest publication, proposes revisions to *Nevada Revised Statutes* (NRS) 624.212, which was amended in 2019. This statute is a cease and desist statute. This is the order the State Contractors' Board can give to an unlicensed person who is acting as a contractor in the state of Nevada. The Board enjoyed a lot of success with the changes made in 2019, but through experience we realized that we inadvertently created some hand ties for the Board's ability to select among possible cures for unlicensed contracting. Remember, unlicensed contracting has been unlawful in the state of Nevada for at least 50 years, per NRS 624.700. After meeting with stakeholders, the Board is proposing some changes to A.B. 50 to clarify that the possible ramifications of unlicensed contracting are not mutually exclusive.

This is the primary change. With this change, after the Board confirms the compliance with a cease and desist order of an unlicensed person, the Board will act by either issuing an administrative citation, as allowed by NRS 624.341, or by referring the matter for criminal prosecution as allowed by NRS 624.700. No changes are proposed to either of those statutes. The changes provided for by A.B. 50 then permissibly allows the Board to take two other actions. They may require the unlicensed person to submit a bona fide application for licensure, or they may refer the matter to a civil court to seek injunctive relief. These changes to NRS 624.212 clarify the possible consequences of unlicensed contracting and mandate certain actions and cures.

That concludes my presentation. I am happy to answer any questions, as is the executive officer.

**Chair Jauregui:**

Committee members, do you have any questions?

**Assemblywoman Tolles:**

I need some clarification as I read through this. In reading the bill, I see that we are removing section 1, subsection 3, and then altering subsections 4 and 5. Could you walk me through what we are losing or substantively changing by taking out subsection 3? As I read it, it seemed that there is a graduated process of action that starts with issuing a first offense, a written administrative citation, and then a second offense comes with reporting the violation of the cease and desist order, and so forth.

**Timothy Geswein:**

By removing this subsection, we really lose nothing in the sense of what the Board may do regarding an unlicensed person who is acting like a contractor. Instead, what we have done is create more flexibility on how to address that particular situation. We maintain all of the same tools as we had before. What we do not have is the exact path to follow, which in some circumstances had led us to conclusions where we would have preferred to go a different route. Please recall that most unlicensed contracting occurs at a very small scale. Small homeowners are taken advantage of by persons who literally knock on their door or advertise on social media. They take their money and perform no work or exceptionally low-quality work. Many times in those circumstances, the best mechanism for us to get real help for those persons can be referral for criminal prosecution so there is a clearer criminal restitution process, as opposed to the administrative citation process which can make it difficult to find restitution for homeowners. We think these changes open up the menu of options and make unlicensed contracting even less of a problem for Nevada citizens.

**Assemblywoman Tolles:**

So, it allows you to skip that administrative step if the violation is severe enough that it is best to go straight to other actions, but you can still use the administrative step if it is more applicable or appropriate for the circumstances.

**Timothy Geswein:**

Yes, you completely understand. That is exactly our hope, that we create a broader approach rather than a one-size-fits-all approach.

**Assemblywoman Carlton:**

I think Assemblywoman Tolles addressed my concern. I just want to make sure I have wrapped my brain around it. All of the discussions we had about cease and desist last session; we are not changing any of that. That regime still stands. We are just adding a component to it, is that correct?

**Timothy Geswein:**

Yes, that is correct. With this change, the cease and desist order to the unlicensed person will still be issued. The Board will still follow up to make sure that the cease and desist order has been obeyed. What the change does is then give a broader menu of options to the Board on how to handle that incident of unlicensed contracting.

**Assemblywoman Carlton:**

So, they can either become licensed, because they did not realize that they should have been licensed, or if they do not want to become licensed and keep being a bad actor, you can go after them criminally. Is that correct?

**Timothy Geswein:**

Under this iteration of A.B. 50 that I have discussed today, either a citation will be issued, or we will refer the case for criminal prosecution. One of those two things must occur. Then there are our other options regarding encouraging licensure to bring those persons into the tent of contracting.

**Assemblywoman Carlton:**

My confusion is that if you issue a citation, would that not count against them when they come to get licensed?

