

# WORKING WITH CONTRACTORS



*A Basic Consumer Overview of Contractors  
and Construction Contracts*



**Nevada State Contractors Board**

# Working with Contractors

## A Consumer Overview of Contractors and Contracts

The following information is a brief summary for some of the things that you, as a homeowner, can do to avoid costly mistakes and misunderstandings when dealing with a contractor.

If you are considering a home construction, repair, remodel, addition, demolition, electrical, plumbing, air conditioning, landscaping or installing a new pool, you will need a contractor to do the work. In the State of Nevada, that contractor should have a proper contractor's license for his specific trade.

Licensed contractors have met experience and examination requirements and are required to maintain bonds and workers compensation insurance and have established their financial responsibility; therefore, it is wise to insist that your contractor be licensed. Your home is one of your biggest investments – be aware of your rights and responsibilities when hiring any person to work on it. An informed and prepared consumer is key to a successful project.

### When You Need a Contractor

#### **What is a contractor?**

A contractor is a person who undertakes or offers to construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building or other structure. This includes a subcontractor or specialty contractor but not a material supplier. A contractor also includes a construction manager who performs management and counseling services on a construction project for a professional fee.

As a homeowner, you may need a contractor to do some of the following: (***This is not a complete list***)

- Landscaping
- Heating and Air Conditioning
- Electrical
- Plumbing
- Swimming Pool or Spa
- Flooring

- Water Heater
- Gas Piping
- Carpentry
- Millwork
- Insulation
- Tile
- Drywall
- Roofing
- Painting
- Concrete
- Carpet
- Masonry
- Fencing
- Refrigeration

## The Contractors Board

The Nevada State Contractors Board (NSCB) is an agency that licenses and regulates contractors throughout the State of Nevada.

The Nevada State Contractors Board is committed to promote the integrity and professionalism of the contracting industry in Nevada. It has the responsibility to promote quality construction by Nevada licensed contractors through a regulatory licensing system designed to protect the health, welfare and safety of the public.

The Board consists of seven members appointed by the governor. Six members are licensed contractors, and one non-contractor is the public representative on the Board.

The NSCB's staff includes a licensing department that processes and maintains contractors license information and an investigative department that investigates complaints.

## Contact the NSCB

As a consumer, you may contact the Nevada State Contractors Board to:

- Check and see if the contractor you are considering is licensed and in good standing in the proper classification and within the monetary limit for which you want to hire
- Check for disciplinary actions

- Get tips on making sure your rights are protected before you enter into a contract
- File a complaint against a licensed contractor
- File a complaint against an unlicensed contractor
- Report unlicensed contracting activity

**To check a contractor’s license:**

Southern Nevada.....(702) 486-1100  
 Northern Nevada.....(775) 688-1141

You may use our automated phone/fax-back information system 24 hours a day, 7 days a week, by pressing “2” at the prompt and following the directions given. You can also check to see if a contractor is licensed on our website at: [www.nscb.state.nv.us](http://www.nscb.state.nv.us)

**To file a complaint against an unlicensed contractor:**

Contact our Investigations Unit  
 Southern Nevada.....(702) 486-1160  
 Northern Nevada.....(775) 688-1150

You may file a complaint via the NSCB website by going to *Consumer Information* and then the subheading *Consumer Complaints*.

**To contact the Nevada State Contractors Board by mail or to visit our offices, the addresses are as follows:**

Southern Nevada  
 2310 Corporate Circle, Suite 200  
 Henderson, NV 89074

Northern Nevada  
 9670 Gateway Drive, Suite 100  
 Reno, NV 89521

Directions to our offices are on our website at: [www.nscb.state.nv.us](http://www.nscb.state.nv.us)

**The Law – NRS 624**

The law and rules regulating the licensing and conduct of contractors in the State of Nevada are contained in Nevada Revised Statutes 624 and Nevada Administrative

This publication is meant to be instructional, and to provide information to assist consumers in dealing with contractors and the Nevada State Contractors Board. The information is believed to be accurate at the time of its production. The Nevada State Contractors Board and the State of Nevada assume no responsibility for any damage that arises from any action that is based on information found in this publication. Questions regarding civil law and the civil court system should be addressed to an attorney.

Code 624. The purpose of the law is to protect the public and to provide remedies for consumers when a licensed contractor has violated the law.

