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State Of Nevada

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STATE CONTRACTORS BOARD

NOTICE OF INTENT TO ACT UPON A REGULATION

LCB File No. R022-21

Notice of Workshop and Hearing for the Adoption, Amendment or Repeal of Regulations
of
The State of Nevada Contractors Board

The State of Nevada Contractors Board (Board) will conduct a public workshop on Tuesday, November 9, 2021 at 1:00 p.m. and a public hearing on Tuesday, November 16, 2021 at 1:00 p.m. The workshop and hearing will be video-conferenced between the Board's Henderson office located at 2310 Corporate Circle, Suite 200, Henderson, Nevada 89074 and the Reno office located at 5390 Kietzke Lane, Suite 102, Reno, Nevada, 89511.

The following information is provided pursuant to the requirements of NRS 233B.060 and 233B.0603:

1. The need for and purpose of the proposed regulation or amendment.

As required by NRS 624.300 and NRS 624.361, the Board previously adopted regulations that establish the standards for determining the amount of an administrative fine imposed upon Nevada contractors that violate certain statutory provisions. The purpose of the proposed regulation is to update the administrative fines laid out in the existing regulation to create fine ranges for new disciplinary violations created or amended during the 2021 legislative session by AB 51, AB 227 and SB 303. The proposed regulation also makes conforming changes to NAC 624.6932.

2. Either the terms or the substance of the regulations to be adopted, amended or repealed or a description of the subjects and issues involved.

The proposed regulation establishes an administrative fine range assessment for a contractor who violates subsection 7 of NRS 624.3016 and NRS 624.520. A copy of the proposed regulation may be obtained by visiting our website at www.nscb.nv.gov or writing to the Board's offices.

3. The estimated economic effect of this proposed regulation on the business which it is to regulate and on the public.

(a) Adverse and beneficial effects.

There is no economic effect on the public. The economic effect upon NRS Chapter 624 licensees is limited to minor compliance-related issues typically limited to timing requirements as opposed to the expenditure of money. Further, contractors subject to discipline after notice and an opportunity to be heard may be impacted by regulations imposing fines as authorized by Nevada statutes.

(b) Both immediate and long-term effects.

There is no immediate economic effect. Long term economic effects will depend upon the number of contested cases that come before the Board; however, the clarification created by the regulatory revisions are expected to immediately and continuously reduce overall costs of practice before the Board to licensees and the Board with no expected reduction in the protections for the public's health, safety, and welfare.

- 4. The estimated cost to the agency for the enforcement of the proposed regulation.**
Cost to the agency should be minimal.
- 5. A description of and citation to any regulations of other states or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication and overlapping is necessary.**
The proposed regulation does not overlap or duplicate any regulation.
- 6. If the regulation is required pursuant to federal law, a citation and description of the federal law.**
Does not apply.
- 7. If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.**
Does not apply.
- 8. Whether proposed regulation establishes a new fee or increases an existing fee.**
The regulation does not establish a new fee or increase an existing fee.

Persons wishing to comment upon the proposed action of the Board may appear at the scheduled public workshop or may address their comments, data, views or arguments, in written form to the Executive Officer of the Nevada State Contractors Board, 2310 Corporate Circle, Suite 200, Henderson, Nevada 89074 and the Reno office located at 5390 Kietzke Lane, Suite 102, Reno, Nevada, 89511. Written submissions must be received by the Board five days prior to the scheduled workshop. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the board may proceed immediately to act upon any written submissions.

A copy of this notice and the regulations to be adopted, amended or repealed will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notices and the regulation to be adopted will be available at the State Contractors Board 2310 Corporate Circle, Suite 200, Henderson, Nevada 89074 and the Reno office located at 5390 Kietzke Lane, Suite 102, Reno, Nevada, 89511. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Upon adoption of any regulation, the board, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice has been mailed to all persons on the agency's mailing list of administrative regulations and posted at the following locations:

Nevada State Contractors Board – Reno Office
Nevada State Contractors Board – Henderson Office
Nevada State Contractors Board – Internet Website
Nevada Public Notice Website

Dated: October 13, 2021

**PROPOSED REGULATION OF THE
STATE CONTRACTORS' BOARD**

LCB File No. R022-21

October 7, 2021

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

AUTHORITY: § 1, NRS 624.100; § 2, NRS 624.300.

A REGULATION relating to contractors; revising information a contractor is required to provide to certain clients; providing for and amending administrative fines; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the State Contractors' Board to make reasonable regulations. (NRS 624.100) Existing regulations require a contractor to provide an informational form to an owner of a single-family residence when the contractor enters into contract with the owner regarding the license the contractor must possess. (NAC 624.6932) **Section 1** of this regulation removes two incorrect addresses from the informational form.