**Timothy Geswein:**

When the application is considered, the whole facts and circumstances will be investigated, of course. Many times, it is simply persons who failed to understand that what they were doing was contracting. These are the small landscape jobs where they did not understand that they had slipped themselves into contracting, as defined in NRS Chapter 624.

**Assemblywoman Carlton:**

I guess I have concerns with the mandatory citation and no discretion. There is typically some type of discretion in that.

**Chair Jauregui:**

Currently, as the NRS reads, if you issue a cease and desist order, do you automatically issue an administrative fine and citation?

**Timothy Geswein:**

Yes, a citation would be automatically issued under the existing statute.

**Chair Jauregui:**

I am going to take this point of privilege to jump in because I had some questions right around the area that Assemblywoman Carlton touched on. During the presentation, you mentioned that there were 406 administrative citations issued last year [page 20, [Exhibit C](#)]. Do you issue administrative citations for reasons other than cease and desist?

**Timothy Geswein:**

Yes. A licensed contractor may also be administratively cited. That is usually for an industrial regulation violation.

**Chair Jauregui:**

The presentation noted that there were 104 criminal activity cases referred to the district attorney's office [page 20, [Exhibit C](#)]. Were all 104 cease and desist cases, or are there other types of cases that are referred?

**Timothy Geswein:**

It is my understanding that every one of those would have received a cease and desist order if they were under NRS 624.212.

**Chair Jauregui:**

All of those would have been second offenses, correct? Because currently, you cannot refer a case for criminal prosecution to the district attorney's office without there being a second offense.

**Timothy Geswein:**

I am not completely certain. It is my broad understanding that sometimes the citation is not accepted, and then it can be sent for criminal prosecution.

**Chair Jauregui:**

If you can refer for criminal prosecution currently, is this bill necessary? That is what you are trying to accomplish with this bill, correct?

**Timothy Geswein:**

We are certainly trying to clarify the statute so it is more understandable.

**Chair Jauregui:**

Committee members, does anyone have any questions? [There were none.] I am going to go ahead and move this over to testimony in support of [A.B. 50](#).

**Richard "Skip" Daly, representing Laborers' Union Local 169:**

Hopefully, I can shed some light on some of these questions and the various things that have come up. I did spend quite a bit of time talking with Executive Officer Grein on this issue. As some of you may recall, we did spend a lot of time last session working on this cease and desist issue. We did want to remove some of the discretion. When we talked about it last time, we were primarily focused on contractors in commercial work doing work outside of their scope or above their license limit who knew better or who were simply unlicensed. The Board issued cease and desist orders and gave them 48 hours to tidy up the job due to public safety issues, but then they had to stop work. If they did not stop work, the Board had the ability to do an injunctive relief and various other things, but a citation was required. Now, the level of citation depended on certain factors being met which may have required the maximum penalty, and that is further down [A.B. 50](#) [section 5].

In the discussions that we had and the changes that we then made, which goes back to the Recovery Fund as well, the Contractors' Board pointed out that when they had this situation of an unlicensed contractor who does residential construction and potentially damages the



homeowner, and the contractor was flat-out not licensed, the homeowner could not access the Recovery Fund. They wanted to be able to make it so that, instead of only having the administrative penalty route, they would also have the criminal prosecution route as an either/or situation where you have to do one or the other. Going through the criminal prosecution route where they prepare the case and turn it over to the district attorney's office would allow a court to ask for restitution for homeowners who could not access the Recovery Fund. That is the way it was explained to me.

I was happy to hear that, as the Board has testified to here today and to their surprise, what we did last session worked as planned and worked fairly well, with that one exception of those homeowners who hired an unlicensed contractor and did not have access to the Recovery Fund. This will correct that. It is my understanding that is the reason we are agreeing to the change. So, they changed the "may" in the statute back to "shall"; they shall issue the administrative penalty, or if it makes more sense for the homeowners in that situation, they shall go forward with the criminal complaint. Hopefully, that will give an opportunity for the homeowners who do not have access to the Recovery Fund to potentially get recovery through the courts. That is the reason we are in support.

