MINUTES OF THE
SENATE COMMITTEE ON COMMERCE AND LABOR

Eighty-third Session
February 10, 2025

The Senate Committee on Commerce and Labor was called to order by Chair Julie Pazina at 8:00 a.m. on Monday, February 10, 2025, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 5 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. Exhibit A is the agenda. Exhibit B is the attendance roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Julie Pazina, Chair
Senator Skip Daly, Vice Chair
Senator Melanie Scheible
Senator Roberta Lange
Senator Edgar Flores
Senator John Ellison
Senator Lori Rogich
Senator John C. Steinbeck

STAFF MEMBERS PRESENT:

Patrick Ashton, Committee Policy Analyst
Jeff Koelemay, Committee Counsel
Bryan Fernley, Committee Counsel
Lynn Hendricks, Committee Secretary

OTHERS PRESENT:

David Behar, Executive Officer, State Contractors' Board
Susan Broili Kamesch, State Contractors' Board
Alexis Motarex, Associated General Contractors of Nevada
Jonathan Norman, Nevada Coalition of Legal Service Providers
Brian Reeder, Nevada Contractors Association

CHAIR PAZINA:
We will begin with a presentation giving an overview of the State Contractors' Board.

DAVID BEHAR (Executive Officer, State Contractors' Board):
I appreciate the opportunity to provide you with an overview of our Board and share the many ways we serve and protect the public during our interactions with contractors. I have provided a printed copy of this PowerPoint presentation (Exhibit C).

The State Contractors' Board was established by the Nevada State Legislature in 1941 and is charged with promoting confidence and trust in the competence and integrity of licensees, while protecting their health, safety and welfare. Our Board is comprised of seven members, including six licensed contractors and one representative of the public. Each member serves a 3-year term upon being appointed by the Governor.

Our Board prides itself on being self-sufficient and carries a footprint that impacts every aspect of construction throughout Nevada, including professional sports stadiums, industrial center projects, casino and entertainment venues, and residential home building. Our Board has offices located in Reno and Las Vegas, and we have 55 staff members who perform administrative licensing, investigative and public outreach roles. Our Board is funded solely by contractor licensing fees, and we do not receive any State general funds. All the funds we collect from assessed fines and costs are deposited into a commission on construction education account, which allows the disbursement of those funds to be earmarked in the form of grants for a variety of construction education programs.

Aside from conducting monthly Board meetings, we also perform a variety of other functions that include license denial hearings, which allow applicants an opportunity to appeal the denial of an application before our Board; residential recovery fund meetings, where single-family-resident claimants who were harmed by a licensed contractor can obtain financial recourse of up to $40,000; and disciplinary hearings, which are conducted by administrative law judges with expertise in construction. These hearings afford homeowners and contractors an opportunity to provide evidence regarding complaints and result in a decision and order being issued by a judge.

Some of the additional functions of our Board that reflect our ability to be a model regulatory agency include an annual strategic plan, quarterly reports, a third-party audit that conducts a thorough examination of our funds, and independent oversight of our information technology functions, website and databases. Most recently, we added a newly implemented language line to assist with instantaneous audio interpretations over the phone in over 240 languages for members of the public. This line is open 24 hours a day, 7 days a week.

In July 2001, the Commission on Construction Education was established under *Nevada Revised Statutes* (NRS) 624.570 for the purpose of funding construction education programs across Nevada. As previously mentioned, this Commission administers grants to qualified applicants from our construction education account. The Commission consists of seven members who also serve 3-year terms. One is a current representative from our Board, and the six additional members are appointed by the Governor.

The Commission is empowered to review and rate applications for grant funding by school districts and other entities that seek to provide educational programs to build awareness and workforce development for the construction industry. The Commission also encourages applicants to submit proposals with ideas that introduce primary and secondary school students to the world of construction. In coordination with the Commission's public outreach efforts, the Commission also regularly sponsors educational workforce development panels at high schools across Nevada that highlight the experience of construction professionals and the amazing career opportunities that exist throughout the industry. Since the Commission was established, nearly $5.2 million in grants has been awarded to support these programs.

