

ACCESSING MATERIALS

You can download today's presentation along with the applications/request forms you'll need visiting the Board's website:

nscb.nv.gov

LICENSED CONTRACTOR ASSISTANCE PROGRAM



An online workshop to guide you through making changes to your Nevada contractor's license.

3rd Tuesday of each month @ 10:00 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.

THANK YOU!

- ❖ *Thank you for being a licensed contractor in Nevada!*
- ❖ Having a contractors license is a great responsibility and we appreciate your desire to ensure you're complying with Nevada law.
- ❖ Please contact staff at the Nevada State Contractors Board with questions about your license, we're happy to assist. *See next slide for contact information.*
- ❖ *The Nevada State Contractors Board is not affiliated with and cannot recommend application assistance from any other group or company. Information provided by third party services cannot be relied upon to be accurate.*

CONTACTING THE NSCB

By email: customerservice@nscb.state.nv.us

■ By mail or personal delivery:

Nevada State Contractors Board
8400 West Sunset Road, Suite 150
Las Vegas, Nevada 89113
(702) 486-1100

■ By mail or personal delivery:

Nevada State Contractors Board
5390 Kietzke Lane, Suite 102
Reno, Nevada 89511
(775) 688-1141

FORMS LOCATION

NSCB Website: nscb.nv.gov

Quick Link:
[Forms and applications](#)

New Contractor License Application
[Contractor's License Application](#) (pdf)
[Contractor's License Application](#) (Online)

Contractor License Change Forms
[Activate an Inactive License](#)
[Broadening of Classification](#)
[Change or Add a Qualified Individual](#)
[Conversion of Entity](#)
[Disassociation of a Qualified Individual](#)
[Inactivate an Active License](#)
[Name Change Application](#)
[Change or Add a Corporate Officer or Member/Manager](#)
[Permanent Raise in Limit](#)
[Single Project Limit Increase](#)
[Voluntary Surrender Request Form](#)

ADDRESS CHANGES

[Change of Address Form](#) (no fee)

This form can be used to change the personal or business address, phone number or email address.

Request must be signed by a current principal listed on the license.

***Can be submitted by email, mail or in person**

You can also update address information using the [Online Dashboard](#)

Address will typically be updated within 24 business hours.

NOTIFYING THE NSCB OF CHANGES

Required pursuant to Chapter 624

Addresses and Principals must be updated
within **30 days** of the change

Required to notify the Board in writing within **10 days** of a
qualified individual's resignation/disassociation.

CHANGES IN PRINCIPALS ON A LICENSE

This form can be used to change the corporate officers of an existing corporate license, the members and managers with managing authority of an existing limited liability company license or the partners of a Limited Partnership.

- Officer Change Application

-Form is available on our website or by clicking the following link: [Change or Add a Corporate Officer or Member/Manager](#)

-\$250 application fee

This application is required if:

- Adding/Removing principals from a license.

*This form cannot be used to change the qualified individual or change the license entity.

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

CHANGE/ADD A QUALIFIED INDIVIDUAL

■ Qualifier Change Application

-Form is available on our website or by clicking the following link: [Change or Add a Qualified Individual](#)

-\$250 application fee

This application is required if:

- Adding or Changing qualified individual(s) on a license.

*This form cannot be used to change the principals of a license or change the license entity.

Qualifier Disassociation

Required to notify the Board in writing within 10 days of a qualified individual's resignation.

The qualifier change application is not required if you are only removing a qualified individual.

The [Disassociation of a Qualified Individual](#) form can be used to notify our office of this change.

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

BROADEN AND CONVERSION

- Broadening of Classification Application

(adds subclassifications to existing license-cannot be used to add separate primary classification)

-Form is available on our website or by clicking the following link: [Broadening of Classification](#)

-\$250 application fee

- Conversion of Entity Application

-Form is available on our website or by clicking the following link: [Conversion of Entity](#)

-\$250 application fee

NAC 624.667 Submission of application regarding conversion of business organization of licensee. (NRS 624.100) A licensee shall submit an application to the Board regarding a conversion of the licensee conducted pursuant to chapter 92A of NRS before or within 30 days after such a conversion is made.