I wanted to hopefully shed some light on some of the questions and things that came forward. All the rest of it does not change; we were concerned about that, and we spent a lot of time discussing it. I know Ms. Grein pointed out to me that the three bills from the Contractors' Board were introduced very early and heard very early like this. One of the last ones passed, so I told her I would help her not have that happen again this time. We are in support with the changes that they have made. I hope that clarifies some of the questions that people had. That is the way it was explained to me and that is the way I believe the bill reads. I think it will solve that unintended consequence from last session. I am happy to answer any questions if there are any.

**Tori Kolinski, representing Southern Nevada Chapter, National Electrical Contractors Association:**

The National Electrical Contractors Association is in support of the bill.

**Chair Jauregui:**

Is there anyone on the telephone line who is signed up to testify in support of A.B. 50?

**Dylan Keith, Policy Analyst, Government Affairs, Vegas Chamber:**

We are in support of A.B. 50 as we believe it will increase safety, as well as increase parity between those who are licensed as required by state law and those who are operating without a license. We also believe this will provide much needed relief to homeowners and increase the integrity of the industry. It is for these reasons that we are urging your support on this measure.

**Chair Jauregui:**

Do we have anyone else on the line who is signed up in support of A.B. 50? [There was no one.] We will move on to testimony in opposition.

**Kendra Bertschy, Deputy Public Defender, Washoe County Public Defender's Office:**

At this point, we are in opposition to A.B. 50, specifically regarding section 1, subsection 3, paragraph (b) on page four of the amended version of the bill which includes the requirement of potential prosecution on all cases. We agree with the intention of wanting to support our community to ensure that homeowners are not victimized. We believe that there are several ways that we can protect our community while stopping the bad actors without necessitating the initiation of a costly and potentially lengthy criminal prosecution. Our concern with the bill as written, and with the amendment, is that criminal prosecution will become the first option without utilizing the administrative citation possibility.

We believe that the best remedy to stop this type of action is the administrative citation, and then to have a graduated sanctioning prior to initiating criminal prosecution. We are concerned that this will not provide the homeowner with the remedy that they are seeking. Restitution can be provided in other ways, such as through a civil proceeding for example. We appreciate the opportunity to speak with the sponsor and that they are willing to continue the conversation with us to see if there are other ways that we can support their intentions.

**James Hoffman, representing Nevada Attorneys for Criminal Justice:**

The Nevada Attorneys for Criminal Justice echo what Ms. Bertschy has said. That is why we oppose this bill. I would also make the point that there were all those protests against mass incarceration last summer. I think one thing that showed was that in our society, any time there is any kind of a problem, it gets resolved through the criminal justice system even when that is maybe not the most appropriate or effective way of solving it. We are certainly responsive to what Mr. Daly was saying about the problem of people not receiving restitution. However, if you put something through a criminal process, you are not just getting restitution, you are causing lifelong problems for people in terms of getting a conviction on their record which makes it harder for them to do things right and be a legitimate contractor in the future. We do not think that this is a proper remedy for the problem and so we oppose it.

**John Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office:**

We are also in opposition for the same reasons that our colleague to the north is. Removing the administrative process and the due process therein is shifting the cost straight to the criminal justice process. The system will pay. What will happen is that lawyers from our office will be appointed to represent people in these cases, which we routinely are. The state is appointed to prosecute these cases. The trials are long, and restitution is not always given as much as we would like it to be. Sometimes you cannot squeeze water out of a rock. We believe that perhaps going through the administrative process first, and maybe even providing some avenues for the Contractors' Board to seek restitution before moving into the criminal justice arena, might be the best way to function here as a start, and then using the criminal justice system as a last resort. We want to thank the bill's sponsors for meeting and speaking with us on such short notice. We fully expect to keep working with them to move us out of the opposition in the future.

**Chair Jauregui:**

Is there anyone wishing to testify in opposition to A.B. 50 on the telephone line? [There was no one.] Is there anyone wishing to testify in neutral on the telephone line? [There was no one.] Ms. Grein and Mr. Geswein, would you like to give any final remarks on Assembly Bill 50?