As a regulatory agency, one of our primary functions consists of licensing contractors across the State, with more than 18,000 licensees actively operating in Nevada. The Board provides services that assist in making changes to a license and approving new license classifications. We are automating many of our application and renewal processes online. Our licensing department is responsible for receiving and processing all new license applications, which includes a review of financial solvency, background and experience checks; the passage of trade and law exams; and the fulfillment of bonding and workers compensation requirements. To illustrate the volume of applications we regularly encounter, during the second quarter of fiscal year (FY) 2024-2025, our staff

processed 798 new license applications. Among those applicants, 54 percent were based in Nevada, and 46 percent were applying from out of state.

To better assist these applicants and licensees with those processes, we regularly offer monthly business and licensed contractor assistance programs, which are available in person and online at no cost to the individual. Furthermore, our Board also has established partnerships with the University of Nevada, Las Vegas, and the Legal Aid Center to offer similar programs and assistance in Spanish and promote licensure to non-English speaking communities.

Another mechanism of our licensing department is our Licensure by Endorsement Program, which was initiated to expedite licensing processes for individuals who have a license in another state that aligns with the same requirements as Nevada. This highly sought-after program allows applicants to request endorsement of a trade exam and/or experience requirements based on qualifying criteria. Currently, there are 12 states participating in this program, as well as a nationally recognized exemption through the National Association of State Contracting Licensing Agencies. Utilization of that program generally impacts around 10 percent of the applicants we receive. It helps promote workforce development and completion of residential and commercial projects, particularly in rural communities.

The last area I would like to highlight among our licensing operations is the implementation of our newly developed language access plan. As previously noted, this project provides preferred language services, including translation and interpreters, at no cost to the public. It specifically targets a large percentage of Nevada's population who may be non-English speaking and in need of access to the critical services our Board provides.

Another primary function of our Board is to enforce and uphold the provisions of chapter 624 of the NRS and the *Nevada Administrative Code* through our investigations department. This department is tasked with addressing all of our compliance and criminal investigations involving both licensed and unlicensed contractors and has staff with diverse skills that include backgrounds in both construction and law enforcement. Under current law, consumers may file a compliance complaint against a licensed contractor within 4 years of the work being performed, while complaints against unlicensed contractors may only be filed within 2 years of an incident. Although the circumstances of each

complaint vary, compliance complaints often relate to substandard workmanship, project abandonment, money-owing disputes and unlawful or fraudulent construction activities.

As part of their duties, investigative staff are trained to seek impartial resolutions and are equipped with regulatory processes to help achieve a fair and impartial outcome. Those may include a notice to correct, an administrative citation or a disciplinary hearing. It should be noted that prior to elevating a matter to a hearing, those who receive an administrative citation are now afforded an opportunity to participate in what is called an informal citation conference, which allows them to explain the circumstances that led to their discipline. Following the conference, Board staff then has the ability to affirm, amend or withdraw that citation.

Conversely, when complaints against unlicensed contractors are validated, investigators can pursue different actions against them. These actions might include a cease-and-desist order or an administrative or criminal prosecution, which involves filing a case with the district attorney or the Office of the Attorney General (AG) and may result in a misdemeanor, gross misdemeanor or even a felony conviction. To help mitigate unlawful construction activity across the State, our criminal investigators also conduct proactive job site [inspections] on a weekly basis and engage in various national enforcement efforts.

In support of the goals of our investigations department, our staff has worked tirelessly to establish partnerships and develop programs focused on increasing consumer awareness and various protections. One of these efforts was the creation of a solar investigations unit, which was established in response to the increased number of consumer complaints involving residential solar contractors. These complaints often involve issues related to scams, false promises of lower power bills, deceptive loan practices, complicated financial agreements and potential workmanship issues. This specialized unit focuses solely on solar-related complaints and frequently engages groups that include public utility representatives, solar associations, building officials and other State agencies. The primary goal of the unit is to strategize enforcement efforts, conduct consumer education and share information and resources amongst the various stakeholders.

As a result of that effort, the unit has also initiated a solar watch list, which is a resource available on our website that provides the names and logos of solar

contractors who may have been suspended, revoked or disciplined for having too many complaints with our Board.

