

PROPOSED REGULATION OF THE STATE CONTRACTORS BOARD

JULY 1, 2005

LCB File No.

Effective:

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

NAC 624.590 Application. (NRS 624.100, 624.240, 624.250)

1. A person must make a separate application for each classification of license in which the applicant desires to conduct business.

2. The Board will not consider an incomplete application. Each application must include, without limitation:

(a) All applicable fees;

(b) Four notarized certificates supporting the experience of the applicant or his qualified employee on the form provided by the Board;

(c) All information which is required to be confirmed by a bank; and

(d) *For license monetary limits in the amount of \$1 million or more, a certified public accountant prepared financial statement that is reviewed or audited and current to within one year of filing; [prepared]*

(e) *For license monetary limits in an amount less than \$1 million, a current financial statement that is:*

(1) Prepared by an independent certified public accountant; or

(2) Submitted on a form prescribed by the Board together with an affidavit that verifies the accuracy of the financial statement; or

(3) Prepared using GAAP compliant accounting software together with an affidavit that verifies the accuracy of the financial statement.

(e) Any other information required by the Board.

3. As used in this section, “person” means:

(a) A natural person;

(b) A corporation, partnership, limited partnership or limited-liability company that is organized pursuant to the laws of this State; or

© A foreign corporation, foreign partnership, foreign limited partnership or foreign limited-liability company that is authorized to do business in this State.

(Added to NAC by Contractors’ Bd., eff. 8-26-83; A 10-17-86; R109-98, 11-6-98; R106-04, 8-17-2004)

NAC 624.630 Renewal. ([NRS 624.100](#), [624.283](#))

1. Each year the Board will mail to each licensee, at his address of record, an application for the renewal of his license. Except as otherwise provided in subsection 2, the licensee must return the completed application to the Board no later than the 30th day of the month in which the license expires.

2. If the Board has requested that a licensee *whose monetary license limit is less than \$1 million* submit a financial statement with his application for renewal, the licensee must return the completed application, a *current* financial statement *that is prepared by[a] an independent certified public accountant; or submitted on a form prescribed by the Board together with an affidavit that verifies the accuracy of the financial statement; or a statement prepared using GAAP compliant accounting software together with an affidavit that verifies the accuracy of the financial statement* [or a public accountant] and renewal fee no later than the first day of the month in which the license expires. *If the Board has requested that a licensee whose monetary license limit is \$1 million or more submit a financial statement with his application for renewal, the licensee must return the completed application, a reviewed or audited financial statement prepared by a certified public accountant that is current to within one year preceding submittal and the renewal fee no later than the first day of the month in which the license expires.*

3. If a licensee fails:

(a) To renew his license before it expires, a late fee will be charged at the rate of one-half the renewal fee as set forth in [NAC 624.130](#).

(b) To attempt renewal within the first 6 months of the new license year, the Board will deny, revoke or refuse to renew the license. In either situation, he must apply for a new license.

4. If a licensee has filed a timely application for renewal, accompanied by the required fee, but necessary information is lacking, the Board will conditionally renew the license until the information is received. If the information is not received within a reasonable time, the Board will deny the renewal.

5. If the completed application for renewal contains information which warrants the action, the Board will impose or reduce the limits upon the license, or remove a classification or subclassification from the license.

(Added to NAC by Contractors' Bd., eff. 8-26-83; A 10-17-86; 11-12-87)

NAC 624.670 Application for increase in monetary limit on license; submittal of bid before approval of application. ([NRS 624.100](#), [624.220](#))

1. A licensee may submit to the Board a written application for an increase, for a single project, in the monetary limit on his license. The application must be made at least 2 working days before the date he submits his bid for the project.

2. The licensee *whose license monetary limit is less than \$1 million* must submit with the application his current financial statement *that is prepared by[a] an independent certified public accountant;[or a public accountant] or submitted on a form prescribed by the Board together with an affidavit that verifies the accuracy of the financial statement; or a statement prepared using GAAP compliant accounting software together with an affidavit that verifies the accuracy of the financial statement; a licensee whose license monetary limit is \$1 million or more must submit with the application a financial statement that is reviewed or audited; prepared by a certified public accountant and current to within one year preceding submittal; and any other supporting information the Board requests.*

3. The Board will approve the application if it finds that the financial status of the licensee is adequate to justify the increase and if the licensee:

(a) Procures and agrees to maintain any performance or payment bond, or both, that the Board requires; and

(b) Complies with any other conditions the Board finds necessary to protect the public interest.