With limited exceptions, all contractors are required to be licensed. Unlicensed contracting activity is illegal in Nevada and is investigated by the Nevada State Contractors Board and prosecuted by the local justice court. Unlicensed contracting penalties can escalate from a *misdemeanor*, to a *gross misdemeanor* and to a *Class E felony*.

## Hiring a Contractor

The following information includes tips you can use when choosing and hiring your contractor.

**Get at least three bids.** Before hiring any contractor, get at least three written bids, or estimates for your project. Provide the contractors with accurate plans or drawings to enable them to determine the scope of work and costs involved. If prices differ by a wide margin, you may consider obtaining additional bids. Beware of any bid, which is substantially lower than others. This may indicate that the contractor has made a mistake or has not included all of the work quoted by other contractors.

**Ask for references.** Ask potential contractors for references in writing. Call the contractor's previous customers, and ask if they were satisfied with the work. Go out and look at the work for yourself.

**Hire a licensed contractor.** Even licensure cannot guarantee satisfaction. However, a licensed contractor has met experience and examination requirements and must fulfill certain conditions in order to maintain the license. A licensed contractor must have Worker's Compensation insurance, a bond and have established financial responsibility. This protects you from unnecessary liability. A licensed contractor is regulated by the Nevada State Contractors Board. A licensed contractor who violates the law (Nevada Revised Statute 624) may be disciplined by the Board.

The Contractors Board licenses contractors in several different classifications:

"A" – general engineering contractor

"B" – general building contractor

"C" – specialty contractor (electrical, landscaping, air conditioning, etc.)

Upon licensure, a monetary limit is established for each contractor based on his or her financial ability to maintain and complete contracts up to a certain amount. Contracts written in excess of the established limit are invalid.

The type of contractor you hire will depend on the kind of work you want done. For example, if you want only roofing work done, you would hire a contractor who is licensed as a roofing contractor. If the work you want done involves more than two types of work, then you may hire a licensed general building contractor, who will coordinate the appropriate licensed specialty contractors (subcontractors).

Before signing a contract, make sure the contractor is licensed in the correct classification and within the appropriate monetary limit. Ask to see the contractor's "pocket card" that will state the classification for which the contractor is licensed, the license number and the monetary limit. If you have questions as to the validity or status of a license, call the Nevada State Contractors Board.

You may also wish to check with the Better Business Bureau in your area and the State of Nevada's Department of Consumer Affairs to see if any complaints have been filed against the contractor.

## Required Disclosures

### **What your Contractor Must Make Sure You Know**

When you enter into a contract, there are certain disclosures that your contractor must provide to you in writing. Disclosures must be provided by

- General contractors
- Residential contractors and
- Swimming Pool and Spa contractors

For residential projects, your contractor may need to provide General Contractor and Residential Recovery Fund disclosures. The disclosures are required by law to inform you of your rights as a homeowner.

The disclosures are as follows:

## General Contractor Disclosures

**NRS 624.600 Required disclosures by general building contractor.** A general building contractor shall provide in writing to the owner of a single-family residence with whom he has contracted:

1. The name, license number, business address and telephone number of:
  - (a) All subcontractors with whom he has contracted on the project; and
  - (b) All persons who furnish materials of the value of \$500 or more to be used in the project.
2. A notice that a person described in subsection 1 may record a notice of lien upon the residence of the owner and any building, structure and improvement thereon pursuant to the provisions of [NRS 108.226](#).
3. An informational form, whose contents must be prescribed by the Board, regarding:
  - (a) Contractors pursuant to chapter [624](#) of NRS; and
  - (b) Mechanics' and material-men's liens pursuant to chapter [108](#) of NRS.

### GENERAL BUILDING CONTRACTORS: REQUIRED DISCLOSURES

**NAC 624.693 Informational form regarding mechanics' and material-men's liens.** ([NRS 624.100](#), [624.600](#)) The informational form that a general building contractor is required to provide regarding mechanics' and material-men's liens pursuant to paragraph (b) of subsection 3 of [NRS 624.600](#) to the owner of a single-family residence with whom he has contracted must be as follows:

#### 'NOTICE TO OWNER'

Pursuant to [NRS 108.221](#) to [108.246](#), inclusive, a contractor, subcontractor, laborer, supplier of materials or other person or entity who:

- (1) Performs work or furnishes materials of the value of \$500.00 or more to improve the value of your property; and
- (2) Is not paid for the work or materials has a right to place a lien on your property on which the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your property could be sold by an officer of the court, and the proceeds of the sale would be used to satisfy the amount you owe. If you did not ask for and receive releases of liens from the contractors' subcontractors, laborers or suppliers of materials, a lien may be placed on your property, or you may be sued even if you have paid your contractor in full.

