



# NEVADA STATE CONTRACTORS BOARD

## INDUSTRY BULLETIN

FOR IMMEDIATE RELEASE  
September 8, 2023

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### 2023 LEGISLATIVE SESSION BRINGS NEW CHANGES FOR CONSTRUCTION INDUSTRY

**LAS VEGAS and RENO, NEV.** – The end of Nevada’s 82<sup>nd</sup> Legislative Session marks the beginning of new laws that will affect members of the construction industry. To ensure contractors are aware and informed of their new responsibilities, the Nevada State Contractors Board (NSCB) offers a summary of these changes below. Note that each bill title is linked directly to the full text as enacted.

Questions regarding these changes can be directed to the NSCB. Additional outreach efforts, such as informational seminars, are currently in development and will be promoted across the industry once available.

#### [Assembly Bill 22](#)

- **Effective:** October 1, 2023
- **Statute Impacted:** NRS 624.212
- **Overview:** Replaces the existing procedures that the NSCB is required to follow upon issuing a Cease-and-Desist Order (currently based on whether the subject complied or not). Rather, the NSCB would follow a single procedure, in which they would either issue an administrative citation (with fine) or refer the case for potential criminal prosecution. Retains the Board's authority to, after issuing a Cease and Desist, require the subject to apply for a contractor's license and apply for injunctive relief. Eliminates certain procedural distinctions based on previous violations.

#### [Assembly Bill 23](#)

- **Effective:** October 1, 2023
- **Statutes Impacted:** New section under NRS Chapter 624; NRS 624.302; NRS 624.345; NRS 624.351
- **Overview:** Creates an informal conference process related to administrative citations by the NSCB, establishes procedural rules for conducting such conferences and provides the Executive Officer authority to affirm, modify or dismiss a citation. Requires that if the Board receives a written notice that a person is contesting an administrative citation or order to correct a violation, it must hold a hearing on the contested matter within 90 days of receiving the written notice.

### Assembly Bill 27

- **Effective:** May 23, 2023
- **Statute Impacted:** NRS 624.215
- **Overview:** Requires a general building contractor who provides management and counseling services on a construction project to have an active license in each classification or subclassification that is required to be held by the prime contractor for the construction project.

### Assembly Bill 29

- **Effective:** May 23, 2023
- **Statute Impacted:** NRS 624.3016
- **Overview:** Provides that the making, or the causing to be made, of a false or misleading statement or representation or the omission of a material fact by a licensee who is a natural person, an owner of a licensee, a managing officer of a licensee, or any person who qualifies on behalf of a licensee pursuant to subsection 2 of Nevada Revised Statutes 624.260 in connection with the application of another person for a contractor's license for the purpose of assisting the applicant to obtain a license constitutes cause for disciplinary action against a licensee by the State Contractors' Board.

### Assembly Bill 39 – **\*\*IMPORTANT FOR RESIDENTIAL CONTRACTORS\*\***

- **Effective:** October 1, 2023
- **Statute Impacted:** New section under NRS 624; NRS 624.3016; NRS 624.750
- **Overview:** Provides enhanced contract requirements and consumer protections for residential contractors performing improvement work on single-family residences. **The new law will require the time and attention of residential contractors to review and update their contracts to ensure compliance.**

Highlights of the new contract requirements under AB 39 begin on page 3 (not an inclusive list).

**NOTE:** The Nevada State Contractors Board does not provide legal advice on adherence to the new contract terms. Any questions should be directed to the legal counsel of the contractor.



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- *All contracts for residential improvement on single-family residences must include the following in least 10-point bold type:*
  - Name of company.
  - Address.
  - License number.
  - Monetary limit.
  - Name and mailing address of owner of single-family residence.
  - Address or legal description of the property.
  - Date of contract.
  - Estimated date of project completion.
  - Description of the work to be performed.
  - Total amount of contract, including taxes.
  - Notice of Residential Recovery Fund.
  - New residential improvement work must reflect the shape, size and dimension of, specifications and equipment, description or work, materials and installed equipment and agreed consideration (not required for repairs to existing work).
  - The amount of money a contractor can take up front can't exceed \$1,000 or 10% of the aggregate contract price, whichever is less of any initial down payment or deposit before the start of work.
    - Down payment provisions may not applicable if the residential contractor has filed a bond solely for the protection of consumers in the amount of \$100,000 or is no longer required to post a standard license bond pursuant to the provisions of NRS 627.270.
  - Schedule of progress payments
    - Excludes finance charges and initial down payment/deposit.
    - Progress payments cannot exceed 100% of project cost unless the residential contractor furnishes a payment and performance bond covering the full performance and completion of the contract and the cost of the bond is included in the price of the project.
    - The owner has the right to request a Payment and Performance Bond.
    - Salesperson commission included in a project must be paid on a pro rata basis in proportion to the schedule of payments.

- A statement advising the owner they may contact the Board if help clarifying the provisions of the contract is needed or not fully understood must be included near the signature.
  - Change orders must be agreed upon by the owner and contractor and incorporated into original contract.
    - Not enforceable unless the change order reflects all changes in the scope, price of work and is accepted by the owner.
  - Any contract requiring waiver of any of these rights or rights provided by NRS 624 and NAC 624, relieves the person of obligation and liability and voids the contract.
  - All necessary permits must be obtained.
  - The owner is allowed:
    - The ability to initial contract provisions indicating the agreed upon provisions.
    - To contact an attorney for an explanation of the owners' rights under the contract.
    - Under certain conditions, to request the contract in another language.
    - To receive legible copies of all signed documents and a written receipt. Electronic delivery is acceptable.
    - To modify the contract to ensure compliance with the provisions of this law.
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The Nevada State Contractors Board appreciates the industry's ongoing compliance and commitment to upholding the standards of the trade and laws that govern construction activities across the state.

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