

# ACCESSING MATERIALS

You can download today's presentation along with other supporting reference materials for completing the contractor license application by visiting the Board's website:

[nscb.nv.gov](http://nscb.nv.gov)

*The documents are listed to the right of the video message, midway down the page!*

# BUSINESS ASSISTANCE PROGRAM



*An online workshop to guide you through  
Nevada's license application requirements*

*3<sup>rd</sup> Tuesday of each month @ 9:00 a.m. via Zoom*

**Join the workshop:**

*Zoom Meeting ID 856 4232 1523    Passcode 124421*

# PARTICIPANT EXPECTATIONS

- Participants' video and audio features will be disabled by the Board until the conclusion of the presentation.
- Questions will be taken at the end of the presentation, at which time your audio will be turned on. Participants are also welcome to use the "Chat" feature to submit questions during the presentation.
- Disruptive or offensive behavior during the presentation will result in a warning and could result in permanent removal from the meeting.

# PLEASE NOTE

- The information obtained during this webcast is not, nor intended to be legal advice.
- While this webcast contains general information, including legal guidelines for contractor applications, it does not contain definitive statements of the law and may not reflect the most current legal developments in the construction industry.
- Such guidelines communicated or discussed during the webcast are for information purposes only.
- If you have questions about the application of the law for specific situations, you should contact an attorney who is familiar with Nevada law or review the statutory and regulatory requirements under NRS and NAC Chapter 624.

# OBTAIN A BUSINESS LICENSE

**Register your business with the Secretary of State to obtain a Nevada Business ID**

**(BE SURE TO CHECK FOR BUSINESS NAME SIMILARITIES BEFORE FILING!)**

**[www.nvsilverflume.gov/startBusiness](http://www.nvsilverflume.gov/startBusiness)**

**(800) 450-8594**



# CHECKING FOR NAME SIMILARITIES WITH OTHER LICENSED CONTRACTORS IN NEVADA

- To check for business name similarities with other licensed contractors, perform a [License Search](#) on the NSCB website.
- Type in a business name.
- Be sure to include variations in spelling, use of numbers, or symbols:
  - “I C U” vs. “I see you”
  - A to Z vs. “A 2 Z”
  - “Left and Right” vs. “Left & Right”

## License Search

Select how to search from the Search By menu. Choices are license number, company name, or principal or qualified individual name.

Entering as much detail for the search criteria as possible will return the best result. You are not required to enter the entire name. For example; if you are not sure whether the company name is "Smith Construction" or "Smith Builders", you should enter "Smith" as your search criteria. You may also perform wildcard searches if you know part of a name. For example; if you know part of a name is "Smith", you could enter "\*Smith\*".

A minimum of 2 characters must be entered. Press Clear to start over.

Search by:

Search by License Number

License Number:

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# LICENSE CLASSIFICATION

- Determine the specific scopes of work you intend to perform.
- Visit our website to view all [license classifications](#) (NAC 624.140 – 624.858) and identify which fits best with the work you intend to perform.
- Still unsure which classification you need?
  - Email [classtermination@nscb.state.nv.us](mailto:classtermination@nscb.state.nv.us) describing your intended scope of work.

# LICENSE CLASSIFICATION

The list of classifications will look like this →

*Scroll down the site to view all classifications and the work that can be performed by each.*

**NAC 624.140 Classification A: General engineering.** ([NRS 624.100, 624.220](#)) The Board may perform the work described in subsection 2 of [NRS 624.215](#).  
(Added to NAC by Contractors' Bd., eff. 8-26-83)

**NAC 624.150 Classification A: Subclassifications.** ([NRS 624.100, 624.220, 624.925](#)) The

1. AIRPORTS (subclassification A-1): The construction, alteration and repair of airports, inclu
2. HIGHWAYS (subclassification A-2): The construction of highways, roads, streets and other
3. DAMS AND RESERVOIRS (subclassification A-3): The construction, whether from earth, excavation and the construction of embankments, foundations, piles, piers, spillways, tunnels, roadv
4. BRIDGES (subclassification A-4): The installation, construction, alteration and repair of br roadways and other appurtenances to the bridges.
5. DIAMOND AND CORE DRILLING (subclassification A-5): The obtainment by diamond o
6. DRILLING OF OIL, GAS AND EXPLORATORY WELLS (subclassification A-6): The drill
7. EXCAVATING AND GRADING (subclassification A-7): The digging, movement and place grading and trenching operations.
8. SEALING AND STRIPING OF IMPERMEABLE PAVING SURFACES (subclassification nonelectrical markers and striping on the surfaces.
9. PIERS AND FOUNDATIONS (subclassification A-9): The examination, excavation, drillin provide an adequate capacity to sustain or transmit the structural load to the soil or rock below.
10. COMMERCIAL AND RESIDENTIAL POOLS (subclassification A-10): The construc subclassification are:
  - (a) RESIDENTIAL POOLS (sub-subclassification A-10a): The design, construction, alteration a
  - (b) RESIDENTIAL SPAS (sub-subclassification A-10b): The design, construction and repair of
  - (c) REPAIR OF POOLS AND SPAS (sub-subclassification A-10c): The repair and replacement
  - (d) POOLS AND SPAS OF FIBERGLASS (sub-subclassification A-10d): The design, construct
  - (e) MAINTENANCE AND REPAIR OF POOLS AND SPAS (sub-subclassification A-10e): The
  - (f) WATER AND GAS LINES FOR RESIDENTIAL POOLS AND SPAS (sub-subclassificati

authorized only for the holder of a certificate as a master plumber, journeyman plumber or journeym

← This is the primary classification 'A General Engineering'

These are the subclassifications for the 'A General Engineering' classification. They provide limited scopes of work based on the subclassification license.