To preserve their right to file a claim or lien against your property, certain claimants, such as subcontractors, laborers and suppliers of materials, are each required to provide you with a document called a "preliminary or pre-lien notice." A preliminary or

pre-lien notice is not a lien against your property. Its purpose is to notify you regarding persons or entities who may have a right to file a lien or claim against your property, if they are not paid. To perfect their lien rights, contractors, subcontractors, laborers and suppliers of materials must file mechanics' liens with the county recorder, which then become recorded liens against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days, after substantial completion of your project.

**TO ENSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:**

- (1) **Request that your contractor supply you with a payment and performance bond**, which guarantees completion of your project and payment of the subcontractors, laborers and suppliers of materials, who work on the project. This payment and performance bond is different from the surety bond that a contractor must file for licensure pursuant to [NRS 624.270](#). A payment and performance bond provides that if the contractor does not complete the project, the bonding company will pay damages up to the amount of the bond. This payment and performance bond, as well as a copy of the construction contract, should be filed with the county recorder for your further protection. There is a fee for a payment and performance bond. This fee is usually equal to between 1 and 6 percent of the amount of the contract, depending on the ability of the contractor to be bonded.
- (2) **Require that payments be made directly to subcontractors, laborers and suppliers of materials through a mechanism that controls payment for construction**. In the area in which you live, services to control the funding of your project may be available, for a fee, to control payment of your contractor by the use of vouchers or other means. These services may also provide you with waivers of liens and other forms of protection.
- (3) **Issue joint checks for payment**, made payable to both your contractor and the subcontractors, laborers and suppliers of materials who were involved in the project or portion of the project for which payment is due and who sent a preliminary or pre-lien notice to you. Those persons or entities have indicated that they may have the right to place a lien on your property, and **therefore you need to protect yourself**. Making checks jointly payable will help ensure that all persons who are due payment(s) are actually paid.
- (4) **Require your contractor to provide you with unconditional "waiver and release" (lien release) forms**, so that when you make a payment on any completed phase of your project, each subcontractor, laborer and supplier of materials involved in that portion of the work for which the payment was made

can sign the waiver and release forms. This protects you from liability to them for work for which they have already been paid.

- Some stationery stores sell waiver and release forms if your contractor does not have them. The subcontractors, laborers and suppliers of materials from whom you obtain releases should be those persons or entities who have filed preliminary or pre-lien notices with you. If you are not certain which subcontractors, laborers and suppliers of materials are working on your project, you may obtain a list from your contractor. In regard to projects involving improvements to a single-family residence or a duplex owned by an individual, the persons signing these releases lose their right to file a mechanics' lien against your property. In regard to other types of projects, obtaining such releases may still be important, but may not provide complete protection.
- **To protect yourself by use of a waiver and release form, you must be certain that all subcontractors, laborers and suppliers of materials who work on your project sign a waiver and release form.** If a mechanics' lien has already been filed against your property, in most cases the lien can only be released voluntarily by a recorded **"release of mechanics' lien,"** which is signed by the person or entity that filed the mechanics' lien against your property. However, if the person or entity that filed the lien fails to bring an action to enforce the lien in a timely manner, the lien may be removed without voluntary action on the part of that person or entity. You should not make final payment on your project until all mechanics' liens that are filed against your property have been removed.

**TO PROTECT YOURSELF FULLY, YOU SHOULD CONSULT AN ATTORNEY:**

- (1) BEFORE YOU SIGN A CONSTRUCTION CONTRACT; OR**
- (2) IF A LIEN IS FILED AGAINST YOUR PROPERTY.**

(Added to NAC by Contractors' Bd., effective 12-17-97)

**NAC 624.6932 Informational form regarding contractors.** ([NRS 624.100, 624.600](#)) 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 has contracted must be as follows:

**Contractors are required by law to be licensed and regulated by the Nevada State Contractors Board. The Nevada State Contractors Board has jurisdiction to investigate complaints that are filed against contractors. Any questions concerning a contractor may be referred to the 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 a person or entity who enters into a contract to perform construction work be properly licensed by the Nevada 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 his license number on all of his advertising, vehicles, bids and contracts. You may contact the Nevada State Contractors Board to find out if a contractor has a valid license and, if so, the status of that license. The Board has complete information on the status of all licensed contractors in the State of Nevada. This information is available through the "voice response system" of the Nevada State Contractors Board.**

As referenced above, any contractor who works on a residential property is required to provide Residential Recovery Fund disclosures.