Lastly, our investigations department also manages an underground economy task force to combat the unlawful construction practices of individuals operating without a license across Nevada. This multi-agency group utilizes the resources of the Office of the AG, the labor commissioner and other entities to strategically disrupt the underground construction economy that exists in Nevada. One of the key successes of this task force has been the creation of an unlicensed violator watch list, which posts photos and summaries of the most notorious unlicensed offenders on our Board's website as a form of consumer protection.

I would next like to highlight our Board's residential recovery fund. This fund was established in 1999 and is funded solely by assessments of licensed residential Nevada contractors. The fund's purpose is to give owners of single-family residences who have been harmed by a licensed contractor the opportunity to claim financial recourse of up to $40,000 based upon the submission of an eligible claim that is approved by that committee. The funds committee is comprised of representatives who also serve as Governor-appointed Board members. To date, this fund has awarded more than $16.3 million to over 1,700 homeowners and has been recognized nationally as one of the most well-respected public protection programs afforded to constituents anywhere in the United States.

In addition to this recovery fund, our Board's consumer outreach efforts span across all departments and operations. We regularly provide a variety of public presentations that include town hall meetings, health and safety fairs, cultural events, school presentations, and senior-sponsored assemblies. Many of these presentations are geared towards individuals who reside in senior, disadvantaged or non-English speaking communities. They are designed to provide resources and awareness to assist them in numerous ways.

As part of our ongoing outreach, we also work closely with elected officials, including the AG and the governor, to provide public service announcements regarding the dangers of hiring unlicensed contractors and scams involving residential pools and solar projects. Furthermore, we have established a robust presence across social media, radio, television and print that includes consumer alerts, industry bulletins, news releases and easy-to-follow brochures in both

English and Spanish. Highlighted on slide 12 are a few of our additional outreach programs, most notably our annual Hammers and Hope event and a recent holiday tool drive. Hammers and Hope is an industrywide outreach effort focused on increasing the visibility and growth of females in the construction industry. This one-of-a-kind event fosters workforce development and consists of a panel discussion led by leading industry women, followed by mentoring sessions, a career fair and numerous networking opportunities.

In addition to the Hammers and Hope event, our most recent endeavor was the creation of a holiday tool drive, which supported future workforce development throughout many of the trade schools across Nevada. In December, our Board welcomed the generous donations of new and gently used tools and construction materials from the public and members of the industry. We were able to equitably deliver these much-needed items to a number of local high school construction programs in the northern and southern parts of Nevada.

With the legislative session upon us, I want to take a moment to briefly highlight two bills that the State Contractors' Board has brought forward this year. The first is Assembly Bill 5, which seeks to enhance the protections of consumers, subcontractors and suppliers from financial harm to the implementation of more stringent bond requirements for solar contractors.

ASSEMBLY BILL 5: Revises provisions governing contractors who perform work on residential photovoltaic systems used to produce electricity. (BDR 54-253)

The second bill is Senate Bill (S.B.) 16, which will be brought before this committee in a moment. It enhances the Board's authority to review the issuance of a license for up to one year for engaging in unlicensed activity. It also gives the Board an opportunity to prevent someone who interferes or attempts to interfere with an investigation or disciplinary proceeding by threatening, harassing or otherwise influencing a person who may provide evidence in an investigation, disciplinary hearing or legal action.

SENATE BILL 16: Revises provisions relating to contractors. (BDR 54-254)

I have had the opportunity to discuss these matters with many of you, and I look forward to sharing more about these bills during the hearing.

Looking forward in the days and months ahead, our Board will remain engaged and active with members of the Legislature, particularly as it relates to the governor's reorganization and modernization efforts. Members of our team and I will continue to welcome opportunities to discuss matters of importance with you to include collaborative partnerships and public protection initiatives. We remain steadfast in our continued pursuit of being a model regulatory agency and continue to utilize all avenues available to us to ensure consumers receive relevant and timely access to information.

Lastly, I would like to ask you to please take a moment to recognize the unique, longstanding history of our Board and the protections we provide on a daily basis to every constituent across Nevada. Our footprint touches every building, school, business and home that you enter each day. The magnitude of what we do is unlike any other Board or commission in the State.

SENATOR FLORES:
Looking at the enforcement slide, slide 10 of Exhibit C, I see that about $16 million has been awarded since 2001. How many fines do you think you issue per year, and how much is each fine? Do you have that data?

