

Amendment No. 518

Senate Amendment to Assembly Bill No. 227	(BDR 54-720)
Proposed by: Senate Committee on Commerce and Labor	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No	

ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

VDW/KCR



Date: 5/11/2021

A.B. No. 227—Revises provisions relating to contractors. (BDR 54-720)



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:

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

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

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

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

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

(a) Himself, herself or itself; or

(b) By or through an employee or employees of the contractor or of another contractor.

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

(a) Described in subsection 1; or

(b) Employed by a private employment agency that is licensed by the Labor Commissioner pursuant to NRS 611.040.

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

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

4 624.020 1. "Contractor" is synonymous with "builder."

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

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

23 4. A contractor includes a construction manager who performs management
24 and counseling services on a construction project for a professional fee.

25 5. A contractor does not include an owner of a planned unit development who
26 enters into one or more oral or written agreements with one or more general
27 building contractors or general engineering contractors to construct a work of
28 improvement in the planned unit development if the general building contractors or
29 general engineering contractors are licensed pursuant to this chapter and contract
30 with the owner of the planned unit development to construct the entire work of
31 improvement.

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

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

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

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

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

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

41 624.3015 The following acts, among others, constitute cause for disciplinary
42 action under NRS 624.300:

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

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

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

48 4. Knowingly entering into a contract with a contractor while that contractor
49 is not licensed.

50 5. Constructing or repairing a mobile home, manufactured home,
51 manufactured building or commercial coach or factory-built housing unless the
52 contractor:

53 (a) Is licensed pursuant to NRS 489.311;

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

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

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

7 *7. Entering into any agreement, oral or written, express or implied, with a*
8 *natural person who is not an employee of the licensee and not licensed as a*
9 *contractor by which that person, either directly or through any person employed*
10 *by that person, agrees to perform for the licensee any work which requires a*
11 *contractor’s license. In addition to any disciplinary or other action that may be*
12 *taken against a licensee pursuant to this subsection, any agreement described by*
13 *this subsection is void and unenforceable.*

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

16 **Sec. 4. 1.** This ~~act~~ section becomes effective upon passage and approval.

17 **2. Sections 1, 2 and 3 of this act become effective:**

18 (a) Upon passage and approval for the purpose of adopting any
19 regulations and performing any other preparatory administrative tasks that
20 are necessary to carry out the provisions of this act; and

21 (b) On October 1, 2021, for all other purposes.