### **RESIDENTIAL CONSTRUCTION RECOVERY FUND**

Payment may be available from the Recovery Fund if you are damaged financially by a project performed on your residence pursuant to a contract, including construction, remodeling, repair or other improvements, and the damage resulted from certain specified violations of Nevada law by a contractor licensed in this State. To obtain information relating to the Recovery Fund and filing a claim for recovery from the Recovery Fund, you may contact the Nevada State Contractors Board at the following locations:

**Nevada State Contractors Board**  
**9670 Gateway Drive, Suite 100**  
**Reno, Nevada 89521**  
**Telephone number: (775) 688-1141**

**Nevada State Contractors Board**  
**2310 Corporate Circle, Suite 200**  
**Henderson, Nevada 89074**  
**Telephone number: (702) 486-1100**

2. The Board may impose upon a contractor an administrative fine:
  - (a) Of not more than \$100 for the first violation of subsection 1; and
  - (b) Of not more than \$250 for a second or subsequent violation of subsection 1.
3. The Board shall deposit any money received pursuant to this section in the account established pursuant to [NRS 624.470](#).  
(Effective July 1, 2001)

### **SWIMMING POOLS & SPAS**

If you are contracting to have a swimming pool or spa built, your contractor is legally obligated to provide the following disclosures.

**NAC 624.6958 Requirements for contracts.** ([NRS 624.100](#), [624.940](#)) A contractor shall ensure that each contract for the construction of a residential pool or spa that the contractor enters into:

1. Is evidenced in writing and that any changes to the contract are also evidenced in writing.
2. Contains the following, each of which must be printed in at least 10-point bold type:
  - (a) The name of the contractor and his business address and license number;
  - (b) The name and mailing address of the owner and the address or legal description of the property;
  - (c) The date of execution of the contract;
  - (d) The estimated date of completion of all work to be performed pursuant to the contract;
  - (e) A description of the work to be performed pursuant to the contract;
  - (f) The total amount to be paid to the contractor by the owner for all work to be performed pursuant to the contract, including all applicable taxes;
  - (g) The amount of any advance deposit paid or promised to be paid to the contractor by the owner in accordance with [Subsection 4 of NAC 624.6964](#);
  - (h) The dollar amount of any progress payment and the stage of construction at which the contractor will be entitled to collect progress payments during the course of construction pursuant to the contract in accordance with [Subsection 1 of NAC 624.6964](#);
  - (i) A statement that the contractor has provided to the owner:
    - (1) The notice and informational form required pursuant to [NRS 624.600](#); and

- (2) Any other notices and forms required pursuant to federal, state or local law;
- (j) A statement that any additional work to be performed pursuant to the contract, whether or not pursuant to a change order, which will require the owner to pay additional money and any other change in the terms in the original contract must be agreed to in writing by the parties and incorporated into the original contract as a change order;
- (k) A plan and scale drawing showing the shape, size, dimensions and the specifications for the construction and equipment for the residential pool or spa and for other home improvements, and a description of the work to be done, the materials to be used and the equipment to be installed, and the agreed consideration for the work;
- (l) A notice, in close proximity to the signatures of the owner and the contractor, stating that the owner has the right to request a bond for payment and performance;
- (m) A schedule of payments that meets the requirements of [NAC 624.6964](#);
- (n) An agreement by the contractor to provide to each subcontractor or supplier prompt and full payment upon completion of each stage or phase of construction for the contracted amount of services rendered or materials supplied; and
- (o) A statement that upon satisfactory payment being made for any portion of the work performed, the contractor shall, in accordance with subsection 3 of [NAC 624.6966](#) and before any further payment is requested or made, provide to the owner a full and unconditional release from any claim of mechanic's lien for that portion of the work for which payment has been made.