MR. BEHAR:
I do not currently have that information with me, but I would be happy to provide that to you.

SENATOR FLORES:
Please do.

You mentioned unlicensed activity. Do you have any type of data or projections on what you think that looks like? I am assuming you can say, "Look, we have issued X amount of fines, or we have gone after X amount of companies that were unlicensed." But do you have any idea, any type of data of what we think the State looks like in terms of unlicensed activity?

MR. BEHAR:
I do not have that exact information in front of me, but we average approximately 300 citations on unlicensed contractors annually.

SENATOR ELLISON:
I used to serve on the Contractors Board, and it is a great board, very professional. They do their due diligence. The problem I have is in rural Nevada. There are so many complaints about unlicensed people coming into my office or to the city or the county that are not followed up on. They did run a couple investigators out there, and they went to Walmart, and I do not know how many tickets they wrote up. We need to get people out in the rural counties once in a while. That is one of the biggest problems we have. All you have to do is go to the supply house in the morning or at night, and you'll see them load up truck after truck after truck, and a lot of them are people who could be licensed. I would like to see if maybe we could look into that a little more, the rural areas of Winnemucca, Elko, Ely, Eureka—not Eureka, but some of the bigger towns in the rural areas have been hit.

MR. BEHAR:
That is one of our top priorities at the Contractors Board. As I stated earlier, we have enacted proactive enforcement efforts, which is where we send our criminal investigators particularly out to those various areas. There is a stronger push for us to do that amongst the rural communities as well. What we are looking to do is combine the forces of our investigators, both from the south and the north, to specifically go out into those rural areas to target—to your point, exactly what you were referencing.

SENATOR ROGICH:
Will licensed contractors be liable for unlicensed third-party independent contractors?

SUSAN BROILI KAMESCH (State Contractors' Board):
For clarification, are you asking if a licensed contractor hires an unlicensed contractor, would the licensed contractor be responsible?

SENATOR ROGICH:
Correct, similar to what Senator Ellison is discussing.

MS. KAMESCH:
Yes, that is not legal. An unlicensed contractor cannot contract with a licensed contractor, and a licensed contractor cannot contract with a unlicensed contractor legally.

SENATOR DALY:
Looking at S.B. 16 and your proposed amendment, I do not want to cross over into questioning on the bill. But as I recall, I think there was a case with a contractor up at the lake regarding an unlicensed contractor, and the court came out and said the Board does not have jurisdiction over unlicensed contractors, only licensees. Did that get resolved? What finally came out of that? Because you are talking about taking action against people who are unlicensed. If I remember that case correctly, and I hope it has been resolved or clarified, the court said they are not licensed, and you only have jurisdiction over licensees. Did that get resolved?

MR. BEHAR:
I am not familiar with that particular matter, and I am not sure if it did or did not get resolved. I would be happy to look into that further and report back to you on that.

SENATOR DALY:
I do not remember all of the details, and maybe it is just slightly off. But I think part of—you guys were doing enforcement against a contractor that just did not have a license, or maybe did not—it was not an issue of a proper license or over their limit because they would have been licensed and you would have had jurisdiction. But they were unlicensed, and as I recall, there was a question of whether or not you had jurisdiction over an unlicensed individual. In light of S.B. 16, that needs to be clear, that you have that jurisdiction.

Regarding what my colleague from Elko was saying a minute ago. A couple of years ago, the Contractors Board had a bill that was passed, and then they had a lawsuit against it, and it is still basically on hold, about people performing work that requires a license. Either they have to be a contractor or a W-2 employee. Is there any update on that case? My understanding is that no decision has been made. I do not know what the particular judge is waiting for. Are you still pursuing that? I believe it was American Leasing that brought the case.

MR. BEHAR:
That matter is still pending.

SENATOR DALY:
You are still pursuing it?

MR. BEHAR:
At this time, yes.

SENATOR DALY:
Okay, because my understanding is the judge has just not made any determination. Whether or not that particular judge has run afoul of what the judicial processes are, a complaint may be filed. I know that the two parties—and obviously American Leasing has no interest, it is stayed and that is what they want—but you can ask for a status hearing and get the judge off the dime. Motions have been made, and it has been more than 60 days. Those issues have not been reported to the Supreme Court, if the Supreme Court is listening out there. You have a judge who is just not performing her duties. You know what they say about justice delayed.