# LICENSE CLASSIFICATION

NAC 624.190 Classification C-1: Plumbing and heating contracting; subclassifications. (NRS 624.100, 624.220)

1. The Board will grant to qualified applicants a license in the specialty of plumbing and heating contracting. The subclassifications of the classification C-1 license.

2. The subclassifications of the classification C-1 license and the work authorized for persons licensed in the respective

(a) BOILERS (subclassification C-1a): The installation of boilers and pipes for hot water and steam, including all related

(b) FIRE SPRINKLERS (subclassification C-1b): The fabrication and installation of all systems of sprinklers for protect

(c) INSULATION OF PIPES AND DUCTS (subclassification C-1c): The insulation of pipes, ducts and related equipmen

(d) PLUMBING (subclassification C-1d): The installation and maintenance of:

(1) Material and fixtures to create sanitary conditions in buildings by providing a permanent means for a supply of sa

(2) Drainage systems for roofs;

(3) Hydronic heating systems not exceeding 200,000 British thermal units;

(4) Systems of landscape irrigation;

(5) Systems to heat potable water, including, without limitation, solar equipment;

(6) A permanent means to supply gas for residential and industrial purposes; and

(7) Pipes for compressed air, vacuums and gases for medical use.

➤ In addition to any work specified in this paragraph, a person who holds a subclassification C-1d license may install piping

(e) SHEET METAL (subclassification C-1e): The fabrication and installation of sheet metal, including, without limita

provisions of this paragraph do not authorize a holder of a subclassification C-1e license to install equipment which uses refr

(f) HEATING, COOLING AND CIRCULATING AIR (subclassification C-1f): The fabrication and installation of syst

paragraph do not authorize a holder of a subclassification C-1f license to fabricate or install cooling systems which use refrig

(g) PIPES AND VENTS FOR GAS (subclassification C-1g): The installation of pipes from the source of supply of lique

(h) WATER HEATERS (subclassification C-1h): The installation, replacement and repair of water heaters, including the

(i) CHILLED-WATER PIPING (subclassification C-1i): The fabrication, installation, repair and removal of pipes, pu

subclassification C-1i license to fabricate, install, repair, remove or connect to a chiller.

(j) SYSTEMS TO REPLENISH BREATHING AIR FOR FIREFIGHTERS (subclassification C-1j): The installation, rep

(k) INDUSTRIAL PIPING (subclassification C-1k): The fabrication, installation, repair and removal of pipes and equipm

(Added to NAC by Contractors' Bd., eff. 8-26-83; A 7-2-84; R095-07, 8-26-2008)

**The 'C' Classifications are all specialty trades.**

The **primary** classification is the bold header '**C-1: Plumbing and Heating Contracting**'

**\*\*All work under this classification can be performed.**

The **subclassifications** are listed under #2 and are identified as:

**(a) BOILERS**

**(b) FIRE SPRINKLERS...**

**\*\*You can only perform the specific scope of work in the subclassification if that is what you are applying for.**

# LICENSE CLASSIFICATION

**NAC 624.270 Classification C-9: Movement of buildings.** ([NRS 624.100](#), [624.220](#)) The classification C-9 license may raise, crib, underpin and move buildings and other structures. (Added to NAC by Contractors' Bd., eff. 8-26-83)

**NAC 624.280 Classification C-10: Landscape contracting.** ([NRS 624.100](#), [624.220](#))

1. The Board will grant to qualified applicants a license in the specialty of landscape contracting
  2. A person who holds a classification C-10 license may grade and prepare plots of land for ar install rocks, sand, gravel and other landscape materials that use xeriscape principles, hydroseed by s
  3. In conjunction with the work specified in subsection 2, a person who holds a classification ( retaining walls to a height not exceeding 3 feet and landscape lighting not exceeding 24 volts.
- (Added to NAC by Contractors' Bd., eff. 8-26-83; A 9-13-91; 5-20-92; R209-03, 11-17-2005)

#### REVISER'S NOTE.

The regulation of the State Contractors' Board filed with the Secretary of State on November 17, 2005 (LCB File No. R209-03), wi "On the effective date of this regulation [November 17, 2005]:

1. A person who holds a subclassification C-10a license that was issued pursuant to the former provisions of paragraph (a) of sub
2. A person who holds a subclassification C-10b license that was issued pursuant to the former provisions of paragraph (b) of sub
3. A person who holds a subclassification C-10c license that was issued pursuant to the former provisions of paragraph (c) of sub

**NAC 624.290 Classification C-11: Spraying mixtures containing cement.** ([NRS 624.100](#), [624.220](#)) person who holds a classification C-11 license may spray mixtures containing cement, under pressure (Added to NAC by Contractors' Bd., eff. 8-26-83; A 9-13-91)

**NAC 624.300 Classification C-13: Using sheet metal.** ([NRS 624.100](#), [624.220](#)) The Board license may fabricate and install sheet metal, including, without limitation, cornices, flashings, gutter classification C-13 license to fabricate or install equipment which uses refrigeration as an integral pa (Added to NAC by Contractors' Bd., eff. 8-26-83; A by R092-07, 8-26-2008)

Some classifications do not have any subclassification categories.

