

LCB File No. R094-05

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

NOTICE OF INTENT TO ACT UPON A REGULATION

**Notice of Hearing for the Adoption, Amendment or Repeal of Regulations
Of
The State of Nevada Contractors' Board**

The State of Nevada Contractors' Board ("Board") will hold a public hearing on Thursday, December 1, 2005. The hearing will begin at 2:00 p.m. and will be video-conferenced between the Board's Henderson Office located at 2310 Corporate Circle, Suite 200, Henderson, Nevada 89074 and the Reno Office located at 9670 Gateway Drive, Reno, Nevada 89521. A workshop was held on August 25, 2005 to receive comments on the proposed regulation.

The following information is provided pursuant to the requirements of NRS 233B.060 and 233B.0603:

1. The need for and purpose of the proposed regulation or amendment.

The purpose of the proposed regulation is to amend Chapter 624 of the Nevada Administrative Code concerning the establishment of consumer protection bonds for residential pool and spa licensees and to establish a new subclassification for the installation of water and gas service lines from the point of service to the pool equipment under the A-10 Commercial and Residential Pools classification and the requirements needed to obtain said classification. The proposed regulation is to comply with the provisions of Senate Bill 434 enacted by the 2005 legislative session.

2. Either the terms or the substance of the regulations to be adopted, amended or repealed or a description of the subjects and issues involved.

The proposed regulation establishes the parameters for consumer protection bonds for licensees who perform work concerning a residential pool or spa and establishes a new subclassification under the A-10 Commercial and Residential Pools classification to provide for the installation of water and gas service lines from the point of service to the pool equipment and the requirements needed to obtain said classification. A copy of the proposed regulation may be obtained by writing to the Board's offices at 9670 Gateway Drive, Reno, Nevada 89521.

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

(a) Adverse and beneficial effects.

The adoption of this regulation may be beneficial to the industry since bond amounts are based on an individual licensee's criteria. The regulation also provides for a new

subclassification under the A-10 Commercial and Residential Pools classification to provide for the installation of water and gas service lines from the point of service to the pool equipment and sets forth requirements needed to obtain said classification.

(b) Both immediate and long-term effects.

The immediate and long term effect of implementing the change should be beneficial.

4. The estimated cost to the Agency for enforcement of the proposed regulation.

The cost to the agency should be minimal.

5. A description of and citation to any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary.

The proposed regulation does not overlap or duplicate any regulation of other state or local governmental entities.

6. If the regulation is required pursuant to federal law, a citation and description of the federal law.

Does not apply.

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

Does not apply.

8. Whether proposed regulation establishes a new fee or increases an existing fee.

The regulation does not establish a fee or increase an existing fee.

Persons wishing to comment upon the proposed action of the Board may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form to the Executive Officer of the Nevada State Contractors' Board, 2310 Corporate Circle, Suite 200, Henderson, Nevada 89074 or in Reno at 9670 Gateway Drive, Suite 100, Reno, Nevada 89521. Written submissions must be received by the Board five days prior to the scheduled hearing. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Board may proceed immediately to act upon any written submissions.

A copy of this notice and the regulations to be adopted, amended or repealed will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notices and the regulation to be adopted will be available at the State Contractors' Board, 2310 Corporate Circle, Suite 200, Henderson, Nevada 89074 and 9670 Gateway Drive, Suite 100, Reno, Nevada 89521. In all counties in which an office of the Board is not maintained, a copy of this notice and the text of the proposed regulation will also be available for public inspection and copying at the main public library during business hours. This notice and the text of the proposed regulation will be available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed

to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the Board, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice has been mailed to all persons on the agency's mailing list of administrative regulations and posted at the following locations:

Washoe County Court House
Washoe County Library
Reno City Hall
Las Vegas City Hall
Sawyer State Building
Clark County Library
Offices of the State Contractors' Board in Reno and Henderson

LCB File No. R094-05

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

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

NAC 624.XXX Consumer Protection Bond. (NRS 624.100, 624.276)

1. If an applicant for issuance or renewal of a license who performs work concerning a residential pool or spa is required to file with the board a bond solely for the protection of consumers or establish a cash deposit in lieu of filing a bond, pursuant to NRS 624.276, the amount of the bond or cash deposit may be established by:

- a) The applicant's financial and professional responsibility;*
- b) An affidavit setting forth the number of pending contracts and the aggregate total of contract amounts for the preceding 12 month period;*
- c) The average contract value for each project for the preceding 12 month period; and*
- d) The estimated gross annual volume of work.*

2. Before granting an original contractor's license to, or renewing the contractor's license of, an applicant or licensee who performs work concerning a residential pool or spa, the Board will require the applicant or licensee to submit an affidavit setting forth the aggregate total of contract amounts for the preceding 12 month period and the estimated gross annual volume of work for the subsequent 12 month period.

3. Except as otherwise provided in NRS 624.276, the amount of each consumer protection bond or cash deposit will be fixed by the Board based on the applicant's actual or estimated gross annual volume of work.