MONETARY LIMIT CHANGES

- Permanent Raise in Limit Application

- Form is available on our website or by clicking the following link: [Permanent Raise in Limit](#)
-\$250 application fee

- Single Project Limit Increase

- Form is available on our website or by clicking the following link: [Single Project Limit Increase](#)
-\$75 application fee (Limited to 5 per calendar year)

- Lower Limit Application

- Submit a written and signed request
-\$250 application fee

*A **financial statement** will be required for each application listed above.*

~The type of financial statement required is based on the limit requested ~Indemnification can be used

Bank Verification Form no longer required

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

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

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

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

BOND REQUIREMENTS

A License Bond amount may require adjustment after a raise in limit

- 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 [see next slide for details])

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)

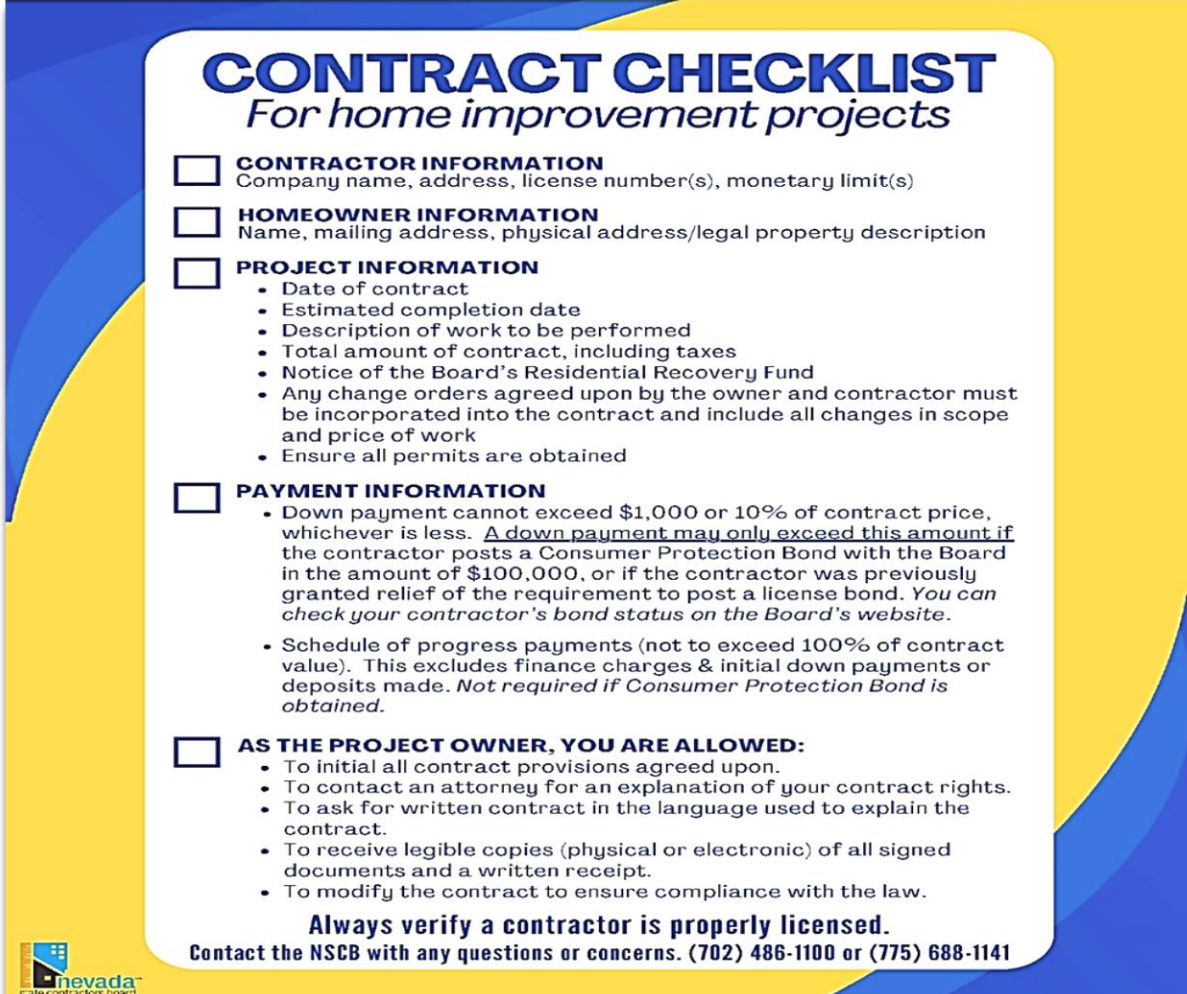
■ What does it entail?

- 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



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 NRS 624.640, or the contract will be void!
- Upon approval for a raise in limit, a bond amount adjustment may be required.
- 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.