Therefore, they only serve as a primary license classification.

# LICENSE CLASSIFICATION

## Applying for Multiple PRIMARY Classifications

- Remember, the primary classification allows you to perform ALL work underneath that license.
- If your work requires more than one primary license, you must submit a separate application for each primary license.

# LICENSE CLASSIFICATION

## Applying for Multiple SUBCLASSIFICATIONS

- *Remember, a subclassification limits you to performing ONLY the work listed underneath that subclassification.*
- Subclassifications that fall under the same primary classification can be listed together on a single application.
- Subclassifications that fall under different primary classifications must be listed on separate applications for each primary license.

# LICENSE CLASSIFICATION

## DID YOU KNOW?

- *If you are issued a license for a subclassification, you can broaden the scope of the license to other subclassifications within the primary classification, or expand the license to full primary license, if experience requirements have been met.*
- Requirements include submitting the [Broadening of Classification](#) form (\$250 application fee) and all required documentation demonstrating the Trade Qualifier's experience.

# LICENSE CLASSIFICATION

## Special Notes Regarding B Classification

- Any B license (General B or any of the B subclassifications) projects must include 3 or more unrelated trades where the building or remodeling of a structure is the primary purpose.
- B license holders cannot self-perform electrical, HVAC, fire protection, or plumbing, unless they obtain the specialty license. This includes any of the subclassifications under the B license classification.
- Work Certificates and Resume for the General B or B2 must show experience in the construction of buildings, not just remodeling and/or additions.
- General B classification scope includes work in structures over 3 stories; B-2 classification cannot exceed 3 stories tall, or one story below ground.
- Minimum monetary limit at this time for General B and B2 is \$200k.

# NEW CLASSIFICATION B-7

## (RESIDENTIAL REMODELING)

**The Nevada State Contractors Board (NSCB) has introduced a new B-7 Residential Remodeling Classification. This license allow you to engage in the remodeling and improvement of an existing single-family residence or unit.**

Contracting under this classification is limited to the remodeling and improvement of the following:

- An existing, detached stand-alone single-family residence or
- Single-family residential unit within a structure that does not extend more than three stories above the ground and one story below the ground.

The new B-7 classification does not authorize a contractor to increase the existing enclosed space of the residential structure.

# PRINCIPALS

The following principals need to be listed on the [license application](#) (Section 4) based on your business entity type:

- Corporation:** All officers listed with Nevada Secretary of State (President, Secretary, Treasurer)
- Sole Proprietor:** Individual person applying (Sole Owner)
- General Partnership:** All partners
- Limited Partnership:** All partners
- Limited Liability Company:** All managers or managing members with managing authority

**PLEASE BE ADVISED THAT ALL PRINCIPALS, CMS QUALIFIERS, AND TRADE QUALIFIERS ARE RESPONSIBLE FOR ANY COMPLAINTS RECEIVED ON A LICENSE!**



# QUALIFIED INDIVIDUALS

## MANAGEMENT

- Required to take and pass the business and law exam, referred to as the CMS Exam.

**PLEASE BE ADVISED THAT ALL PRINCIPALS, CMS QUALIFIERS, AND TRADE QUALIFIERS ARE RESPONSIBLE FOR ANY RESIDENTIAL RECOVERY FUND CLAIMS RECEIVED ON A LICENSE!**

## TRADE

- Required to take and pass applicable trade-specific exam(s).
- Must demonstrate 4 years of experience within the classification within the last 15 years.
- Experience should be of journeyman, foreman, supervising employee or contractor level.

# QUALIFYING EXPERIENCE

## Four Certificate of Work Experience Forms & Resume of Experience (attachments B & C)

- Identifies the work experience of the TRADE QUALIFIER. Certificates can include work performed in states outside Nevada.
- Each form must be completed by the person confirming the work performed. *Forms cannot be completed by the trade qualifier themselves.*
  - This may include current/former employers, homeowners, business clients, partners, etc. *Family members are not permitted unless they served as the trade qualifier's employer.*
- Each certificate should detail the work performed as it relates to the classification being applying for.
- Must demonstrate 4 years of experience within the past 15 years.

# QUALIFYING EXPERIENCE

## Current Master's Certification

- Provide a copy of the certification with your application.

## Military Experience and Training

- Contact our Veteran, Military Spouses, and Training program coordinator to see how your military training and experience can be used to meet license experience requirements. ***(775) 850-7814 or (702) 486-1100 ext. 7814***

## Educational & Related Training Experience

- Provide documentation regarding completed courses or programs with the application. Staff will review and determine the experience that qualifies.