**Margi Grein:**

I would just like to note that we did receive a call this morning from the public defender's office and we have set up a meeting with them for tomorrow. We will try to address their concerns and see if we can come up with an agreement moving forward.

**Chair Jauregui:**

I will now close the hearing on A.B. 50. I will open the hearing on Assembly Bill 51.

**Assembly Bill 51: Revises provisions governing the Recovery Fund administered by the State Contractors' Board. (BDR 54-324)**

**Margi Grein, Executive Officer, State Contractors' Board:**

I will be turning this over to Mr. Geswein to present the last bill and amendment ([Exhibit I](#)) on the agenda today.

**Timothy Geswein, General Counsel, State Contractors' Board:**

Assembly Bill 51, which has also been revised from its earliest publication, proposes revisions to the Recovery Fund. A fund of money is assessed from residential contractors to cure harms caused by some contractors to Nevada's homeowners. In 2019, the maximum award for an individual claimant was increased from \$35,000 to \$40,000 [Assembly Bill 26 of the 80th Session]. Building on this success, the Board recognized that further changes would improve the statutory scheme.

The primary revision is in section 1 of A.B. 51 which defines single-family residence. This definition allows all stakeholders to more accurately know who an eligible Recovery Fund claimant may be. This will be a new statute, but it matches the current practice of the Recovery Fund committee when making awards. The competing interests of the Recovery Fund's stability, the contractors' ability to pay assessments, and administrative efficiency as claims are considered, were all taken into account when considering the statute. With these changes, it becomes clear who is eligible for the Recovery Fund while maintaining the Recovery Fund's financial health.

Another highlight is in section 4, subsection 4 of the bill. Here the proposed amendment changes the Recovery Fund's subrogation right. Currently, if an award is made by the Recovery Fund, the injured person assigns all rights to the Recovery Fund under the existing statute. With the proposed change, the subrogation right is limited to the amount that the

Recovery Fund awards—the amount that is actually paid. This will allow a Nevada homeowner who has suffered harm in excess of \$40,000, which is the current award cap, to seek Recovery Fund awards and to seek recovery for the excess amounts by other methods after getting that award.

The final substantive change is in section 5 of the bill. The current statute requires residential contractors to give notice to homeowners regarding their Recovery Fund rights. Failure to do so can result in an administrative fine that is paid into the Recovery Fund. Section 5 of A.B. 51 increases the fine amounts. For a first offense, the fine would be increased from not more than \$100 to not more than \$250. For a second or subsequent offense, it would be increased from not more than \$250 to not more than \$500. Keep in mind that all monies collected from these administrative fines pay into the Recovery Fund and help maintain the Recovery Fund's health.

That is my presentation. I am happy to answer any questions or I am sure the executive officer can help answer questions as well.

**Assemblywoman Considine:**

My question concerns the initial addition of mobile homes or manufactured homes that are converted into real property, and then those being taken out and specifically excluded [section 1, subsection 3, paragraph (b) of [Exhibit I](#)]. Why were they not included? As housing costs go up, I am seeing that seniors are moving into manufactured homes that are converted to real property. The overlay on top of that is that seniors are targeted for fraud. I was wondering if you could explain to me why they are not included in this Recovery Fund.

**Timothy Geswein:**

In 2019, some changes were made to the statute which allowed licensed Nevada contractors to do some work inside a manufactured home [Senate Bill 371 of the 80th Session]. As we considered this bill change and the definition of single-family residence, we began to recognize the role that the Manufactured Housing Division plays and how that separate entity has its own internal workings. We also had a concern that this might open up the eligible claimants to the Recovery Fund too quickly, such that the Recovery Fund's financial health might be adversely affected. Because of the interactions between the Manufactured Housing Division and the Contractors' Board, there was some concern about our ability to administrate those matters effectively. That is why we recommended a change to move manufactured housing, which has never been eligible for Recovery Fund awards, into the ineligible category.

**Assemblywoman Considine:**

I know it is not your area, but do you know if the Manufactured Housing Division has any type of a recovery fund or something that would help this population specifically if there were contractor fraud?

