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September 16, 2024

Ms. Susan Broili-Kamesch
Licensing Administrator
State Contractors' Board
5390 Kietzke Lane, Suite 102
Reno, NV 89511

Re: LCB File No. R029-24

Dear Ms. Broili-Kamesch,

A regulation adopted by the State Contractors' Board has been filed today with the Secretary of State pursuant to NRS 233B.067 or 233B.0675 as appropriate. As provided in NRS 233B.070, this regulation becomes effective upon filing, unless otherwise indicated.

Enclosed are two copies of the regulation bearing the stamp of the Secretary of State which indicates that it has been filed. One copy is for your records and the other is for delivery to the State Library and Archives Administrator pursuant to subsection 6 of NRS 233B.070.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Killian".

Asher A. Killian
Legislative Counsel

Jeff D. Koelemay
Deputy Legislative Counsel

Bradley A. Wilkinson
Chief Deputy Legislative Counsel

AAK/amh
Enclosure

Form for Filing Administrative Regulations

SECRETARY OF STATE
FILING DATA

FILED.NV.SOS
2024 SEP 16 AM8:47

Agency
State Contractors Board
RD24-24

FOR EMERGENCY
REGULATIONS ONLY

Effective date

Expiration date

Governor's signature

Classification: PROPOSED ADOPTED BY AGENCY EMERGENCY

Brief description of action

The purpose of the proposed regulation is to amend Chapter 624 of the Nevada Administrative Code to provide clarity regarding certain terms relating to contracts for work concerning certain residential improvements.

Authority citation other than 233B

624.100; 624.220

Notice date April 5, 2024

Date of Adoption by Agency June 20, 2024

Hearing date May 21, 2024

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

LCB File No. R029-24

Filed September 16, 2024

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

AUTHORITY: §§ 1-3, NRS 624.100 and section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1047 (NRS 624.970).

A REGULATION relating to contractors; interpreting certain terms relating to contracts for work concerning certain residential improvements; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Assembly Bill No. 39 (A.B. 39) of the 2023 Legislative Session sets forth certain requirements pertaining to a contract used by a residential contractor and the owner of a completed single-family residence who occupies the single-family residence for any work concerning a residential improvement other than work concerning a residential photovoltaic system used to produce electricity or work concerning a residential pool or spa. (NRS 624.3016, as amended by section 2 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1049, NRS 624.750, as amended by section 3 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1050, and section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1047 (NRS 624.970))

A.B. 39 defines "work concerning a residential improvement" or "work" for the purposes of such contracts to mean any construction, remodeling, repair or improvement performed by a residential contractor to a completed single-family residence or any activity for the supervision concerning such work. A.B. 39 also requires a contract for a project of new work concerning a residential improvement to contain certain additional information. (Section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1047 (NRS 624.970)) **Section 2** of this regulation sets forth the manner in which the State Contractors' Board will interpret the term "project of new work" for the purposes of such requirements. **Section 3** of this regulation sets forth the manner in which the Board will interpret the term "repair" as used in the definition of "work concerning a residential improvement" or "work."

Section 1. Chapter 624 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. *As used in paragraph (j) of subsection 2 of section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1048 (NRS 624.970), the Board will interpret the term “project of new work” to mean work concerning a residential improvement:*

- 1. That requires a building permit;*
- 2. That involves adding, removing or relocating interior walls of the completed single-family residence;*
- 3. That involves adding, removing or relocating other substantive elements of the completed single-family residence, including, without limitation:*
 - (a) Existing heating, air-conditioning and ventilation ductwork or systems;*
 - (b) Existing plumbing or electrical systems;*
 - (c) Kitchen or bathroom remodeling involving cabinets or other substantive elements; or*
 - (d) Landscaping or other improvement to the grounds of the completed single-family residence involving plants, walkways, patios, walls or other substantive elements of the landscape;*
- 4. That will increase the square footage of usable space of the completed single-family residence; or*
- 5. For which the residential contractor has prepared a plan or scale drawing as part of a presentation to or negotiation with the owner of the completed single-family residence who occupies the single-family residence.*

Sec. 3. As used in paragraph (d) of subsection 7 of section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1049 (NRS 624.970), the Board will interpret the term “repair” to include, without limitation, the replacement or routine maintenance of mechanical equipment which is installed in a completed single-family residence, including, without limitation, heating and air-conditioning equipment, plumbing fixtures, chimneys, garage doors and mechanisms which open a garage door.



NEVADA STATE CONTRACTORS BOARD

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INFORMATIONAL STATEMENT OF ADOPTED REGULATION AS REQUIRED BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066 LCB FILE NO. R029-24

The following statement is submitted for adopted amendments to the Nevada Administrative Code (NAC) Chapter 624 in compliance with NRS 233B.066.

1. A clear and concise explanation of the need for the adopted regulation.

The purpose of the proposed regulation is to amend Chapter 624 of the Nevada Administrative Code to provide clarity to AB 39 (2023) which defines "work concerning a residential improvement" or "work" and "project of new work" relating residential improvements.

2. A description of how public comment was solicited, a summary of the public response and an explanation of how other interested persons may obtain a copy of the summary.

a) A description of how public comment was solicited:

The notice of workshop and notice of hearing to solicit comments on the proposed regulation was posted on the agency's website and on the Nevada Public Notice Website, State Library and Archives, both offices of the Nevada State Contractors Board. Additionally, the notice of workshop and hearing, and the proposed regulation were e-mailed electronically to approximately 498 individuals and organizations who have expressed interest in being kept informed of the Board's meetings. Public comment was solicited in the Notice of Workshop and Hearing which included the proposed regulation and small business impact statement.

Public comment was also solicited at the workshop held on May 6, 2024 and at the hearing held on May 21, 2024. The public workshop and hearing took place at the office of the Board, 8400 West Sunset Road, Suite 150, Las Vegas, Nevada 89113 with simultaneous videoconferencing with the Board's office, 5390 Kietzke Lane, Suite 102, Reno, Nevada 89511.

b) A summary of the responses from the public:

No responses were received from the general public.

c) An explanation of how other interested persons may obtain a copy of the summary:

Not applicable

3. The number of persons who:

Attended each hearing: 0

Testified at each hearing: 0

Submitted to the agency written statements: 0

4. Names & Addresses of persons either submitting written statements or testimony:

None.

5. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.

a) A description of how public comment was solicited:

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description provided above in response to #2(a).

b) A summary of the responses from the affected businesses:

No responses were received from affected businesses.

c) An explanation of how other interested persons may obtain a copy of the summary:

Not Applicable

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The regulation was adopted without changing any part of the proposed regulation since no public comment was received at the workshop or hearing and no written comments were received by the agency.

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

a. Both adverse and beneficial effects;

This regulation is not expected to have any adverse or beneficial effects on the businesses it regulates or on the public.

b. Both immediate and long-term effects.

The immediate and long-term effects of this regulation will result in more streamlined, clarified, reduced and improved existing regulations.

8. The estimated cost to the agency for enforcement of the proposed regulation.

The proposed regulation will not result in any cost to the agency.

9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed regulation does not overlap or duplicate any regulation.

10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

There are no federal regulations that apply.

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

This regulation does not establish a new fee or increase an existing fee.