3. Is signed by the contractor or a person named on his license.

(Effective 12-17-97)

**Always Insist on a Written Contract.** A written contract protects everyone concerned and prevents confusion if anything should go wrong. Be sure that the contract is dated and signed and specifies exactly what is being provided for your money. Do not assume or expect to be provided with anything not specified in the contract. Make sure the contract has adequate plans and specifications or other adequate description of the scope of the work to be performed. Ensure that all change orders are in writing and signed by both you and your contractor.

These are things that you should look for on your contract:

- The contractor's license number and classification
- The contractor's monetary limit (the highest amount for which he can contract)
- The exact amount due from you under the contract
- The date the work will begin and the number of days for completion

- The work to be performed and the materials to be used
- The approximate percentage of the work to be subcontracted and a list of subcontractors
- The contract is signed and dated by both parties.

It may be advisable to look for the following as well:

- The name and address of any salesperson who solicited or negotiated the contract, in addition to the name and address of the contractor
- A detailed payment schedule
- Warranty terms
- A provision requiring the contractor to obtain lien releases from all subcontractors and material suppliers.

Take the time to review the contract and make sure that you completely understand the contents of the contract before you sign it. Don't let a contractor or salesperson rush you into anything. If you are confused about the provisions of the contract or have questions about lien rights or other matters, consider hiring an attorney to explain them to you.

**Consider a payment and performance bond.** On larger jobs, you may want to request a payment and performance bond. While there will be an additional charge for the bond, it provides assurance that your project will be completed. A reputable contractor will be bondable for a small additional fee.

## After You Have Hired a Contractor

Before work begins, make sure you have a complete and accurate set of contract documents. These should include:

- A complete set of plans showing exactly what you are going to build. It is suggested that you engage the services of a licensed architect or engineer to

prepare these or at least review them to ensure their accuracy and completeness.

- A complete set of specifications relating to the plans drawn. These should be prepared or reviewed by an architect or engineer.
- A detailed contract with a set of general and accepted conditions and specifications. You may wish to have your attorney prepare these or review them prior to your signature.

No work should be allowed until all documents are completed to your architect's, attorney's or your satisfaction.

Ask your contractor about inconveniences that may occur and plan for them.

If a building permit is required for the job, be sure the contractor obtains it before the work starts and that it is posted at the job site. Do not pull or obtain the building permit yourself.

**Keep a file of all documents related to your project.** Your file should include:

- Signed contract and any signed change orders
- List of all subcontractors and suppliers with contact information
- Plans and specifications
- Copies of building permits and inspections
- Cancelled checks and records of payments
- Record of all work performed and time on the job
- Delivery receipts for materials from suppliers
- Lien releases from materials suppliers and subcontractors

When you receive lien releases from subcontractors or materials suppliers, check them against your records. Your paperwork will help you determine who has and has not been paid.

**Make sure all change orders are in writing.** Plan carefully and keep changes to an absolute minimum. Change orders are very expensive for both the homeowner and the contractor and will increase the cost of the project.

If you must make changes, change orders to original specifications should be in writing and signed by both you and the contractor.

**Make frequent inspections of work.** Review the work as it is being completed. Do a final “walk –through.”

**Prepare a “punch list.”** Write a list of minor work that needs to be completed or repaired. Do not engage in verbal agreements for repairs or additional work.

## If Problems Occur

If problems or disagreements occur, first contact your contractor to try and work them out. If you have complaints about the work, keep notes and notify the contractor. You may wish to document your concerns by writing a letter to the contractor. Remember, any agreements should be in writing. Also, remember to keep copies for your files.

If you find that you are unable to resolve problems with your contractor and feel there may have been a violation of the law, file a complaint with the Nevada State Contractors Board. You have the option to file a complaint with the Board up to four (4) years after completion of qualified services.

## Liens

### **What is a lien?**

A lien is a claim (a right of a creditor over a debtor) against an asset (item of economic value – your home), which is used to secure a loan and must be paid when the property is sold.

### **What is a mechanic’s or material-man’s lien?**

When a contractor (or supplier) supplies labor or materials for the construction of improvements on real estate, the mechanic’s lien law gives the contractor a security interest in the real estate.

A person who performs labor or furnishes material with a value of \$500 or more to be used in the construction, alteration or repair of your home has a lien upon the property in the event of an unpaid balance in the agreed upon amount or fair market value.