# EXAMINATION REQUIREMENTS



**(855) 205-5827**

**[www.PSIexams.com](http://www.PSIexams.com)**

- **Exams will not be taken until AFTER the application has been submitted.**
- NSCB will issue an exam eligibility letter upon submission of your application, which contains a Candidate ID Number.
- Those required to take an exam will schedule a time to take the test using PSI's website or by calling their office.
- PSI's website will provide the cost of exam(s) and all study/reference materials, which can be accessed at any time.

# PSI EXAM REFERENCE MATERIAL

## ACCESSING EXAM INFORMATION

1. Go to [www.nscb.nv.gov](http://www.nscb.nv.gov) – Under Licensing, click the “[License Examination](#)” link.
2. To view the exam information, you can click on the red box specific to the classification you are applying for.

CLASS A EXAM INFORMATION

CLASS B EXAM INFORMATION

CLASS C EXAM INFORMATION

### Helpful Links:

[PSI Website](#)

[PSI Online Store](#)

PSI Phone:

1-800-733-9267

PSI Online Store Phone:

1-866-589-3088

# PSI EXAM REFERENCE MATERIAL

The Candidate Information Bulletin provides the following:

- Examinations by PSI licensure:certification .....
- Examination Registration and Scheduling Procedures ...
  - Fees and Eligibility.....
  - Internet.....
  - Telephone.....
  - Email.....
  - Standard Mail.....
  - Rescheduling an Examination.....
  - Canceling an Examination.....
  - Missed Appointment or Late Cancellation.....
  - Exam Accommodations.....
  - Emergency Examination Center Closing.....
- Examination Site Locations.....
- Reporting to the Examination Site .....
- Required Identification.....
- Security Procedures.....
- Taking the Examination by Computer.....
  - Identification Screen.....
  - Tutorial.....
  - Test Question Screen.....
  - Non-Scored Questions.....
  - Examination Review.....
- Score Reporting.....
- Duplicate Score Reports.....
- Tips for Preparing for Your License Examination .
- Reference Sources.....
- Examination Content Outlines.....
- Examination Registration Form.....
- Exam Accommodations.....

**B - GENERAL BUILDING**

SCOPE OF WORK

A general building contractor is a contractor whose principal contracting business is in connection with the construction or remodeling of buildings or structures for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in their construction the use of more than two unrelated building trades or crafts, upon which he is a prime contractor and where the construction or remodeling of a building is the primary purpose. Unless he holds the appropriate specialty license, a general building contractor may only contract to perform specialty contracting if he is a prime contractor on a project. A general building contractor shall not perform specialty contracting in plumbing, electrical, refrigeration and air-conditioning or fire protection without a license for the specialty. A person who exclusively constructs or repairs mobile homes, manufactured homes or commercial coaches is not a general building contractor.

# of Questions	Minimum Passing Score	Time Allowed
80	56	3 Hours

CONTENT OUTLINE

Subject Area	# of Items
Sitework	6
Concrete	12
Masonry	6
Metals	12
Carpentry	7
Thermal and Moisture Protection	9
Doors and Windows	4
Drywall and Finishes	4
Safety	5
Plan Reading and Estimating	12
Nevada One Call	3

REFERENCE LIST

The reference material listed below was used to prepare the questions for this examination. The examination may also

**Specific exam information is included within this document.**

← # of questions, minimum passing score, & time allowed

← # of questions per subject area on the exam

# PSI EXAM REFERENCE MATERIAL

## Are study materials or practice examinations available?

Each of the exam Information Bulletins available for download also includes a list of reference materials that can be used to prepare for the exam (see screenshot pictured on the right)

Concrete	14
Traffic Control	3
Welding	6
NV One-Call	3
Electrical Transmission Lines	6

### REFERENCE LIST

The reference material listed below was used to prepare the questions for this examination. The examination may also contain questions based on trade knowledge or general industry practices. Except for Code books, you can base your answers on later editions of references as they become available. For Code questions, the examinations will be based only on the edition of the Code book that is listed.

Candidates may use a silent, nonprinting, non-programmable calculator in the examination center.

This examination is OPEN BOOK.

The following reference materials are allowed in the examination center:

- Nevada Division of Environmental Protection: Bureau of Water Pollution Control, Fact Sheets WTS-22 and WTS-23, 901 So. Stewart Street, Suite 4001, Carson City, NV 89701-5249, <https://ndep.nv.gov/water/water-pollution-control/resources/publications-technical-guidance>
- NFPA 30, Flammable and Combustible Liquids Code, 2018, National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02169, (800) 344-3555, [www.nfpa.org](http://www.nfpa.org)
- ASME B31.8 - Gas Transmission and Distribution Systems, 2018, American Society of Mechanical Engineers, 22 Law Drive, PO Box 2900, Fairfield NJ 07007, (800) 843-2763, [www.asme.org](http://www.asme.org)

Candidates are responsible for bringing their own references to the examination center. Reference materials may be highlighted, underlined, and/or indexed prior to the examination session. However, references may not be



# LICENSURE BY ENDORSEMENT

## **Endorsement of trade exam and/or experience requirements\*\***

- Must be actively licensed in participating state for the past 4 years without lapse.
- Must not have had any disciplinary action taken against the license during that time.
- Must have taken and passed equivalent trade exam.

