

ASSEMBLY BILL NO. 227—ASSEMBLYWOMAN CARLTON

MARCH 10, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to contractors. (BDR 54-720)

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; setting forth the persons who may perform certain types of work for a contractor; revising the grounds for disciplinary action against a licensee by the State Contractors’ Board; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law generally requires a person to be licensed as a contractor to engage
2 in the business of constructing, altering or repairing any structure or other
3 improvement. (NRS 624.020, 624.700) **Sections 1 and 2** of this bill set forth: (1)
4 the persons who may perform work that requires a contractor’s license; and (2) the
5 persons who may perform for a contractor work that does not require a contractor’s
6 license.

7 Existing law sets forth certain acts which constitute cause for disciplinary
8 action against a licensed contractor by the State Contractors’ Board. (NRS
9 624.3015) **Section 3** of this bill: (1) revises the list of acts to include entering into
10 an agreement with a natural person who is not an employee of the licensed
11 contractor and not licensed as a contractor to perform for the licensed contractor
12 any work which requires a contractor’s license; and (2) provides that in addition to
13 any disciplinary or other action that may be taken against the licensed contractor,
14 such an agreement is void and unenforceable.

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

1 **Section 1.** Chapter 624 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. A contractor may perform work that requires a*
4 *contractor’s license:*



- 1 (a) *Himself, herself or itself; or*
- 2 (b) *By or through an employee or employees of the contractor*
- 3 *or of another contractor.*

4 2. *Work that does not require a contractor's license may be*
5 *performed for and under the direction and control of a contractor*
6 *by a person who is:*

- 7 (a) *Described in subsection 1; or*
- 8 (b) *Employed by a private employment agency that is licensed*
- 9 *by the Labor Commissioner pursuant to NRS 611.040.*

10 3. *As used in subsection 1, "employee" has the meaning*
11 *ascribed to it in subsection 6 of NRS 624.020.*

12 **Sec. 2.** NRS 624.020 is hereby amended to read as follows:

13 624.020 1. "Contractor" is synonymous with "builder."

14 2. A contractor is any person, except a registered architect or a
15 licensed professional engineer, acting solely in a professional
16 capacity, who ~~[in any capacity other than as the employee of another~~
17 ~~with wages as the sole compensation.]~~ undertakes to, offers to
18 undertake to, purports to have the capacity to undertake to, or
19 submits a bid to, or does himself, ~~[or]~~ herself or *itself or* by or
20 through ~~[others,]~~ *an employee or employees of the contractor or of*
21 *another contractor*, construct, alter, repair, add to, subtract from,
22 improve, move, wreck or demolish any building, highway, road,
23 railroad, excavation or other structure, project, development or
24 improvement, or to do any part thereof, including the erection of
25 scaffolding or other structures or works in connection therewith.
26 Evidence of the securing of any permit from a governmental agency
27 or the employment of any person on a construction project must be
28 accepted by the Board or any court of this State as prima facie
29 evidence that the person securing that permit or employing any
30 person on a construction project is acting in the capacity of a
31 contractor pursuant to the provisions of this chapter.

32 3. A contractor includes a subcontractor or specialty contractor,
33 but does not include anyone who merely furnishes materials or
34 supplies without fabricating them into, or consuming them in the
35 performance of, the work of a contractor.

36 4. A contractor includes a construction manager who performs
37 management and counseling services on a construction project for a
38 professional fee.

39 5. A contractor does not include an owner of a planned unit
40 development who enters into one or more oral or written agreements
41 with one or more general building contractors or general
42 engineering contractors to construct a work of improvement in the
43 planned unit development if the general building contractors or
44 general engineering contractors are licensed pursuant to this chapter



1 and contract with the owner of the planned unit development to
2 construct the entire work of improvement.

3 **6. As used in subsection 2, "employee" means a natural**
4 **person who:**

5 (a) **Works under the direction and control of a contractor; and**

6 (b) **For federal income tax purposes:**

7 (1) **Is required by the contractor to complete a Form W-4**
8 **for the withholding of federal income taxes from wages paid to the**
9 **person by the contractor; and**

10 (2) **Is provided at the end of each year a Form W-2 for the**
11 **reporting of wages paid to the person by the contractor.**

12 **Sec. 3.** NRS 624.3015 is hereby amended to read as follows:

13 624.3015 The following acts, among others, constitute cause
14 for disciplinary action under NRS 624.300:

15 1. Acting in the capacity of a contractor beyond the scope of
16 the license.

17 2. Bidding to contract or contracting for a sum for one
18 construction contract or project in excess of the limit placed on the
19 license by the Board.

20 3. Knowingly bidding to contract or entering into a contract
21 with a contractor for work in excess of his or her limit or beyond the
22 scope of his or her license.

23 4. Knowingly entering into a contract with a contractor while
24 that contractor is not licensed.

25 5. Constructing or repairing a mobile home, manufactured
26 home, manufactured building or commercial coach or factory-built
27 housing unless the contractor:

28 (a) Is licensed pursuant to NRS 489.311;

29 (b) Owns, leases or rents the mobile home, manufactured home,
30 manufactured building, commercial coach or factory-built housing;
31 or

32 (c) Is authorized to perform the work pursuant to subsection 4 of
33 NRS 118B.090 or subsection 2 of NRS 118B.097.

34 6. Engaging in any work or activities that require a contractor's
35 license while the license is placed on inactive status pursuant to
36 NRS 624.282.

37 **7. Entering into any agreement, oral or written, express or**
38 **implied, with a natural person who is not an employee of the**
39 **licensee and not licensed as a contractor by which that person,**
40 **either directly or through any person employed by that person,**
41 **agrees to perform for the licensee any work which requires a**
42 **contractor's license. In addition to any disciplinary or other action**
43 **that may be taken against a licensee pursuant to this subsection,**
44 **any agreement described by this subsection is void and**
45 **unenforceable.**



1 *8. As used in subsection 7, “employee” has the meaning*
2 *ascribed to it in subsection 6 of NRS 624.020.*

3 **Sec. 4.** This act becomes effective upon passage and approval.

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