Existing law authorizes the Board to impose administrative fines of not more than \$10,000 for acts which constitute a cause for disciplinary action. (NRS 624.300) **Section 2** of this regulation establishes new administrative fines for when a contractor enters into a contract to perform work without the required license or fails to comply with state law governing contracts for work concerning residential photovoltaic systems used to produce electricity. **Section 2** increases the fine for a contractor failing to adequately advise a customer of his or her rights under state law.

Section 1. NAC 624.6932 is hereby amended to read as follows:

624.6932 The informational form that a general building contractor is required to provide regarding contractors pursuant to paragraph (a) of subsection 3 of NRS 624.600 to the owner of a single-family residence with whom he or she has contracted must be as follows:

Contractors are required by law to be licensed and regulated by the State Contractors' Board. The State Contractors' Board has jurisdiction to investigate complaints that are filed against contractors. Any questions concerning a contractor may be referred to the State Contractors' Board . ~~at:~~

~~—(1) 9670 Gateway Drive~~

~~Suite 100~~

~~Reno, Nevada 89521~~

~~(775) 688-1141; or~~

~~—(2) 2310 Corporate Circle~~

~~Suite 200~~

~~Henderson, Nevada 89074~~

~~(702) 486-1100.]~~

The law of this State requires that a person or entity who enters into a contract to perform construction work be properly licensed by the State Contractors' Board for the category of work that the person or entity intends to perform. Laws regulating licensed contractors are designed to protect the public. If you contract with a person or entity who is not licensed to perform construction work, your remedies against that person or entity may be limited to a suit in civil court. You may be liable for damages arising out of any injuries to an unlicensed contractor or that contractor's employees, as well as withholding taxes, contributions pursuant to the Federal Insurance Contributions Act and

contributions for industrial insurance and unemployment compensation. In addition, you must comply with other applicable state and federal laws regarding employment. Finally, you should be aware that construction performed on your property must comply with all applicable laws, ordinances, building codes and regulations.

A contractor is required to include the contractor’s license number on all of his or her advertising, vehicles, bids and contracts. You may contact the State Contractors’ Board to find out if a contractor has a valid license and, if so, the status of that license and the status of any disciplinary action by visiting the website of the Board at <http://www.nvcontractorsboard.com> or calling the Board at one of the telephone numbers listed above.

Sec. 2. NAC 624.7251 is hereby amended to read as follows:

624.7251 1. If the Board or its designee issues an order imposing an administrative fine pursuant to the provisions of this chapter and chapter 624 of NRS, each such fine assessed by the Board or its designee must:

- (a) Specify the violation for which the person is being cited; and
- (b) Subject to the provisions of subsections 2, 3 and 4, be in an amount which is not less than the minimum amount or more than the maximum amount as follows for the violation:

Violation	Minimum Fine	Maximum Fine
NRS 624.301	\$1,000	\$10,000

Violation	Minimum Fine	Maximum Fine
Paragraph (a) of subsection 1 or subparagraph (4) of paragraph (b) of subsection 1 of NRS 624.3011.....	500	10,000
Subparagraph (1), (2) or (3) of paragraph (b) of subsection 1 of NRS 624.3011.....	1,000	10,000
Subsection 1, 2 or 3 of NRS 624.3012.....	1,000	10,000
Subsection 4 of NRS 624.3012	500	10,000
Subsection 1 or 4 of NRS 624.3013.....	250	10,000
Subsection 2 of NRS 624.3013	1,000	10,000
Subsection 3 of NRS 624.3013	500	10,000
Subsection 5 of NRS 624.3013	50	10,000
NRS 624.3014.....	100	50,000
Subsection 1 or 6 of NRS 624.3015.....	250	10,000
Subsection 2, 3 or 4 of NRS 624.3015.....	1,000	50,000
Subsection 5 of NRS 624.3015	500	10,000
<i>Subsection 7 of NRS 624.3015.....</i>	<i>1,000</i>	<i>10,000</i>
Subsection 1, 2, 4, 6, 7 or 8 of NRS 624.3016.....	250	10,000
Subsection 3, 5, 10, 11 or , 12 <i>or 13</i> of NRS 624.3016.....	500	10,000
Subsection 9 of NRS 624.3016	100	10,000
NRS 624.30165.....	250	10,000

Violation	Minimum Fine	Maximum Fine
Subsection 1 of NRS 624.3017	500	10,000
Subsection 2 of NRS 624.3017	50	10,000
Subsection 3 of NRS 624.3017	100	10,000
Subsection 1 of NRS 624.302	1,000	50,000
Subsection 5 or 6 of NRS 624.302.....	250	10,000
Subsection 7 of NRS 624.302	1,000	10,000
Subsection 1 of NRS 624.305	1,000	50,000
NRS 624.520	100 250	250 500
Subsection 1 of NRS 624.700	1,000	50,000
Subsection 1, 3 or 4 of NRS 624.720.....	1,000	50,000
NRS 624.740	1,000	50,000

2. In determining the amount of an administrative fine to be imposed pursuant to subsection 1, the Board or its designee will consider the factors set forth in paragraphs (a), (b) and (c) of subsection 4 of NRS 624.300 and paragraphs (a), (b) and (c) of subsection 2 of NRS 624.710, as applicable.