### **If applicant believes they qualify for endorsement:**

- The **Verification of License Form (attachment D)** included in the application must be completed by the agency responsible for the out-of-state license.
- CMS Exam is still required for Management Qualified Individual.
- We will also need a completed Resume of Experience in support of the classification you are applying for.

**\*\*View the online State Equivalency Chart for current endorsement opportunities.**



# LICENSURE BY ENDORSEMENT

## *Endorsement Opportunities Available if Licensed In:*

Alabama

Arizona

California

Connecticut

Florida

Hawaii

Louisiana

New Mexico

North Carolina

South Carolina

Tennessee

West Virginia

# NASCLA ACCREDITED EXAMS

## Applying for a B or B-2 Classification?

You may qualify for waiver of the trade exam if you have passed the National Association of State Contractor Licensing Agencies (NASCLA) Accredited General Building Exam.

***\*\*Certificates of Work Experience Forms and Resume of Experience will still be required with application\*\****

## REQUIRED DOCUMENTATION

You'll need to purchase and electronically send your transcript to the Nevada State Contractors Board.

# APPLICANT DISCLOSURES

**ALL individuals listed on the application  
(principals, officers & qualified individuals)  
are required to submit the following:**

1. Applicant Background Disclosure Form
2. Fingerprint Background Waiver
3. Copy of valid Driver's License or Government-Issued ID

***\*\*If applying as Sole Proprietor, your spouse will need to complete the Applicant Background Disclosure Form and provide a copy of a valid Driver's License.***

# FINGERPRINT REQUIREMENTS

- All persons listed on the license are required to submit fingerprints.
- Instructions on how to obtain the fingerprints will be given after the application has been submitted and reviewed by Board staff.
- **DO NOT submit fingerprints PRIOR TO submitting your application.**

# MONETARY LIMIT

## What is a Monetary Limit?

The maximum contract value a licensed contractor may undertake on one or more construction contracts on a single construction site or subdivision site for a single client.

## Determining Your License Limit

- Consider the average contract value of work you intend to perform, including change orders.
- Contract values cannot exceed the monetary limit of your license.
- The monetary limit you request may not be the limit you qualify for once financial statements are reviewed.

# MONETARY LIMIT

## DID YOU KNOW?

*Upon receiving your contractor's license, you can increase the monetary limit of your license with an application to raise your limit, and an updated financial statement that supports the requested limit.*

**Updated financial statements will be required for both options below:**

- Single-Project Limit Increase
  - *One-time limit increase that applies to a specific project.*
  - *Can be requested up to five times in a 12-month period.*
  - *Must be received by the Board at least 5 working days prior to the bid date.*
- Permanent Limit Increase
  - *Permanently increases your license monetary limit for all future projects.*

# MONETARY LIMIT RECAP

- Every contractor's license has a “**monetary limit**”.
- The monetary limit is the **maximum** value a contractor may charge their client **per contract**.
- You **may not** bid or contract any amount that exceeds your monetary limit per [NAC 624.640](#), or the contract will be void!
- If you have questions about NRS 624.640 regarding the monetary limit on a license, you are welcome to call our customer service line and request to speak with a compliance officer.

# FINANCIAL REQUIREMENTS

- As part of the application process, a business financial statement (in U.S. dollars) for the applying entity is **REQUIRED**.
- The type of financial statement that must be provided is based on the monetary limit requested for the license.



# FINANCIAL REQUIREMENTS

## MONETARY LIMITS OF \$25,000 OR LESS

- Current financial statement prepared by an independent certified public accountant; or
- Current financial submitted on a form prescribed by the Board (available at our office or on our website); or
- Current financial prepared using accounting software in accordance with generally accepted accounting principles.

# FINANCIAL REQUIREMENTS

## **MONETARY LIMIT MORE THAN \$25,000 BUT LESS THAN \$500,000**

- Compiled financial statement prepared by an independent certified public accountant, current within 6 months from the date the application is received; or
- Reviewed or audited by an independent certified public accountant, current within 1 year from the date the application is received

# FINANCIAL REQUIREMENTS

## **MONETARY LIMITS MORE THAN \$500,000 BUT LESS THAN \$1,000,000**

- Compiled financial statement with full disclosures, prepared by an independent certified public accountant, current within 6 months from the application is received; or
- Reviewed or audited by an independent certified public accountant, current within 1 year from the date the application is received.

# FINANCIAL REQUIREMENTS

## MONETARY LIMITS OF \$1,000,000 OR MORE

- Reviewed or audited by an independent certified public accountant, current within 1 year from the date the application is received.