4. A licensee who has complied with the requirements of subsections 1 and 2 may submit his bid for the project before the Board acts upon his application if he submits with the bid a statement that the bid is contingent upon the approval of his application by the Board. The Board may deny the application if it determines that the licensee has submitted his bid without submitting the statement required pursuant to this subsection.

5. If a licensee submits a bid in compliance with subsection 4 and the Board:

(a) Approves his application, the approval shall be deemed to become effective at the time the bid was submitted.

(b) Denies his application, the bid shall be deemed void and not to have exceeded the monetary limit placed on his license.

(Added to NAC by Contractors' Bd., eff. 8-26-83; A 10-17-86; 8-25-97)

NAC 624.675 Increase in monetary limit for indemnified licensee or applicant; withdrawal of indemnity. ([NRS 624.100](#), [624.220](#))

1. If an applicant or licensee is indemnified by its officers, directors or any other person, the Board will consider a written request to increase, remove or not place a monetary limit on the license of an applicant or licensee although the financial condition of an applicant or licensee is not adequate to justify such a request.

2. If the applicant or licensee is a corporation and the officers or directors are personally indemnifying the corporation, the request must be submitted with:

(a) A personal financial statement *that is* prepared by [a] *an independent* certified public accountant; [or public accountant] *or submitted on a form prescribed by the Board together with an affidavit that verifies the accuracy of the financial statement or a statement that is prepared using GAAP compliant accounting software together with an affidavit that verifies the accuracy of the financial statement* from each of the indemnitors; *if the license monetary limit is less than \$1 million; if the license monetary limit is \$1 million or more, the financial statement must be reviewed or audited; prepared by a certified public accountant and current to within one year preceding submittal; and*

(b) An agreement for indemnification made on a form supplied by the Board which has been signed by each indemnitor and his spouse, if any.

3. If another corporation will act as an indemnitor for the licensee, the request must be submitted with:

(a) A resolution by the directors of the indemnitor in which they approve the indemnification;

(b) A current financial statement of the indemnitor prepared by a certified public accountant or a public accountant; and

(c) An agreement for indemnification which is made on the form supplied by the Board and is signed by the appropriate officer of the indemnitor.

4. If a natural person will act as indemnitor for the applicant or licensee, the request must be submitted with:

(a) A personal financial statement *that is* prepared by [a] *an independent* certified public accountant; [or public accountant] *or submitted on a form prescribed by the Board together with an affidavit that verifies the accuracy of the financial statement or a statement that is prepared using GAAP compliant accounting software together with an affidavit that verifies the accuracy*

of the financial statement from each of the indemnitors if the license monetary limit is less than \$1 million; if the license monetary limit is \$1 million or more, the financial statement must be reviewed or audited; prepared by a certified public accountant and current to within one year preceding submittal; and

(b) An agreement for indemnification made on a form supplied by the Board which has been signed by each indemnitor and his spouse, if any.

5. Except as otherwise provided in this subsection, if an indemnitor wishes to withdraw his agreement for indemnification, he must deliver to the Board a written notice of his withdrawal. The withdrawal becomes effective 90 days after the Board's receipt of the notice. If the agreement for indemnification was provided as a precondition to the approval by the Board of an increase in the monetary limit on a license pursuant to [NAC 624.670](#), the indemnitor may not withdraw the agreement.

(Added to NAC by Contractors' Bd., eff. 8-26-83; A 10-17-86; 4-22-94)—(Substituted in revision for NAC 624.680)

624.XXX. *Establishing license monetary limits*

License monetary limits are determined by evaluating an applicant's financial responsibility using criteria established by NRS 624.262, NRS 624.263 and NRS 624.264 and generally may be set at an amount equal to 10 times working capital or five times net worth whichever is less; a license monetary limit may be increased or decreased based on consideration of the statutorily established criteria.