3. Unless otherwise prohibited by law and except as otherwise provided by subsection 6, the Board or its designee may reduce or stay a fine assessed pursuant to subsection 1 or any other penalty imposed pursuant to this chapter or chapter 624 of NRS pending completion of a training program, examination or any other means of remediation or retraining required by the Board or

its designee which is based upon the circumstances for which the fine was assessed or the penalty imposed.

4. The Board or its designee will assess the maximum fine listed in subsection 1 only if one or more of the following circumstances apply:

(a) The cited person has a history of violating the same or similar sections of NRS, NAC or any relevant administrative order;

(b) The administrative citation specifies more than one violation;

(c) The cited person has unreasonably ignored written warnings;

(d) The violation or violations have caused harm to other persons;

(e) The violation or violations were perpetrated against a person 60 years of age or older or a person with a diagnosed physical or mental disability; or

(f) The violation or violations involved a construction project costing more than \$500,000.

5. The Board or its designee will assess the maximum fine listed in subsection 1 if the cited person has previously violated the same or similar sections of NRS, NAC or any relevant administrative order at least twice in the immediately preceding 5 years.

6. If the Board or its designee intends to exercise the discretion authorized in subsection 3:

(a) The Board or its designee may state the reasons for the exercise of discretion orally at the hearing on the matter and must state such reasons in writing in a written order or decision on the matter; and

(b) The reasons for the exercise of discretion must be derived from the presentation of the case and the findings or determinations of the Board or its designee based on the presentation of the case.

Small Business Impact Statement

Proposed Regulations R022-21

1.0 Overview

The Nevada State Contractors Board (NSCB) proposes two housekeeping changes to existing regulations. First, the proposed regulation would change NAC 624.6932 to remove Board office addresses that are no longer accurate and are unnecessary. Second, the regulation would amend NAC 624.7251, which tabulates administrative fines as authorized by the Board's practice act, NRS Chapter 624. These revisions are necessary to capture new or changed disciplinary fines created or amended during the 2021 legislative session.

The Nevada State Contractors Board has determined that the proposed regulation should not have an adverse financial impact upon a small business. The proposed regulation is not expected to negatively impact the formation, operation, or expansion of a small business in Nevada.

2.0 Authority

This small business impact statement is made pursuant to NRS 233B.0608 and complies with the requirements of NRS 233B.0609. As required by NRS 233B.0608(3), this statement identifies the methods used by the agency in determining the impact of the proposed regulation on a small business and provides the reasons for the conclusions of the agency followed by the certification by the person responsible for the agency.

3.0 Background

The Nevada State Contractors Board implements NRS Chapter 624 and has promulgated regulations to assist in the administration of the chapter. Nevada law – NRS 624.600 – currently requires general building contractors to provide certain notices to Nevada homeowners when contracting. The form of notice was established by regulation, NAC 624.6932. This regulation contains Board addresses that are no longer accurate. The proposed regulation eliminates the Board address from the required notice.

As required by NRS 624.300 and NRS 624.361, the Board previously adopted regulations that establish the standards for determining the amount of an administrative fine imposed upon Nevada contractors that violate statutory provisions. The proposed regulation updates the administrative fines laid out in the existing regulation, NAC 624.7251, to create fine ranges for new disciplinary violations created or amended during the 2021 legislative session.

4.0 Method used to determine no small business impact

Pursuant to NRS 233B.0608, the Nevada State Contractors Board made a concerted effort to determine whether the proposed regulation was likely to: 1) impose a direct and significant economic burden upon a small business, or 2) directly restrict the formation, operation, or expansion of a small business. As a result of this effort, the NSCB determined that there is no impact upon small business as a result of the proposed regulation.

To reach its conclusion, the NSCB considered the scope of the statutory change and narrowly tailored the proposed regulation to address the statutory mandate and the regulatory need. After

preparing the regulation, the NSCB recognized that no small business would endure any economic burden related to the elimination of incorrect addresses from a statutory notice. Further, no small business will suffer an adverse consequence by the establishment of administrative fine ranges based upon statutory-required discipline of contractors. Indeed, the proposed regulation is more likely to increase the public's trust in the competency and integrity of the licensees thereby promoting business formation, operation, and expansion.

Ultimately, no adverse economic effects were identified because the proposed regulation does not affect NRS Chapter 624 licensees or those who may seek to become a licensee. Instead, the regulation simplifies an existing regulation and establishes ranges for disciplinary fines. These changes should have no impact on small business.

5.0 Certification by Person Responsible for the Agency

I, Margi Grein, Executive Officer of the Nevada State Contractors Board, certify to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and the information contained in this statement was prepared properly and is accurate.

Signature Margi Grein Date 10/13/2021