**Timothy Geswein:**

It is my understanding that their statutory scheme does not include a recovery fund, although I can check.

**Chair Jauregui:**

Committee members, are there any other questions on A.B. 51?

**Assemblyman Flores:**

I wanted to quickly follow up on Assemblywoman Considine's line of questioning. Could you give us any idea on how many folks are reaching out right now who are stating that they have claims for the Recovery Fund and who are living in manufactured homes? I think I have heard the phrase "the health of the Fund" three times now. Obviously, we are concerned about depleting those funds and making sure that those are there, but I am trying to understand how many folks are reaching out. Do we have any type of data from owners of manufactured homes who are concerned that they were victimized and taken advantage of? Do you have any type of anecdotal data you can provide?

**Timothy Geswein:**

There have been two occasions in the last two years of an owner of a manufactured home seeking recovery from the Recovery Fund.

**Chair Jauregui:**

Do we know how many homeowners have sought recovery for a nonowner-occupied residence?

**Timothy Geswein:**

I am sorry, I do not know the data for that. You are referring to a situation in which a person owns a single-family home and rents it, and then makes a Recovery Fund request?

**Chair Jauregui:**

Yes, correct.

**Timothy Geswein:**

I do not have that information.

**Chair Jauregui:**

If it is available, would you mind sending it to the entire Committee? There were only two owners of manufactured or mobile homes who had requested recovery. I would be curious to see how many requests come in for homeowners who have suffered damage but could not seek recovery because it was either a second home or a nonowner-occupied rental property.

I was reading what is excluded from the Recovery Fund. Although it is a nonowner-occupied residence and it is still a rental property, if it is being rented to a family member of the owner as defined here in the bill, would they be eligible for a Recovery Fund award? I am looking at section 1, subsection 3, paragraph (e), where it says "Any dwelling or real

property improvement which is rented or leased on a full- or part-time basis by a person who is not a member of the owner's family." If I am reading this correctly, if they were renting to a family member then they would be eligible for assistance.

**Timothy Geswein:**

That is correct. This is a scenario that one occasionally sees where extended family, older family members, grandparents, persons with disabilities, or even younger family members are living in the accessory dwelling unit on the existing real property. There might be some contributions by the family member that lives in the accessory dwelling unit to the broader household. That would be a covered, eligible claimant.

**Chair Jauregui:**

So, it has to be a dwelling on the owner's primary residence. Right now it reads "any dwelling or real property improvement which is rented or leased." It must be an accessory dwelling on the primary residence's lot.

**Timothy Geswein:**

That is correct, or even imagine the adult child who lives with their parents and who contributes rent to the household. The understanding might be that they are renting a room from mom and dad, but that home would still be eligible for recovery.

**Chair Jauregui:**

I would like to see, on average, how many claims are filed per year and how much money is awarded. I am not sure if you have those statistics as well. If you do not have them now you can provide them to the Committee. I would like to see that for the last three years, just to get an idea. The Recovery Fund seems to be in a healthy status with close to \$6 million currently in it. If it is not being drawn down at levels where we will be concerned for the health of the Recovery Fund, it may be in the best interest of Nevadans who are hiring licensed contractors to be eligible for this recovery, whether they are in a mobile home, manufactured home, or if it is a nonowner-occupied residence. I would like to see how many claims are coming in and what is being rewarded to see how fast the Recovery Fund is being drawn down.

**Margi Grein:**

I would be happy to give you that information in the next day or so. The Recovery Fund has diminished from last fiscal year by about \$500,000. It has decreased a little bit; we keep a very close watch on that and are mindful with the claims that we pay. I would be happy to get you all the data on the Recovery Fund.

**Chair Jauregui:**

Was the discussion ever had to maybe open up the Recovery Fund to other recipients instead of increasing the award amount for an owner-occupied single-family residence?

**Margi Grein:**

No, we have not had that discussion.

**Chair Jauregui:**

Committee members, are there any other questions?

[There were minor technical issues with accessing amendments to the bill on the Nevada Legislature's website.]