# RESIDENTIAL RECOVERY FUND—WHAT IS IT?

- The **Residential Recovery Fund** is a fund available, under certain conditions, that provides limited monetary compensation to single-family homeowners in the event that they have been damaged by a licensed contractor's failure to appropriately execute a contract, and have exhausted all other means of recovery.
- Licensed contractors who engage in residential contracting pay a fee upon issuance and renewal of their contractor's license to contribute to this fund's availability.
- The amount contributed by the contractor to this fund is based on the monetary limit placed on their contractor's license.

# RESIDENTIAL RECOVERY FUND

**Contractors performing qualified services on residential properties are required under [NRS 624.470](#) to pay an assessment into the Residential Recovery Fund at the time of licensure and at the time of renewal (every 2 years).**

## **Assessment Based on the Monetary Limit of the License:**

Limits of \$1 million or less	\$80
Limits over \$1 million, not unlimited	\$200
Unlimited Limits	\$400

If ONLY performing work on commercial properties, the Recovery Fund assessment is not required.

# RESIDENTIAL RECOVERY FUND CLAIMS – THE PROCESS

- When a homeowner files a claim against the residential recovery fund, the staff of the Board notifies the contractor of the commencement of an investigation of the facts alleged in the complaint seeking recovery.
- The accused contractor may appear, or shall be requested to appear, before the Board to present evidence in support or defense of the claim.
- A hearing will take place in which the Board will consider all matters relevant to the complaint seeking recovery before authorizing or denying payment of the complaint by entry of a final order.

# RESIDENTIAL RECOVERY FUND – YOUR ROLE/RESPONSIBILITY

- A residential contractor shall notify an owner with whom he or she contracts of the rights of the owner pursuant to [NRS 624.400](#) to [624.560](#), inclusive, including, without limitation, providing a written statement explaining those rights in any agreement or contract for qualified services.
- Any recovery fund fees paid out due to an unlawful act by a licensed residential contractor must be reimbursed by the licensee.

## RECAP:

- **Written notice must be provided to any homeowner entering into a contract regarding the existence of the Residential Recovery Fund!**
- **Licenses are responsible for reimbursing the Residential Recovery Fund for any claims awarded against their company.**

**PLEASE BE ADVISED THAT ALL PRINCIPALS, CMS QUALIFIERS, AND TRADE QUALIFIERS ARE RESPONSIBLE FOR ANY RESIDENTIAL RECOVERY FUND CLAIMS RECEIVED ON A LICENSE!**



# WRITTEN STATEMENT OF RECOVERY FUND TEMPLATE

**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 State Contractors' Board.**

# RESIDENTIAL POOL & SPA

**Will you be performing work on residential pools & spas?**

Become familiar with the enhanced statutory/regulatory requirements for consumer protection, which can be found under **NRS 624.900-965 & NAC 624.695-697.**

# BOND REQUIREMENTS

## A License Bond is required for each new license

- Bonds may range in value from \$1,000 to a maximum of \$500,000

## Bond requirements are established by the Board based on:

- Type of License
- Monetary Limit
- Financial Responsibility
- Experience

## Types of Bonds

- Surety Bond
- Cash Bond Deposit (Biennial service fee of \$200.00 upon license renewal)
- Residential Improvement Bond (per Assembly Bill 39, effective October 01, 2023)

**Residential Pool & Spa contractors may also be required to obtain a Consumer Protection Bond as a condition of licensure.**

**PLEASE NOTE  
Failure to maintain the bond after the license is issued will result in suspension of the license.**

# RESIDENTIAL IMPROVEMENT BOND

- **What is a Residential Improvement Bond?**
  - A bond solely for the protection of consumers in the amount of \$100,000 that can be posted, making the provisions of AB 39, Section 1, subsection 2 [g] inapplicable.
- Is a Residential Improvement Bond Mandatory?
  - No; however, if engaging in residential improvements, contractors must abide by the provisions of AB 39, Section 1, subsection 2 [g].
  - Noncompliance with regulations is always subject to disciplinary action.

# ASSEMBLY BILL 39

## ■ What is it?

- Act that authorizes NSCB to adopt regulations establishing mandatory elements to be included in contracts for work concerning certain residential improvements.
  - AB39's purpose is to establish a mandatory minimum set of requirements for all such contracts.

## ■ To Whom Does it Apply?

- Contractors engaging in residential improvements (AB39, Section 1)

