Assembly Bill No. 27–Committee on Commerce and Labor

CHAPTER.....

AN ACT relating to contractors; requiring a general building contractor who provides management and counseling services on a construction project to have an active license in the same classifications and subclassifications that are required to be held by the prime contractor for the construction project; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

With certain exceptions, existing law provides that a contractor whose principal contracting business is in connection with the construction or remodeling of certain types of buildings or structures is considered to be a general building contractor. (NRS 624.215) Existing law authorizes a general building contractor to provide management and counseling services on a construction project for a professional fee. (NRS 624.215) This bill requires a general building contractor who provides such services to have an active license in the same classifications and subclassifications that are required to be held by the prime contractor for the construction project.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material; is material to be omitted.

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

Section 1. NRS 624.215 is hereby amended to read as follows: 624.215 1. For the purpose of classification, the contracting business includes the following branches:

- (a) General engineering contracting.
- (b) General building contracting.
- (c) Specialty contracting.
- General engineering contracting and general building contracting are mutually exclusive branches.
- 2. A general engineering contractor is a contractor whose principal contracting business is in connection with fixed works, including irrigation, drainage, water supply, water power, flood control, harbors, railroads, highways, tunnels, airports and airways, sewers and sewage disposal systems, bridges, inland waterways, pipelines for transmission of petroleum and other liquid or gaseous substances, refineries, chemical plants and industrial plants requiring a specialized engineering knowledge and skill, power plants, piers and foundations and structures or work incidental thereto.



- Except as otherwise provided in subsections 5 and 6, a general building contractor is a contractor whose principal contracting business is in connection with the construction or remodeling of buildings or structures for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in their construction the use of more than two unrelated building trades or crafts, upon which he or she is a prime contractor and where the construction or remodeling of a building is the primary purpose. Unless he or she holds the appropriate specialty license, a general building contractor may only contract to perform specialty contracting if he or she is a prime contractor on a project. Except as otherwise provided in subsection 4 of NRS 624.220, a general building contractor shall not perform specialty contracting in plumbing, electrical, refrigeration and conditioning or fire protection without a license for the specialty. A person who is licensed pursuant to chapter 489 of NRS and who exclusively constructs or repairs mobile homes, manufactured homes or commercial coaches is not a general building contractor.
- 4. A specialty contractor is a contractor whose operations as such are the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts.
- 5. A general engineering contractor, when acting as a prime contractor, may hire not more than one general building contractor to provide any work, materials or equipment as specified in subsection 3 on a single construction project.
- 6. A general building contractor may contract to provide management and counseling services on a construction project for a professional fee. A general building contractor who has contracted to provide management and counseling services [may]:
- (a) Must have an active license in the same classifications and subclassifications that are required to be held by the prime contractor on the project.
- (b) May hire not more than one general building contractor to provide any work, materials or equipment as specified in subsection 3 on a single construction project.
- 7. A single construction project must be limited to not more than one general building contractor who provides management and counseling services for a professional fee and not more than one general building contractor who provides any work, materials or equipment as specified in subsection 3.
- 8. Except as otherwise provided in this subsection, each construction project must have one, but not more than one, prime



contractor who is a licensed contractor and is responsible for the work, materials and equipment for the construction project. A construction project is not required to have a prime contractor if the work for the construction project or the person providing the work for the construction project is exempt pursuant to NRS 624.031.

- 9. This section does not prevent the Board from establishing, broadening, limiting or otherwise effectuating classifications in a manner consistent with established custom, usage and procedure found in the building trades. The Board is specifically prohibited from establishing classifications in such a manner as to determine or limit craft jurisdictions.
 - 10. As used in this section, "prime contractor" means:
- (a) A general engineering contractor who enters into an oral or written agreement with an owner of a construction project or an agent of an owner to provide any work, materials or equipment for which the general engineering contractor is licensed;
- (b) A general building contractor who enters into an oral or written agreement with an owner of a construction project or an agent of an owner to provide any work, materials or equipment for which the general building contractor is licensed;
- (c) A general engineering contractor and general building contractor who enter into an oral or written agreement with an owner of a construction project or an agent of an owner to provide any work, materials or equipment for which the general engineering contractor and general building contractor are licensed; or
- (d) A specialty contractor who enters into an oral or written agreement with an owner of a construction project or an agent of an owner to provide:
- (1) Any work, materials or equipment for which the specialty contractor is licensed: and
- (2) Any other work which is incidental and supplemental thereto.
- **Sec. 2.** The amendatory provisions of section 1 of this act do not apply to a contract entered into before the effective date of this act, but do apply to any renewal or extension of such a contract.
 - **Sec. 3.** This act becomes effective upon passage and approval.