INACTIVE / REACTIVATE LICENSE

■ Application to Place License on Inactive Status

-Form is available on our website or by clicking the following link: [Inactivate an Active License](#)

-No application fee

- Cannot enter into contracts or perform construction while on inactive status
- At time of renewal, one-half active renewal fee
- Residential recovery fund contribution not required while inactive
- Valid for up to 8 years
- Retain Active Status with Nevada Secretary of State
- Bond not required
- Workers compensation not required

■ Application to Activate an Inactive Status License

-Form is available on our website or by clicking the following link: [Activate an Inactive License](#)

-Application fee will be determined by renewal date

- Current financial statement required (based on monetary limit of license)
- Residential recovery fund contribution required
- Active status with Nevada Secretary of State required
- Bond required
- Workers compensation evidence required

NAME CHANGE PROCESS

- Name Change Application

- Form is available on our website or by clicking the following link: [Name Change Application](#)

- \$250 application fee

This application is required if:

- The entity name has been modified with the Secretary of State
- Adding/Removing fictitious firm name (dba)

VOLUNTARY SURRENDER/CANCELLATION OF LICENSE

■ Voluntary Surrender Request

-Form is available on our website or by clicking the following link: [Voluntary Surrender Request Form](#)

-No application fee

- Signed by current principal on the license; or,
- Current officer with Nevada Secretary of State

Important:

If the license is not renewed, it will cancel 6 months after the date of expiration.

Once a license cancels, the license will no longer be eligible for renewal. A new [Contractor's License Application](#) will be required if you wanted to contract in the future.

CERTIFICATE OF ELIGIBILITY TO RECEIVE PREFERENCE IN BIDDING ON PUBLIC WORKS

- Application for Certificate of Eligibility to Receive Preference in Bidding on Public Works
 - Form is available on our website or by clicking the following link: [Certificate of Eligibility to Receive Preference in Bidding on Public Works \(New Certificates\)](#)
 - \$500 fee
 - Preference in bidding on public work projects;
 - After 5 years of active licensure;
 - 5 years of paying Nevada Sales & Use Tax and/or Governmental Service Tax, or through obtainment of viable, operating construction firm (see application for details);

Important:

- Pursuant to [NRS 338.147](#) and [NRS 338.1389](#)
- Requires CPA affidavit.
- Only valid for 1 (one) year.
- Renewal fee \$300

CAUTION

- **The entity holds the license--Licenses are issued to the entity on file with the Nevada Secretary of State**
 - If the entity changes, you will be required to submit a new license application
 - Sometimes, licensee's make changes to their entity on the advice of their legal counsel or bookkeeper

- **Stay within the confines of the license**
 - [Tips for Nevada Licensed Contractors](#)
 - [Residential Recovery Fund Required Disclosures](#)
 - [General Contractor Required Disclosures](#)
 - [Pool Contracts Required Disclosures](#)
 - [Contract Checklist for Home Improvement Projects](#)
 - [Suggested Mandatory Language for Residential Improvement Contracts](#)
 - [Advertising Requirements](#)
 - [Complaint Forms](#)

Contact the NSCB with any questions!

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.

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

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.

REPORTING UNLICENSED CONTRACTORS

- **Contracting Without A License Is A Crime**
- It is unlawful for any person or combination of persons to engage in the business or act in the capacity of a contractor within the state of Nevada or submit a bid on a job situated within this state without having an active license.
 - The first offense is a **misdemeanor**
 - second offense a **gross misdemeanor**
 - and third offense a **Class E felony**.

- **Unlicensed Contractor Hotline:**

Las Vegas: (702) 486-1160

Reno: (775) 850-7819

LET'S RECAP!

- Notify the NSCB of any changes to your company within 30 days (other than qualifier).
- Notify the NSCB of any changes to your qualified individuals within 10 days.
- Operate within the scope of your license.
- Contact the NSCB with any questions!

HELPFUL RESOURCES

Nevada Small Business Development Center

(800) 240-7094

<https://nevadasbdc.org/>

Nevada Secretary of State

(775) 684-5708

www.nvsilverflume.gov/startBusiness

HELPFUL RESOURCES

PSI Exam Center

(855) 205-5827

www.PSIexams.com

Nevada Division of Industrial Relations (DIR)

(775) 684-7270 – OR – (702) 486-9000

dir.nv.gov

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-check your spam or junk folders often).
- Submitting a complete application is the best way to reduce delays in processing.

ACCESSING MATERIALS

REMINDER

Visit our website at nscb.nv.gov

- ***Available for Download:***

- *Licensed Contractor Assistance Program Workshop Guide*
- *Tips for Nevada Contractors*
- *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

702-486-1100 (Southern Nevada)

775-688-1141 (Northern Nevada)