**Assemblywoman Hardy:**

Since we are talking about the manufactured homes, I think that Mr. Geswein said something about there being specific contractors that work on manufactured homes. Was that one reason why they are not included in this Recovery Fund? Did I understand that correctly?

**Timothy Geswein:**

Prior to the 2019 legislative session, it was unlawful for a Nevada licensed contractor who was licensed under NRS Chapter 624 to work on a manufactured home, unless that contractor also possessed a license issued by the Manufactured Housing Division. That changed in 2019 [Senate Bill 371 of the 80th Session]. In 2019, the Manufactured Housing Division sought a change that would allow a licensed contractor to perform some work on a manufactured home without automatically becoming an unlawful contractor working outside of his scope. Those changes needed some regulations from the Manufactured Housing Division, although I am not sure of the status of those regulations. It did say that work performed on the structural elements or the fuel component systems of a manufactured home is expressly excluded. The Contractors' Board does not have the expertise to understand the distinction between a structural component of a manufactured home or the fuel systems of a manufactured home. That is why we are reluctant to enter into this arena as far as Recovery Fund awards go.

**Chair Jauregui:**

Committee members, any other questions?

**Assemblywoman Carlton:**

I just need to clarify something. When we changed it in 2017 to allow contractors to work on mobile homes, they had to get approval from the Manufactured Housing Division. Is that what I heard you say?

**Timothy Geswein:**

It was in 2019, I believe it was Senate Bill 371 of the 80th Session.

**Assemblywoman Carlton:**

Oh, it was 2019. Those are the same contractors that are paying into the fund, correct? They are working on a mobile home, but they are still paying into the fund.

**Timothy Geswein:**

That is correct.

**Assemblywoman Carlton:**

But because they are working on a mobile home, that homeowner cannot have access to the Recovery Fund, even though the contractor paid into it?

**Timothy Geswein:**

Yes, as this is drafted, that is correct.

**Assemblywoman Carlton:**

I think that makes it really clear. If the contractor is paying into it, and that is the whole idea behind the Recovery Fund, and they happen to be working on a mobile home, then I believe that mobile homeowner should have some recourse. Now, if they are dealing with strictly manufactured home handymen or someone certified there, and that person is not a licensed contractor that did not pay into the Recovery Fund, I can see the nexus there. But if the contractor has paid in and the homeowner has been harmed, they should have access. To me, that just fits together. We should probably have a conversation about that in the future.

**Chair Jauregui:**

We will now move on to testimony in support of A.B. 51.

**Richard "Skip" Daly, representing Laborers' Union Local 169:**

We are in support of this bill as proposed. We did have good discussions about it, and we had less concerns over the Recovery Fund and how that operates than we did with the previous two bills. We are in support and if you need to make some changes then I am sure we will be okay with those as well.

**Chair Jauregui:**

Do we have anyone signed up in support of Assembly Bill 51 on the telephone line?

**Matthew Walker, representing Southern Nevada Home Builders Association:**

I am pleased to testify in support of Assembly Bill 51 on behalf of the Southern Nevada Home Builders Association. The Recovery Fund has been in existence for 20 years. It has been incredibly successful in quickly making homeowners whole when a contractor has not addressed a problem or completed work. The Recovery Fund is offered in a consumer-friendly format and does not require legal training or contracting expertise to navigate. Most cases are resolved very quickly. Ultimately, the Southern Nevada Home Builders Association sees the Recovery Fund as our commitment to homeowners. Assembly Bill 51 will maintain access to the fund for homeowners and increase clarity regarding eligibility. For that reason, we are in full support.

I would also like to extend our thanks to the State Contractors' Board. Ms. Grein and her team reached out to the building community early and often on all the bills that you have heard today. We certainly value our partnership with the Contractors' Board.

**Chair Jauregui:**

Do we have anyone else signed up in support on the line?