MR. BEHAR:
That matter is still being pursued by our Board counsel. To your point, we have not heard an update from them recently.

SENATOR STEINBECK:
What is the average cost to be a contractor in Nevada? How does it compare to other states?

MS. KAMESCH:
The costs through our agency are minimal. There are other costs, such as getting a business license from the Secretary of State. Through our agency, it costs about $1,000 to obtain a license in Nevada. I do not know what it costs to obtain a license in other states. I do not have that comparison data available. If you like, I can find out and report back to you.

SENATOR STEINBECK:
I would like to see how we measure up, and then how the rest of the costs actually turn out. My concern always is that one of the reasons we have unlicensed contractors is—very small, as you know—single sole proprietorships that only do their own contracts, their own work; they just get priced out, and then they do not sign up or pursue a license. Do you have any aid for people like that or any exceptions on prices for low income?

MS. KAMESCH:
We do not offer any aid. However, if I can clarify for you, when an application is submitted, the application fee through our agency is only $300. When that license is ready to issue, there is a $600 fee. That is for 2 years, so really, it is only another $300 per year. If they are residential contractors, there would be a residential recovery fund fee, and that can range anywhere from $80 to $200. Again, that is for 2 years.

The fees through our agency are not excessive. If the person has to take an exam, the exam fees would be an additional cost for them.

SENATOR LANGE:
You were talking about women in the workforce. What percentage of your workforce is women? Just a guess; it does not need to be completely accurate.

MS. KAMESCH:
I think it is pretty minimal. If I recall, only 3 percent of the construction field are women. This is really an untapped market for women.

CHAIR PAZINA:
Based on our discussions and your presentation, it sounds like a large number of the complaints that come in pertain to solar. With the Solar Investigation Unit and the watch list, have you seen complaints reduced since those two have become effective?

MR. BEHAR:
Actually, we have seen a significant decrease in those complaints, and we have done a number of different collaborative efforts to try to reduce them. In this past fiscal year, we had 100 complaints related to solar in the first quarter. That number dropped to 44 in the second quarter. So far, in the third quarter, we have received eight. So we have made a significant impact by addressing those matters with our Solar Investigations Unit and our watch list, and then partnering with other agencies and entities to take a more collaborative approach to attack the problem from all sides.

CHAIR PAZINA:
I will open the hearing on S.B. 16.

MR. BEHAR:
The Board has previously supported the bill in its current form. However, an amendment to the bill has been presented to our Board, and we submit it for your consideration (Exhibit D). The amended version would replace the term "person" with "unlicensed contractor" and remove subsections 1 and 2 of section 1 completely. [*sic*]

The amended bill creates new language under NRS 624 related to unlicensed contractors performing work over $1,000. Unlicensed individuals are allowed to perform work of $1,000 or less if they have a handyman license and do not do work that would be considered in the life safety trades. If they violate this law, S.B. 16 would allow the Board to refuse to issue a license to an individual for up to one year from the date a bid was submitted.

Additionally, the new language would make it unlawful to interfere with an investigation or disciplinary proceeding of the Board or other legal action to which the Board is a party. This includes, without limitation, threatening, harassing or otherwise influencing a person because the person is providing or may provide evidence in an investigation or cause for disciplinary action under NRS 624.3016.

Current law provides for the licensure and regulation of contractors by the State Contractors Board under Chapter 624 of the NRS. Existing law prohibits a person from submitting a bid on a job in the State without the proper contractors license or submitting a bid beyond their monetary license limit. Chapter 624 establishes various penalties for a person who engages in such conduct, including, without limitation, the imposition of civil penalties, criminal penalties and administrative fines, along with the issuance of a cease-and-desist order and a citation.

Additionally, existing law authorizes the Board to prohibit an unlicensed contractor who has been convicted of certain violations relating to acting as a contractor or submitting a bid on a job without the proper license from taking an examination for a license for a period of not more than 6 months after the date of the conviction under NRS 624.245.