## ■ What does it entail?

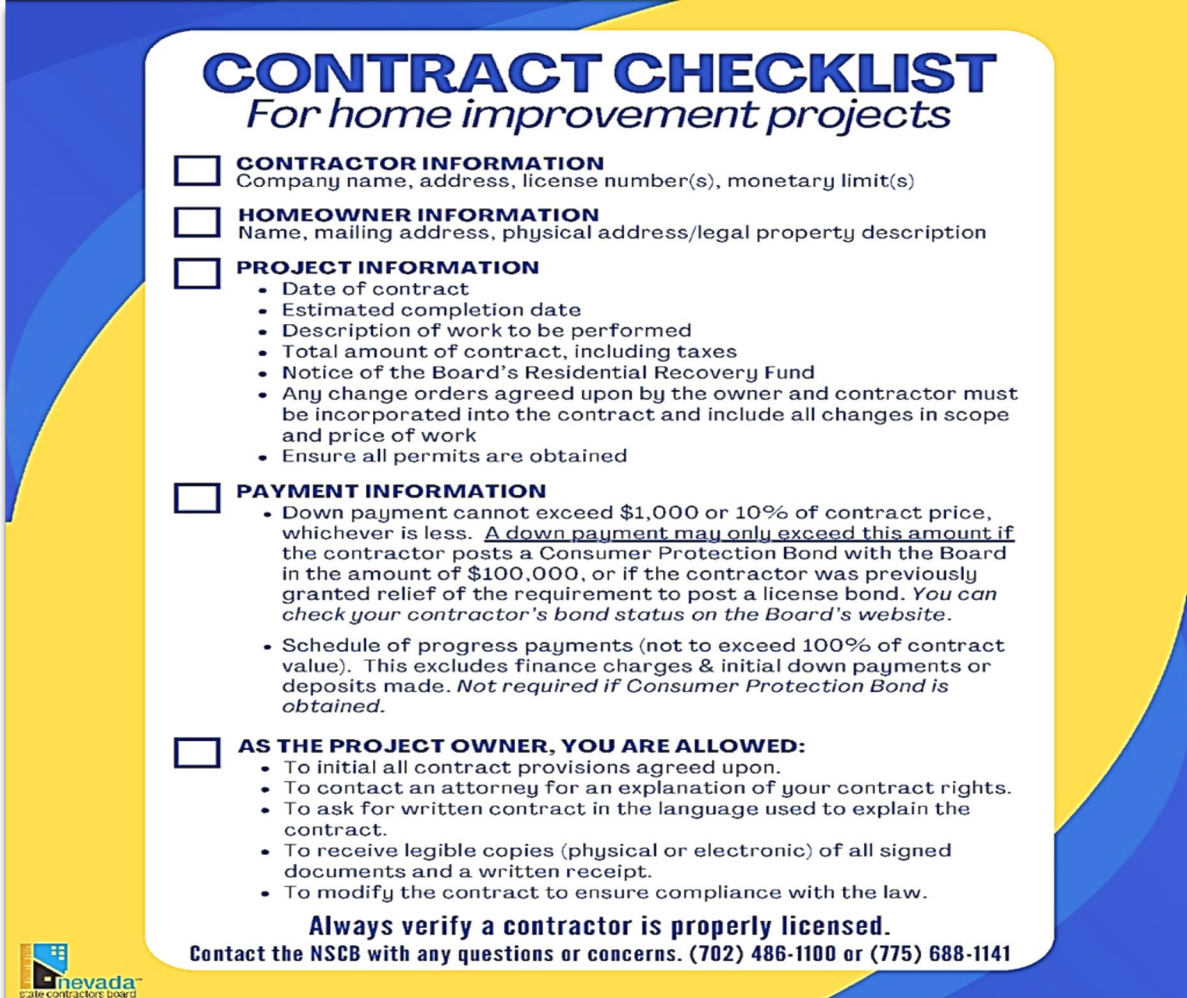
- Certain details must be included in contracts concerning residential improvements (see next slide, and AB 39, Section 1)
- **Contractors may not request more than \$1,000 or 10% of the aggregate contract price, whichever is less, for any initial down payment or deposit for work concerning residential improvement before the start of work (see AB 39, Section 1, subsection 2[g])**

[Get more information on AB39](#)

[Read full text on AB 39](#)

# ASSEMBLY BILL 39

- The provided [Contract Checklist](#) outlines the mandatory minimum requirements established by AB39.
- You may also find more information regarding AB 39 along with a sample downloadable contract/ contract outline on our website by clicking on the following link: [AB 39](#)



**CONTRACT CHECKLIST**  
*For home improvement projects*

**CONTRACTOR INFORMATION**  
Company name, address, license number(s), monetary limit(s)

**HOMEOWNER INFORMATION**  
Name, mailing address, physical address/legal property description

**PROJECT INFORMATION**

- Date of contract
- Estimated completion date
- Description of work to be performed
- Total amount of contract, including taxes
- Notice of the Board's Residential Recovery Fund
- Any change orders agreed upon by the owner and contractor must be incorporated into the contract and include all changes in scope and price of work
- Ensure all permits are obtained



**PAYMENT INFORMATION**

- Down payment cannot exceed \$1,000 or 10% of contract price, whichever is less. **A down payment may only exceed this amount if the contractor posts a Consumer Protection Bond with the Board in the amount of \$100,000, or if the contractor was previously granted relief of the requirement to post a license bond. You can check your contractor's bond status on the Board's website.**
- Schedule of progress payments (not to exceed 100% of contract value). This excludes finance charges & initial down payments or deposits made. *Not required if Consumer Protection Bond is obtained.*

**AS THE PROJECT OWNER, YOU ARE ALLOWED:**

- To initial all contract provisions agreed upon.
- To contact an attorney for an explanation of your contract rights.
- To ask for written contract in the language used to explain the contract.
- To receive legible copies (physical or electronic) of all signed documents and a written receipt.
- To modify the contract to ensure compliance with the law.

