

ASSEMBLY BILL NO. 106—ASSEMBLYWOMAN GALLANT

PREFILED FEBRUARY 1, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing contractors.
(BDR 54-771)

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; increasing the value of work a licensed contractor may perform for which the contractor does not have a license in the applicable classification or subclassification; authorizing, under certain circumstances, the State Contractors' Board to annually adjust the value of work for which a licensed contractor may perform and not have a license in the applicable classification or subclassification; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes, with certain exceptions, a licensed contractor to perform work of a type for which the contractor does not have a license in the applicable classification or subclassification, if the value of the work is less than \$1,000, including labor and materials, and the work does not require a permit. (NRS 624.220) This bill increases the value of work that a licensed contractor may perform for which the contractor does not have a license in the applicable classification or subclassification to \$7,600, including labor and materials, if the work does not require a permit. This bill also requires, beginning January 1, 2025, that the State Contractors' Board annually adjust this amount based on a measure of inflation commonly used in the industry that best captures the increasing cost of labor and materials. This bill further requires that the Board: (1) take any action to adjust the amount at a public meeting that complies with the provisions of the Open Meeting Law; and (2) publish the amount of the adjustment on the Internet website of the Board on or before January 1 of the year in which the adjustment will apply.



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

Section 1. NRS 624.220 is hereby amended to read as follows:

624.220 1. The Board shall adopt regulations necessary to effect the classification and subclassification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which the contractor is classified and qualified to engage as defined by NRS 624.215 and the regulations of the Board.

2. The Board shall limit the field and scope of the operations of a licensed contractor by establishing a monetary limit on a contractor's license, and the limit must be the maximum contract a licensed contractor may undertake on one or more construction contracts on a single construction site or subdivision site for a single client. The Board may take any other action designed to limit the field and scope of the operations of a contractor as may be necessary to protect the health, safety and general welfare of the public. The limit must be determined after consideration of the factors set forth in NRS 624.260 to 624.265, inclusive.

3. A licensed contractor may request that the Board increase the monetary limit on his or her license, either on a permanent basis or for a single construction project. A request submitted to the Board pursuant to this subsection must be in writing on a form prescribed by the Board and accompanied by such supporting documentation as the Board may require. A request submitted pursuant to this section for a single construction project must be submitted to the Board at least 5 working days before the date on which the licensed contractor intends to submit a bid for the project and must be approved by the Board before the submission of a bid by the contractor for the project.

4. Subject to the provisions of regulations adopted pursuant to subsection ~~5~~, **6**, nothing contained in this section prohibits:

(a) A specialty contractor from taking and executing a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which the specialty contractor is licensed, is incidental and supplemental to the performance of work in the craft for which the specialty contractor is licensed.

(b) Except as otherwise provided in this paragraph, a licensed contractor from performing work of a type for which the contractor does not have a license in the applicable classification or subclassification if the value of the work is , **except as otherwise provided in subsection 5**, less than ~~(\$1,000.)~~ **\$7,600**, including labor



1 and materials, and the work does not require a permit. A licensed
2 contractor shall not perform work of a type for which the contractor
3 does not have a license in the applicable classification or
4 subclassification if the work is of a type performed by a plumbing,
5 electrical, refrigeration or air-conditioning contractor.

6 5. *Beginning on January 1, 2025, on or before January 1 of*
7 *each year, the Board shall adjust the value of work set forth in*
8 *paragraph (b) of subsection 4 for which a licensed contractor may*
9 *perform and not have a license in the applicable classification or*
10 *subclassification. Any such adjustment by the Board must be*
11 *based on a measure of inflation commonly used in the industry*
12 *that best captures the increasing cost of labor and materials. The*
13 *Board is not required to adjust the amount by regulation but any*
14 *action of the Board to adjust the amount must be taken at a public*
15 *meeting that complies with the provisions of chapter 241 of NRS.*
16 *Any adjustment made by the Board pursuant to this subsection*
17 *must be published on the Internet website of the Board on or*
18 *before January 1 of the year in which the adjustment will apply.*

19 6. The Board shall adopt regulations establishing a specific
20 limit on the amount of asbestos that a licensed contractor with a
21 license that is not classified for the abatement or removal of asbestos
22 may abate or remove pursuant to subsection 4.