Section 1 of this bill authorizes the Board to take additional action against an unlicensed contractor by providing additional authority to refuse the issuance of a license for a period of not more than 1 year. The amended language in S.B. 16

continues this authority but in a more direct manner, which we feel would help further deter unlicensed contracting activity.

During FY 2023-2024, the Board issued 256 citations to unlicensed contractors. Many were issued to large commercial projects in Nevada where unlicensed contractors from other states were utilized as subcontractors. Countless numbers of these unlicensed contractors admitted to only applying for licensure in Nevada because they had finally been caught and hoped it would reduce their fines, along with maybe reducing disciplinary or potential criminal action being taken against them. Others acknowledged that they regularly performed unlicensed work because it was extremely lucrative and went so far as to suggest that they intentionally factored in the cost of potential fines associated with unlicensed activity into their bids as an actual cost of doing business.

Authorizing the Board to refuse to issue a license to an unlicensed contractor for a period of not more than 1 year after the date on which the bid was submitted would afford the Board a reasonable period of time to further assess the intent of the unlicensed contractor, while still providing a future pathway for licensure in our State.

As previously stated, section 2 of S.B. 16 would create a new subsection under NRS 624.3016 that would allow the Board to take disciplinary action against someone who threatens, harasses or otherwise influences a person because the person has provided or may provide evidence in an investigation, disciplinary proceeding or legal action. The intent of the language is to provide additional protections for individuals who have been harmed by a contractor and want to avail themselves of the protections in the law that might make them whole. These folks might be hesitant to come forward due to fear of threats or even retaliation.

Many of the complaints received by the Board involve seniors, non-English speaking individuals and the most vulnerable members of our community who have been harmed by contractors who know where they live, and in many instances have taken significant amounts of money from them. Some of these threats have included intimidating social media posts that have been made to homeowners warning them not to act against them. In an effort to address this concern, the stronger protections proposed in section 2 of S.B. 16 would allow the Board to enact stronger measures to discourage these types of actions.

It is not the intention of S.B. 16 to hinder or deter a contractor who has been wronged by a homeowner from utilizing the legal avenues available to them to rectify a situation, such as filing a lien when nonpayment for services has occurred. We also do not seek to prohibit a contractor from using the services of an attorney, so long as the attorney is acting on a legal matter and is not just being used to frighten the homeowner into silence.

These changes are recommended to further deter unlawful contracting practices that place the health, safety and welfare of the public in jeopardy and also provide additional protections to consumers.

Within the last few days, the Nevada Contractors Association (NCA) proposed an amendment to section 2 of S.B. 16. Their amended language incorporates a provision that would add additional language regarding lawful actions taken by a party or legal counsel in the prosecution of any defense or position in an investigation, disciplinary action or other legal matter. Because this amendment was just recently received, I would need to take this newly amended language back to my Board for consideration before we would be able to take a formal position. The Board looks forward to working with the NCA and other parties on S.B. 16

SENATOR ELLISON:
I have a question on the smaller contractors who are trying to get started at a lower rate. I think the minimum is, what, $5,000 or $10,000? I can't remember. Maybe you can answer that. We might be able to get some of the unlicensed people licensed at a smaller level by looking at these lower rates, if you get what I mean.

MS. KAMESCH:
Are you talking about a monetary limit?

SENATOR ELLISON:
That's right.

MS. KAMESCH:
Our minimum monetary limit right now is $1,000.

SENATOR ELLISON:
What is the bond for that?

MS. KAMESCH:
The bond also would be $1,000.

CHAIR PAZINA:
We do have legislation before us later this session that might make a change to that $1,000, which is currently inclusive of labor and material.

SENATOR SCHEIBLE:
You mentioned that there was some language of an amendment that you would need to more thoroughly review. Did we receive that language, or did I misunderstand?

MS. KAMESCH:
The Board just received the amendment, but it does not know whether it is going to support it or move forward with it. We have not received anything until the Board takes a formal stand. We do not have it yet. We do have another amendment that is on NELIS [Nevada Electronic Legislative Information System] now.

CHAIR PAZINA:
There is one that takes out subsection 2 and replaces "person" with "unlicensed contractor. That one is Exhibit D. As soon as we have that other amendment, we will make sure to get that in everyone's hands as well.