- a) Licensees whose aggregate total of contract amounts for the preceding 12-month period or the estimated gross annual volume of work for the subsequent 12 month period does not exceed \$25,000.00 must provide a consumer protection bond or cash deposit in the amount of \$10,000.00.*
- b) Licensees whose aggregate total of contract amounts for the preceding 12 month period or the estimated gross annual volume of work for the subsequent 12 month period is more than \$25,000.00 but does not exceed \$50,000.00 must provide a consumer protection bond or cash deposit in the amount of \$15,000.00.*
- c) Licensees whose aggregate total of contract amounts for the preceding 12-month period or the estimated gross annual volume of work for the subsequent 12 month period is more than \$50,000.00 but does not exceed \$100,000.00 must provide a consumer protection bond or cash deposit in the amount of \$30,000.00.*
- d) Licensees whose aggregate total of contract amounts for the preceding 12-month period or the estimated gross annual volume of work for the subsequent 12 month period is more than \$100,000.00 but does not exceed \$250,000.00 must provide a consumer protection bond or cash deposit in the amount of \$50,000.00.*

- e) *Licensees whose aggregate total of contract amounts for the preceding 12-month period or the estimated gross annual volume of work for the subsequent 12 month period is more than \$250,000.00 but does not exceed 500,000.00 must provide a consumer protection bond or cash deposit in the amount of \$100,000.00.*
- f) *Licensees whose aggregate total of contract amounts for the preceding 12-month period or the estimated gross annual volume of work for the subsequent 12 month period is more than \$500,000.00 but does not exceed \$1,000,000.00 must provide a consumer protection bond or cash deposit in the amount of \$200,000.00.*
- g) *Licensees whose aggregate total of contract amounts for the preceding 12-month period or the estimated gross annual volume of work for the subsequent 12 month period is more than \$1,000,000.00 but does not exceed \$5,000,000.00 must provide a consumer protection bond or cash deposit in the amount of \$300,000.00.*
- h) *Licensees whose aggregate total of contract amounts for the preceding 12-month period or the estimated gross annual volume of work for the subsequent 12 month period is more than \$5,000,000.00 must provide a consumer protection bond or cash deposit in the amount of \$400,000.00.*

4. The consumer protection bond must be submitted on a form prescribed by the Board.

5. The consumer protection bond must be filed within 30 days of notification by the Board of the requirement to file said consumer protection bond.

6. An applicant or licensee who disagrees with the amount of the consumer protection bond may petition for reconsideration of the required amount not later than 10 days after receiving notification of the amount of the bond. The written petition must set forth specific reasons for reconsideration; include supporting documentation and be addressed to the Executive Officer of the Board. The Executive Officer or designee will consider each petition and notify petitioner in writing of the decision within 30 days.

NAC 624.150 Classification A: Subclassifications. (NRS 624.220) The subclassifications of a license designated classification A and the work authorized for persons licensed in the respective subclassifications are:

1. AIRPORTS (subclassification A-1): The construction, alteration and repair of airports, including any navigational equipment, lights, beacons, markers, taxiways, runways, hangars and terminals.

2. HIGHWAYS (subclassification A-2): The construction of highways, roads, streets and other public ways used for vehicular travel, including any drains, tunnels, bridges and other appurtenances to the construction.

3. DAMS AND RESERVOIRS (subclassification A-3): The construction, whether from earth, masonry, steel or concrete, or any combination of these materials, of dams and reservoirs designed to obstruct, control or use water, including the relocation of existing structures, any necessary excavation and the construction of embankments, foundations, piles, piers, spillways, tunnels, roadways and other incidental work.

4. BRIDGES (subclassification A-4): The installation, construction, alteration and repair of bridges which are fabricated of steel, masonry, concrete or other suitable materials, and are

designed for use by pedestrians or moving traffic, and any abutments, foundations, piles, piers, culverts, roadways and other appurtenances to the bridges.

5. DIAMOND AND CORE DRILLING (subclassification A-5): The obtainment by diamond or core drilling, of concrete, soil and rock.

6. DRILLING OF OIL, GAS AND EXPLORATORY WELLS (subclassification A-6): The drilling, altering and repair of existing or new oil, gas or exploratory wells, including the casing, packing and installation of pumps and other supplemental material, equipment or structures.

7. EXCAVATING AND GRADING (subclassification A-7): The digging, movement and placement of material forming the surface of the earth, other than water, with hand and power tools, machines and explosives to cut, fill, excavate, grade, backfill and perform other similar excavating, grading and trenching operations.

8. SEALING AND STRIPING OF ASPHALTIC SURFACES (subclassification A-8): The filling of cracks and voids in existing asphaltic surfaces, the application of sealants and the installation of precast bumpers, traffic signs, nonelectrical markers and striping on the surfaces.

