

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

**LCB File No. R068-01**

Effective November 8, 2001

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

AUTHORITY: §§1-10, NRS 624.560.

**Section 1.** Chapter 624 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 10, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Claimant” means an injured person who files a complaint seeking recovery pursuant to NRS 624.400 to 624.560, inclusive, and sections 2 to 10, inclusive, of this regulation.*

**Sec. 4.** *“Complaint seeking recovery” means a complaint filed with the board by an injured person pursuant to NRS 624.400 to 624.560, inclusive, and sections 2 to 10, inclusive, of this regulation seeking a monetary recovery from the recovery fund.*

**Sec. 5.** *The board will not make an award on a complaint seeking recovery unless the complaint seeking recovery is accompanied by a certified copy of a civil judgment or a certified copy of a final decision and order issued by the board or its designee.*

**Sec. 6. 1. A complaint seeking recovery must be filed on a form entitled “Residential Recovery Fund Claim” that will be provided by the board. A complaint seeking recovery must include, without limitation:**

**(a) The name, address and telephone number of the claimant filing the complaint seeking recovery;**

**(b) The name, address, license number and telephone number, if known, of the accused residential contractor;**

**(c) A description of:**

**(1) The facts concerning the alleged failure by the accused residential contractor to perform qualified services adequately; and**

**(2) The nature and extent of the claimed loss;**

**(d) The date on which, or the period during which, the alleged loss occurred;**

**(e) Itemized bids from three licensed residential contractors, not including the accused residential contractor, to repair or otherwise fix the problem created by the alleged failure of the accused residential contractor to perform qualified services adequately;**

**(f) Documents relating to the underlying claim, including, without limitation, contracts between the claimant and the accused residential contractor, copies of the front and back of canceled checks, paid receipts and escrow settlement accounts, if any;**

**(g) Proof of payment on the underlying claim from other sources, including, without limitation, payment from bonds, sureties, guarantees, warranties, letters of credit or policies of insurance;**

**(h) Certified copies of all writs of execution, garnishment or attachment or of any other writ designed to enforce any judgment of the court in favor of the claimant against the**

*accused residential contractor, and proof of all efforts, and inability resulting therefrom, to collect the judgment or order;*

*(i) A statement detailing the efforts made by the claimant to recover the loss from the accused residential contractor, the estate of the accused residential contractor or a third party; and*

*(j) Any other information requested by the executive officer.*

*2. The board will not process a complaint seeking recovery until 45 days after the date on which the civil judgment was issued by the court or the final decision and order was issued by the board or its designee, as appropriate.*

*3. If, after a complaint seeking recovery is filed, any information in the complaint changes, the claimant shall forthwith notify the board of the change.*

**Sec. 7. 1. Upon receiving a complaint seeking recovery, the staff of the board shall:**

*(a) Send a copy of the complaint seeking recovery, by certified mail, to the accused residential contractor named in the complaint seeking recovery; and*

*(b) Commence an investigation into the facts alleged in the complaint seeking recovery.*

*2. When necessary, the chairman of the board may appoint a committee to hear complaints seeking recovery filed with the board or appoint a specific committee to hear a specific complaint seeking recovery. Such a committee will act as the designee of the board.*

*3. A hearing on a complaint seeking recovery before the board or an appointed committee is informal, and the board or appointed committee will consider all relevant testimony and evidence presented. The written report of the results of the investigation conducted by the staff must be made a part of the record of the hearing.*

*4. A claimant or an accused residential contractor:*

*(a) May appear before the board or appointed committee to present evidence and arguments in support or defense of a claim.*

*(b) Shall appear before the board or appointed committee to present evidence and arguments in support or defense of a claim upon the request of any member of the board or appointed committee.*

*5. Complaints seeking recovery will be processed in the order in which the complaints are received.*

*Sec. 8. 1. In making its determination on a complaint, the board or appointed committee will consider all matters relevant to the complaint seeking recovery, including, without limitation:*

*(a) The financial condition of the recovery fund;*

*(b) The nature of the complaint seeking recovery and the amount of money sought to be recovered by the claimant; and*

*(c) If there is more than one claimant, the equitable division of available money from the recovery fund among the claimants.*

*2. The board or appointed committee will authorize payment of the complaint seeking recovery in full or in part, or deny the claim in full or in part, by entry of a final order.*

*Sec. 9. As a condition of receiving payment from the recovery fund, a claimant must enter into an agreement with the board pursuant to which the board is subrogated to the rights of the claimant against the accused residential contractor, the estate of the accused residential contractor or a third party for an amount equal to the amount of money paid from the recovery fund to the claimant plus the amount of all costs incurred by the board in recovering that amount of money from the accused residential contractor, the estate of the accused*

*residential contractor or the third party. The agreement must provide that the claimant will cooperate with the board in any proceeding commenced to recover such money from the accused residential contractor, the estate of the accused residential contractor or the third party.*

**Sec. 10. 1.** *If the board or appointed committee issues a final order approving in full or in part a complaint seeking recovery, the board or appointed committee will forward:*

*(a) A copy of the final order approving the complaint seeking recovery to the accounting office of the board; and*

*(b) A copy of the complaint seeking recovery and the final order to the office of the attorney general so that the attorney general may commence efforts to enforce any subrogation claims against the accused residential contractor.*

**2.** *The accounting office of the board shall not commence procedures for the disbursement of money pursuant to a final order approving a complaint seeking recovery until 45 days after the date on which the board or appointed committee issued the final order.*