**Always verify a contractor is properly licensed.**  
Contact the NSCB with any questions or concerns. (702) 486-1100 or (775) 688-1141



# INDUSTRIAL INSURANCE

## **Prior to receiving a license, applicants must:**

- Provide proof of coverage for Workman Comp; OR
- Submit an affidavit of Exemption form

***Once the license is issued, you will be required to provide proof of coverage again at the time of each renewal.***

## **INDUSTRIAL INSURANCE INFORMATION**

Nevada Division of Industrial Relations

[www.dir.nv.gov](http://www.dir.nv.gov) – (775) 684-7270; (702) 486-9000

# REVIEW OF COSTS

- \$300 Non-refundable application fee
- \$600 License fee due at the time the license is issued and every two years after to stay active.
- \$80, \$200, or \$400 Residential Recovery Fund Assessment (if applicable, amount depends on monetary limit [see slide 35b])

## ***Additional costs may be affiliated with (not an inclusive list):***

- Registering your business with the Secretary of State
- Obtaining financial statements
- Taking required exams
- Bond requirements
- Workers' Compensation Insurance requirements



# LET'S RECAP!

- Register with the Secretary of State's office!
- Check for business name similarities with Secretary of State and NSCB.
- Identify the license classification(s) you need & monetary limit.
- Identify the Trade and Management Qualified Individuals for each license.
- Have each person listed on the license complete the Applicant Background Disclosure Form and Fingerprint Background Waiver, and include a copy of ID.
- Complete the Financial Statement Requirement
- Review all information for accuracy and ensure all required areas are signed by the appropriate person!
- Submit your application along with \$300 check payable to NSCB (online application now available! See next slide for details)
- Download study materials from PSI to prepare for the exam (if needed).

# READY TO SUBMIT YOUR APPLICATION? WHAT TO EXPECT:

- Applications and fees can either be submitted online, by mail, or in-person to either NSCB office location.
- Once your application is received, it will be assigned to a license analyst.
- All analysts have a queue of assigned applications to be reviewed that is worked through in order of date received (first come, first served).
- At the time your application is opened for review, you may receive written notice by mail, email, or both. The written notice will contain any required additional information or further action needed to be taken by you in order to continue to process your application, along with due dates for this information or action. Contact information for the analyst reviewing your application will also be provided, as this will be your point of contact for the remainder of the application process.

# TIPS FOR A STREAMLINED APPLICATION PROCESS

- 1. Ensure your application is complete and correct prior to submission. Do not leave anything blank, unchecked, or omitted.**
- 2. When you receive notice of additional information requested or further action needed, submit the requested information or take the necessary action at your earliest opportunity. Be sure to allow yourself plenty of time to gather information and return it by the due date.**
- 3. Remember that if an analyst has requested information, they have determined that the information is required in order to complete your application so that it can be submitted for approval. It is not helpful to attempt to negotiate requirements, as requirements are non-negotiable, required by statute or Board policy, and your application will be withdrawn if requirements are not provided in a timely manner.**
- 4. When in doubt, get in touch with a customer service representative to get any questions answered prior to submitting your application to ensure your application is as complete and correct as possible.**

# ONLINE APPLICATION NOW AVAILABLE!

- Applications for a new contractor's license are now available online!
- [Online Contractor's License Application](#)
  - Read through instructions then select "online login" under "let's get started" to begin the application process.
- When all required documents are complete, you may upload them to the online application, pay your application fee, and submit your application online.

# IMPORTANT REMINDERS!

- **BE TRUTHFUL** Misrepresentation can be grounds for denial of your license.
- Review application for accuracy and completeness; ensure all documents are signed.
- Applications are processed in the order received; your patience is greatly appreciated!

# IMPORTANT REMINDERS!

- Communicate and respond to your license analyst in a timely manner (e-mail preferred).
- Submitting a complete application is the best way to reduce delays in processing.
- **It is unlawful to bid work that requires a license if the proper contractor's license has not been issued to you.**

# HELPFUL RESOURCES

## **Nevada Small Business Development Center**

(800) 240-7094

<https://nevadasbdc.org/>

## **Nevada Secretary of State**

(775) 684-5708

[www.nvsilverflume.gov/startBusiness](http://www.nvsilverflume.gov/startBusiness)

# HELPFUL RESOURCES

## **PSI Exam Center**

(800) 733-9267

[www.PSIexams.com](http://www.PSIexams.com)

## **Nevada Division of Industrial Relations (DIR)**

(775) 684-7270 – OR – (702) 486-9000

[dir.nv.gov](http://dir.nv.gov)



# ACCESSING MATERIALS

## REMINDER

**Visit our website at [nscb.nv.gov](http://nscb.nv.gov)**

- *Re-watch a summarized version of today's presentation*
- ***Available for Download:***
  - *Business Assistance Program Workshop Guide*
  - *Classification Reference Document*
  - *& Other Supporting Materials!*

# QUESTIONS?

If you still have questions, please send us an e-mail and we'll be happy to assist you!

**[CustomerService@nscb.state.nv.us](mailto:CustomerService@nscb.state.nv.us)**

**702-486-1100 (Southern Nevada)**

**775-688-1141 (Northern Nevada)**