9. PIERS AND FOUNDATIONS (subclassification A-9): The examination, excavation, drilling, compacting, pumping, sealing and other work necessary to construct, alter or repair piers, piles, footings and foundations placed in the earth's subsurface to prevent structural settling and to 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 construction, alteration and repair of commercial and residential pools and spas, used for swimming, therapy or decoration, including any appurtenant equipment. The sub-subclassifications of this subclassification are:

(a) RESIDENTIAL POOLS (sub-subclassification A-10a): The construction, alteration and repair of residential pools and spas, used for swimming, therapy or decoration, including any appurtenant equipment.

(b) RESIDENTIAL SPAS (sub-subclassification A-10b): The construction and repair of residential spas, including any appurtenant equipment.

(c) REPAIR OF POOLS AND SPAS (sub-subclassification A-10c): The repair and replacement of plaster, coping and coating of pool decks on residential pools and spas.

(d) POOLS AND SPAS OF FIBERGLASS (sub-subclassification A-10d): The construction and repair of residential pools and spas, which are made of fiberglass.

(e) MAINTENANCE AND REPAIR OF POOLS AND SPAS (sub-subclassification A-10e): The alteration and repair of plaster, tile, coping, pumps, filters, heaters, decking, pool painting, timers, controls and lights on residential and commercial spas, pools, fountains, waterfalls and ponds.

(f) WATER AND GAS LINES FOR POOLS & SPAS: The installation of water and gas service lines from the point of service to the pool equipment.

11. RECYCLING ASPHALT (subclassification A-11): The scarifications of existing asphaltic mat, the raking of the asphalt into rows, its pulverization, the incorporation of necessary additives, the aeration, spreading and compacting of the asphalt and the application of a coating composed of such ingredients as asphaltic concrete or slurry.

12. EXCAVATING, GRADING, TRENCHING AND SURFACING (subclassification A-12): All work authorized for a license of subclassification A-7 and the mixing, fabrication and placement of pavement and surfaces consisting of graded mineral aggregates, asphalt or concrete products.

13. WRECKING BUILDINGS (subclassification A-13): The wrecking of existing structures by the use of tools, equipment or explosives, and the raising, cribbing and underpinning of buildings and other structures so that alterations, repairs and new substructures may be constructed under the retained and undisturbed portion of the building or other structure.

14. STEEL ERECTION AND INDUSTRIAL MACHINERY (subclassification A-14): The fabrication and erection of steel shapes and plates, regardless of shape or size, to be used as structural members, including any related riveting, welding and rigging, and the installation of any industrial machinery.

15. SEWERS, DRAINS AND PIPES (subclassification A-15): The laying of cast-iron, steel, concrete, vitreous and nonvitreous pipe for sewers, drains and irrigation, including any related excavating, grading, trenching, backfilling, paving and surfacing, and the fabrication and erection of cesspools and septic tanks.

16. PAVING OF STREETS, DRIVEWAYS AND PARKING LOTS (subclassification A-16): Examination, excavation, grading, compacting, alteration and repair in the application of asphalt to streets, driveways, parking lots, boat ramps, and landing strips and taxiways for an airport.

17. LINES TO TRANSMIT ELECTRICITY (subclassification A-17): The installation, alteration and repair of primary overhead lines which transmit electricity, including the erection of poles, towers, anchors, guys, transformers, substations, circuit breakers and any other related hardware, equipment or systems.

18. FARM IRRIGATION (subclassification A-18): The excavation, fabrication, installation, alteration and repair of pipes, pumps, fixtures and any other material and equipment used in or incidental to systems for irrigating crops.

19. PIPELINE AND CONDUITS (subclassification A-19): The fabrication and installation of electrical conduits only, and pipelines including the trenching, boring, shoring, backfilling, compacting, paving, surfacing and application of protective coatings necessary to complete only the installation of the pipes and conduits. A person who holds a subclassification A-19 may perform any of the work authorized for the following subclassifications:

(a) Water (subclassification A-19a).

(b) Gas (subclassification A-19b).

20. INDUSTRIAL PIPING (subclassification A-20): The fabrication and installation of pipes for the transmission of steam, gases, chemicals and other substances required for industrial manufacturing or commercial operations and any related excavation, trenching and backfilling.

21. FENCING AND GUARDRAILS (subclassification A-21): The assembling, cutting, shaping, fabricating and installing of wood or metal fencing, guardrails, signs and nonelectric markers for highways, equipment for playgrounds and supplemental materials.

22. UNCLASSIFIED (subclassification A-22): Work limited in scope by the Board to a specialty which is supported by the licensee's knowledge and experience in a trade or craft and which is not included in the other subclassifications of a license in classification A.

23. REMOVAL OF ASBESTOS (subclassification A-23): The cleaning, handling, repair, removal, encapsulation, enclosure, hauling and disposal of, or other work with, materials containing asbestos.

624.xxxx. An applicant for an A10 (Commercial and Residential Pools) or A10(f) (Water and Gas Lines for Pools and Spas) classification must meet the qualifications set forth in NRS 624.240; NRS 624.260 and NAC 624.600.