**Dan Morgan, Chief Executive Officer, Builders Association of Northern Nevada; and representing Nevada Home Builders Association:**

The Builders Association of Northern Nevada and the Nevada Home Builders Association have taken every opportunity possible to highlight the importance of the Recovery Fund as an effective alternative to litigation. The Recovery Fund provides a tested and efficient remedy for consumers victimized by defective work. Homeowners' claims against the Recovery Fund are adjudicated within six months; by contrast, most lawsuits take years to be resolved. We are in support of A.B. 51 because it ensures the ongoing viability of the Recovery Fund, the protection of homeowners, and that contractors are held accountable for substandard work. We would like to thank the Contractors' Board for working with the home building industry, not only on A.B. 51 but also to address builders' concerns on other bills this session.

I would like to make one note. We will be looking into the amendments made to A.B. 51 and we will respond appropriately to them at a later time.

**William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union:**

We are also testifying in favor of A.B. 51. At this time, I would also like to support Assembly Bill 49 and Assembly Bill 50 as brought by the Contractors' Board. I apologize for not being on when those were heard, but as amended we are in support. We would like to thank Ms. Grein and the Contractors' Board for working with the Southern Nevada Building Trades Union and for coming to an agreement on the bills and how they are brought for you today. We are in support.

**Chair Jauregui:**

Next, we will hear testimony in opposition to Assembly Bill 51. Is there anyone on the telephone line in opposition? [There was no one.] Is there anyone on the telephone line wishing to testify in neutral? [There was no one.]

Ms. Grein and Mr. Geswein, would you like to make any final remarks on Assembly Bill 51?

**Margi Grein:**

I have none at this time.

**Chair Jauregui:**

I will now close the hearing on Assembly Bill 51.

We have one last item on our agenda and that is public comment. Before we go to this agenda item, since this was our first meeting hearing bills, I just want to remind those listening in on the Internet and calling in for public comment that public comment is an opportunity to discuss general matters that fall within the purview of this Committee. The public has already been given time to support or oppose specific legislation. We open and close hearings on bills so that we can establish a record of the public testimony on a bill. Therefore, public comment is not intended to continue a bill hearing.

Do we have anyone on the line for public comment? [There was no one.] Let us go ahead and give a minute to those who might be listening over the Internet who may wish to call in.

Has anyone called in to provide public comment? [There was no one.] This will conclude our Committee meeting for today. Our next meeting will be on Wednesday, February 17 at 1:30 p.m. Our meeting is adjourned [at 3:13 p.m.].

RESPECTFULLY SUBMITTED:

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Louis Magriel  
Committee Secretary

APPROVED BY:

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Assemblywoman Sandra Jauregui, Chair

DATE: \_\_\_\_\_

## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of a PowerPoint presentation titled "Overview of the Nevada State Contractors' Board," dated February 15, 2021, presented and submitted by Margi Grein, Executive Officer, State Contractors' Board.

[Exhibit D](#) is a document titled "Nevada State Contractors' Board 2021 Legislative Package," presented and submitted by Margi Grein, Executive Officer, State Contractors' Board, regarding an overview of the State Contractors' Board.

[Exhibit E](#) is a document titled "Nevada State Contractors' Board Constituent Services," presented and submitted by Margi Grein, Executive Officer, State Contractors' Board, regarding an overview of the State Contractors' Board.

[Exhibit F](#) is a document titled "Nevada State Contractors' Board Operational Highlights FY 2019-20," presented and submitted by Margi Grein, Executive Officer, State Contractors' Board, regarding an overview of the State Contractors' Board.

[Exhibit G](#) is a proposed amendment to [Assembly Bill 49](#), dated February 15, 2021, presented by Timothy Geswein, General Counsel, State Contractors' Board, submitted by Margi Grein, Executive Officer, State Contractors' Board.

[Exhibit H](#) is a proposed amendment to [Assembly Bill 50](#), dated February 15, 2021, presented by Timothy Geswein, General Counsel, State Contractors' Board, submitted by Margi Grein, Executive Officer, State Contractors' Board.

[Exhibit I](#) is a proposed amendment to [Assembly Bill 51](#), dated February 15, 2021, presented by Timothy Geswein, General Counsel, State Contractors' Board, submitted by Margi Grein, Executive Officer, State Contractors' Board.