As part of the disclosure prior to signing a contract, the contractor must inform the homeowner of the lien rights of labor, suppliers and subcontractors. Any person not

paid for labor or materials furnished for a home improvement project may obtain a lien against the homeowner's property. A subcontractor or supplier who has not been paid by the prime contractor may obtain a lien even if the homeowner has paid the contractor in full.

## **How to Avoid Liens**

To protect yourself from having liens placed on your property, you may require lien releases from all parties in exchange for payment. Request partial lien releases for partial payments and a final complete lien release for the final payment.

NRS 108.226(1) and (2) provide that every person claiming the benefit of the lien laws, must record his or her notice of lien within 90 days after the completion of the work of improvement, delivery of materials or last performance of labor, whichever is later.

Consider discussing with your contractor the possibility of withholding a portion of the contractor's payment until after the period for filing a lien has expired. The amount withheld should be a figure sufficient to cover all claims which might be filed and should be one upon which you and the contractor can agree.

If a lien is filed against your property, consult an attorney.

Often, unlicensed contractors will file liens for their work. Their liens are invalid by law, however, you may be required to incur legal expenses to have them removed.

## **Residential Recovery Fund**

When a homeowner has been damaged by a contractor and has done everything possible to get the job completed and/or recover the financial loss, there is a fund established by the Nevada legislature that is designed to help – The Residential Recovery Fund.

Homeowners of single-family residences who have entered into a contract with a licensed residential contractor; have suffered actual damages; and have exhausted all other means of recovery may submit a claim on the Residential Recovery Fund.

The recovery amounts are \$35,000 maximum per claim and \$400,000 maximum per contractor. However, homeowners may only make a claim on un-recovered damages, not the portion of the work, if any, that has been completed. Extensive documentation will be required.

Recovery Fund claim forms can be obtained on our website at: [www.nscb.state.nv.us](http://www.nscb.state.nv.us) or by contacting either of the Board's offices.

## Owner/Builder

The owner/builder exemption allows a property owner to act as a contractor when building or improving a residential structure on the owner's property for the owner's own occupancy. The owner/builder exemption does not apply when the structure that is built or improved is offered for sale or lease within one year of completion.

As an owner/builder, you are exempt from contractor licensing requirements. However, all personnel working directly for you who are not properly licensed subcontractors must be your employees. Therefore, you are required to pay the appropriate state and federal taxes, comply with the requirements of workers compensation insurance, liability insurance, employment taxes, legal minimum wage, overtime hours, etc.

## Swimming Pools

When financing and construction are carefully planned, a swimming pool can provide fun and recreation for you and your family while potentially adding to the value of your home. However, without careful planning, the process can be at best, complex and confusing. At worst, you may find yourself owing more money than you anticipated, with a pool that is either unfinished, structurally unsound, or, far from the product you wanted.

A well-designed swimming pool can be a very complex structure. Be specific and carefully plan every feature you want for your pool, know exactly how it should look when finished, what kind of equipment you want, and how much you plan to spend.

Be aware that unusual ground conditions such as expansive soil or large rocks may increase costs. Also, many city and county building regulations require that proper fencing or walls be erected around swimming pools.

Never pay the full amount up front for your swimming pool. According to the law, you should not pay more than 10% or \$1,000; whichever is less, to get your project started.

If you have any questions, concerns, or complaints regarding pool construction, call the Nevada State Contractors Board Pool Hotline at (702) 486-1177.

## Unlicensed Contractors

Contracting without a valid state contractor's license is a crime in Nevada. When you hire a contractor, you should make sure that he or she is licensed in the proper classification for the work they are proposing to do, that their name is the same as that on the license, and that the license remains in good standing.

If you hire an unlicensed contractor, your contract is null and void by law. Also, you are possibly incurring the liability for injuries, damages or other problems that could

possibly arise while doing the job. With unlicensed contractors, you have very little recourse if something goes wrong with your project or if it is never completed.

Any unlicensed contracting activity should be reported to the Nevada State Contractors Board.

The first unlicensed contracting conviction carries a penalty of misdemeanor, the second offense conviction is a gross misdemeanor and the third is a Class E Felony.

## We're Here to Help

The Nevada State Contractors Board wants you to be an informed consumer. You may visit our website at: [www.nscb.state.nv.us](http://www.nscb.state.nv.us) or come by your local NSCB office to obtain informational materials to help you plan your project.

***Remember: make sure you understand your entire contract before you sign. Know your rights and responsibilities. An informed and prepared consumer is key to a successful construction project.***