SENATOR SCHEIBLE:
The text of the amendment says on page 1, line 10, that if a person submits this bid without the proper license, they could be classified in an additional classification or subclass. Is that defined somewhere else in law?

MR. BEHAR:
That language was actually struck in our amendment.

SENATOR SCHEIBLE:
Okay. I will have to find the new amendment before I ask any more questions.

SENATOR DALY:
Looking at your amendment is why I asked before about the Board's jurisdiction over the unlicensed contractor. I am assuming you are going to go forward under that premise. I do not necessarily disagree with the direction on the

unlicensed. You went through, if I heard your presentation correctly—if a contractor who is licensed is out of his scope, you already have methods in law to say, "What are you doing?" Same thing if he goes over his license limit. So those issues do not need to be addressed on this for the unlicensed person.

I am hoping that the NCA amendment is going to cover some of my concerns over the interfering, attempting to interfere, et cetera. Do your investigators people have law enforcement authority? Are they same as cops?

MR. BEHAR:
Our criminal investigators are actually required to be POST [Peace Officer Standards and Training] certified by Nevada, so they do have that authority. They are Category II.

SENATOR DALY:
I was just looking at this section about "interfering or attempting to interfere," et cetera. I understand if you are trying to tamper with the witness, and those are all going to be fact-based and various things. But it seems to me—and I may have been advised by someone on this panel at some time—if the cops come and ask you questions, do not talk to them, but do get a lawyer. I do not want that to be construed as intimidation. Obviously, posting things threatening a homeowner is stupid and is evidence that is going to corroborate that they were intimidating the homeowner.

But I do have a concern over the lien. The homeowner can take the contractor vacating the job for nonpayment, or stopping work for a variety of different reasons, or filing a lien, or saying, "I am going to file a lien"—all these things can be perceived as threats. I just want to make sure that it is very clear that none of these actions are necessarily considered intimidation or harassment. That is in the eye of the beholder of the person who is receiving that. It may be perfectly legal on the part of the contractors. There are always two sides to the story.

I am interested in seeing their amendment. It may address some of those issues.

MR. BEHAR:
With respect to liens, this bill would not impact the rights of a contractor to still be able to impose a lien or an intent to lien, which, to your point, might be misinterpreted by a homeowner as a potential threat or harassment.

ALEXIS MOTAREX (Associated General Contractors of Nevada):
We are here in support of S.B. 16 as presented today with the amendment in Exhibit D. We did have some heartburn with the original bill, but I appreciate Mr. Behar and the Contractors Board's willingness to address our concerns and amend section 1 to limit it to unlicensed contractors, as none of us want them bidding on projects or doing work in the State.

JONATHAN NORMAN (Nevada Coalition of Legal Service Providers):
Our offices refer a lot of cases to the State Contractors Board. We appreciate their partnership in making sure consumers are not harmed. Tools that enhance their ability to protect consumers are important for our clients. So we are in support of S.B. 16.

BRIAN REEDER (Nevada Contractors Association):
We are here in opposition to S.B. 16, unfortunately, just because we are seeking to add some clarifying language. The NCA supports the intent of the bill, particularly section 2. Nobody should be harassed, intimidated or influenced to stop them from coming before the Board or complaining to the Contractors Board. However, what we are concerned about is the broad language. "Otherwise influencing" could be interpreted to say that legal counsel, for example, could not work to prepare a witness or a client before they go to defend themselves in front of the Board. We are seeking clarifying language there.

Mr. Behar and the Board are always great to work with, and we look forward to continuing that dialogue and ironing this out.

MR. BEHAR:
Thank you for taking time to listen to S.B. 16 and the importance of bringing the bill forward.

CHAIR PAZINA:
I will close the hearing on S.B. 16. Is there any public comment? Hearing none, we are adjourned at 8:51 a.m.

RESPECTFULLY SUBMITTED:

Lynn Hendricks,
Committee Secretary

APPROVED BY:

Senator Julie Pazina, Chair

DATE:

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
S.B. 16	C	2	David Behar / State Contractors' Board	PowerPoint Presentation
S.B. 16	D	13	David Behar / State Contractors' Board	Proposed Amendment