

LCB File No. R057-09

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

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Workshop for the Adoption, Amendment or Repeal of Regulations
of
The State of Nevada Contractors Board
LCB File R057-09

The State of Nevada Contractors Board (“Board”) will conduct a workshop on Friday, November 13, 2009 at 8:30 a.m. The workshop 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, Suite 100, Reno, Nevada 89521.

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 by establishing the amount of bond or cash deposit that will be required based on the license monetary limit.

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 Either the terms or the substance of the regulations to be adopted, amended or repealed or a description of the subjects and issues involved.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 sets forth the amount of bond or cash deposit an applicant or licensee would be required to file with the Board based on the monetary limit established for the license. A copy of the proposed regulation is attached.

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

See attached Small Business Impact Statement.

Persons wishing to comment upon the proposed action of the Board may appear at the scheduled public workshop 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 workshop. 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A copy of this notice and the regulations to be adopted, amended or repealed will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours.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

Dated: October 7, 2009

Small Business Impact Statement
License Bonds
RO57-09

In compliance with Nevada Revised Statute (NRS 233B.0608(3), the Nevada State Contractors Board provides the following information concerning the impact the above-referenced regulation would have on small businesses.

1. A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

The proposed regulation, together with a letter of explanation was sent to twenty-six (26) industry associations. The letter requested input from association members concerning the economic impact the proposed regulation would have on their businesses. In addition, an article explaining the proposed regulation was placed in the agency's newsletter that is distributed to all regulated contractors.

The Board received written comments from four of the industry associations representing their members that were In opposition to requiring existing licensees that are not currently required to post a bond and opposing the provision that would increase the amount of the required bond for existing licensees. Comments were received that favored the inclusion of the bond amounts in the Nevada Administrative Code. In addition, some favor the new bond requirements for licenses issued after the regulation is effective and applying the bond requirement to licensees that are subject to disciplinary action. Twenty-seven licensees provided written comments opposing the regulation.

A copy of the summary of responses may be obtained by writing to the Board's offices, 9670 Gateway Drive, Reno, NV 89521.

2. The estimated economic effect of the proposed regulation on the small business which it is to regulate, including without limitation:
 - (a) Both adverse and beneficial effects; and
 - (b) Both direct and indirect effects.

The proposed regulation will have an adverse impact on regulated licensees by requiring all licensees to post license bonds. In addition, some licensees may have difficulty in obtaining a bond for a higher amount that will be required by the proposed regulation.

The beneficial impact of the proposed regulation is additional protection that will be available to consumers, suppliers and subcontractors who may file claims against a license bond in the event of certain actions by a contractor.

Direct effects are increased costs for licensees and further protection for consumers, suppliers and subcontractors. An indirect effect may be the failure of some contracting businesses that can not afford to incur additional costs.

3. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Board contacted several bonding agents to request the criteria each bonding company uses to assess the fees for bonds. We are working diligently with the bond companies to provide accurate information to contractors to enable them to make informed business decisions concerning their bonding requirements.

The Board also provides information to licensees concerning lowering the monetary license limit for their business. By lowering the monetary license limit, a licensee may also be eligible for a lower bond amount.

The Board has used both of the methods to reduce the financial impact on licensees.

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

The estimated cost to the agency is minimal since existing personnel will perform any required tasks.

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

The proposed regulation does not provide any new fee or increases to an existing fee for the agency.

6. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

The regulation does not include any provision which duplicates or are more stringent than federal, state, or local standards regulating the same activity.