

SENATE BILL NO. 18—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

(ON BEHALF OF THE STATE CONTRACTORS' BOARD)

PREFILED DECEMBER 13, 2010

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing the State Contractors' Board. (BDR 54-500)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to contractors; authorizing the State Contractors' Board to discipline a licensed contractor for failure or refusal to comply with an order of the Board; requiring the Board to impose an administrative fine against a licensee who fails or refuses to comply with an order of the Board; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes the State Contractors' Board to discipline licensed
2 contractors and other persons in this State for certain acts or omissions relating to
3 work as a contractor. (NRS 624.295-624.361) Existing law also authorizes the
4 Board to issue an order: (1) requiring a person without an active contractors'
5 license to cease and desist acting as a contractor or bidding on contracting jobs; (2)
6 suspending, revoking or restricting the license of a contractor; (3) requiring a
7 licensed contractor to reimburse the account established pursuant to NRS 624.470
8 for any sum paid out of the account for injuries caused to a person by the
9 contractor; (4) imposing an administrative fine on a person or licensed contractor;
10 (5) requiring a person or licensed contractor to correct certain conditions; (6)
11 requiring a person to reimburse the Board for certain expenses; or (7) requiring a
12 person or licensed contractor to cease and desist any unlawful advertising. (NRS
13 624.212, 624.291, 624.300, 624.341, 624.720)

14 **Section 2** of this bill expands the scope of the authority of the Board by
15 authorizing the Board to discipline licensed contractors for failure or refusal to
16 comply with an order of the Board. **Section 1** of this bill requires the Board to
17 impose an administrative fine of \$1,000 against a licensee who fails or refuses



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18 to comply with an order of the Board in addition to certain other disciplinary
19 actions which may be taken by the Board against the licensee.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 624.300 is hereby amended to read as follows:
2 624.300 1. Except as otherwise provided in subsections 3 and
3 5, the Board may:

4 (a) Suspend or revoke licenses already issued;
5 (b) Refuse renewals of licenses;
6 (c) Impose limits on the field, scope and monetary limit of the
7 license;

8 (d) Impose an administrative fine of not more than \$10,000;
9 (e) Order a licensee to repay to the account established pursuant
10 to NRS 624.470, any amount paid out of the account pursuant to
11 NRS 624.510 as a result of an act or omission of that licensee;

12 (f) Order the licensee to take action to correct a condition
13 resulting from an act which constitutes a cause for disciplinary
14 action, at the licensee's cost, that may consist of requiring the
15 licensee to:

16 (1) Perform the corrective work himself or herself;
17 (2) Hire and pay another licensee to perform the corrective
18 work; or
19 (3) Pay to the owner of the construction project a specified
20 sum to correct the condition; or

21 (g) Issue a public reprimand or take other less severe
22 disciplinary action, including, without limitation, increasing the
23 amount of the surety bond or cash deposit of the licensee,
24 ↳ if the licensee commits any act which constitutes a cause for
25 disciplinary action.

26 2. If the Board suspends or revokes the license of a contractor
27 for failure to establish financial responsibility, the Board may, in
28 addition to any other conditions for reinstating or renewing the
29 license, require that each contract undertaken by the licensee for a
30 period to be designated by the Board, not to exceed 12 months, be
31 separately covered by a bond or bonds approved by the Board and
32 conditioned upon the performance of and the payment of labor and
33 materials required by the contract.

34 3. If a licensee violates:
35 (a) The provisions of NRS 624.3014, subsection 2 or 3 of NRS
36 624.3015, subsection 1 of NRS 624.302 or subsection 1 of NRS
37 624.305, the Board may impose for each violation an administrative
38 fine in an amount that is not more than \$50,000.

39 (b) The provisions of subsection 4 of NRS 624.3015:



1 (1) For a first offense, the Board shall impose an
2 administrative fine of not less than \$1,000 and not more than
3 \$50,000, and may suspend the license of the licensee for 6 months;

4 (2) For a second offense, the Board shall impose an
5 administrative fine of not less than \$5,000 and not more than
6 \$50,000, and may suspend the license of the licensee for 1 year; and

7 (3) For a third or subsequent offense, the Board shall impose
8 an administrative fine of not less than \$10,000 and not more than
9 \$50,000, and may revoke the license of the licensee.

10 *(c) The provisions of subsection 7 of NRS 624.302, the Board*
11 *shall, in addition to any other disciplinary action taken pursuant*
12 *to this section, impose an administrative fine of \$1,000.*

13 4. The Board shall, by regulation, establish standards for use
14 by the Board in determining the amount of an administrative fine
15 imposed pursuant to subsection 3. The standards must include,
16 without limitation, provisions requiring the Board to consider:

17 (a) The gravity of the violation;

18 (b) The good faith of the licensee; and

19 (c) Any history of previous violations of the provisions of this
20 chapter committed by the licensee.

21 5. If a licensee is prohibited from being awarded a contract for
22 a public work pursuant to NRS 338.017, the Board may suspend the
23 license of the licensee for the period of the prohibition.

24 6. If a licensee commits a fraudulent act which is a cause for
25 disciplinary action under NRS 624.3016, the correction of any
26 condition resulting from the act does not preclude the Board from
27 taking disciplinary action.

28 7. If the Board finds that a licensee has engaged in repeated
29 acts that would be cause for disciplinary action, the correction of
30 any resulting conditions does not preclude the Board from taking
31 disciplinary action pursuant to this section.

32 8. The expiration of a license by operation of law or by order
33 or decision of the Board or a court, or the voluntary surrender of a
34 license by a licensee, does not deprive the Board of jurisdiction to
35 proceed with any investigation of, or action or disciplinary
36 proceeding against, the licensee or to render a decision suspending
37 or revoking the license.

38 9. The Board shall not issue a private reprimand to a licensee.

39 10. An order that imposes discipline and the findings of fact
40 and conclusions of law supporting that order are public records.

41 11. An administrative fine imposed pursuant to this section or
42 NRS 624.341 or 624.710 plus interest at a rate that is equal to the
43 prime rate at the largest bank in this State, as determined by the
44 Commissioner of Financial Institutions on January 1 or July 1, as
45 appropriate, immediately preceding the date of the order imposing



1 the administrative fine, plus 4 percent, must be paid to the Board
2 before the issuance or renewal of a license to engage in the business
3 of contracting in this State. The interest must be collected from the
4 date of the order until the date the administrative fine is paid.

5 12. All fines and interest collected pursuant to this section must
6 be deposited with the State Treasurer for credit to the Construction
7 Education Account created pursuant to NRS 624.580.

8 **Sec. 2.** NRS 624.302 is hereby amended to read as follows:

9 624.302 The following acts or omissions, among others,
10 constitute cause for disciplinary action pursuant to NRS 624.300:

11 1. Contracting, offering to contract or submitting a bid as a
12 contractor if the contractor's license:

13 (a) Has been suspended or revoked pursuant to NRS 624.300; or

14 (b) Is inactive.

15 2. Failure to comply with a written citation issued pursuant to
16 NRS 624.341 within the time permitted for compliance set forth in
17 the citation, or, if a hearing is held pursuant to NRS 624.291, within
18 15 business days after the hearing.

19 3. Except as otherwise provided in subsection 2, failure to pay
20 an administrative fine imposed pursuant to this chapter within 30
21 days after:

22 (a) Receiving notice of the imposition of the fine; or

23 (b) The final administrative or judicial decision affirming the
24 imposition of the fine,

25 ↪ whichever occurs later.

26 4. The suspension, revocation or other disciplinary action taken
27 by another state against a contractor based on a license issued by
28 that state if the contractor is licensed in this State or applies for a
29 license in this State. A certified copy of the suspension, revocation
30 or other disciplinary action taken by another state against a
31 contractor based on a license issued by that state is conclusive
32 evidence of that action.

33 5. Failure or refusal to respond to a written request from the
34 Board or its designee to cooperate in the investigation of a
35 complaint.

36 6. Failure or refusal to comply with a written request by the
37 Board or its designee for information or records, or obstructing or
38 delaying the providing of such information or records.

39 ***7. Failure or refusal to comply with an order of the Board.***

