

ASSEMBLY BILL NO. 22—COMMITTEE  
ON COMMERCE AND LABOR

(ON BEHALF OF THE STATE CONTRACTORS’ BOARD)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the issuance of cease and desist orders for unlicensed activity by the State Contractors’ Board. (BDR 54-267)

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; revising provisions governing the actions that the State Contractors’ Board is authorized or required to take after the issuance of a cease and desist order for unlicensed activity; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires the State Contractors’ Board to issue a cease and desist  
2 order to a person for acting as a contractor or submitting a bid on a job in this State  
3 without a license as a contractor and sets forth the actions that the Board is  
4 authorized or required to take after the issuance of the order. If the Board  
5 determines that the person to whom the cease and desist order was issued has not  
6 complied with the order, existing law requires the Board to: (1) for a first violation  
7 for which the value of the unlicensed work is \$50,000 or less, issue a written  
8 administrative citation, conditioned upon the submission by the person of an  
9 application for a license as a contractor; and (2) for a second or subsequent  
10 violation, or a first violation for which the value of the unlicensed work exceeds  
11 \$50,000, report the violation for possible criminal prosecution. If the Board  
12 determines that the person has complied with the cease and desist order, existing  
13 law: (1) requires the Board to issue an administrative citation and impose an  
14 administrative fine; and (2) authorizes the Board to require the person to submit an  
15 application for a license as a contractor. (NRS 624.212)

16 This bill replaces the separate procedures in existing law that the Board is  
17 required to follow after the issuance of a cease and desist order, depending upon  
18 whether the person to whom the order was issued complied with the order. Under  
19 the procedures set forth in this bill, the Board, regardless of the person’s



20 compliance with the order, is required to issue an administrative citation and  
21 impose an administrative fine for a first violation which does not involve theft or  
22 fraud. For a second or subsequent violation, or for any first violation involving theft  
23 or fraud, this bill requires the Board to: (1) issue an administrative citation and  
24 impose an administrative fine; (2) report the violation for possible criminal  
25 prosecution; or (3) take both of those actions. This bill retains the authority of the  
26 Board in existing law to, after the issuance of a cease and desist order: (1) require  
27 the person to submit an application for a license as a contractor; and (2) apply for  
28 injunctive relief.

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

1 **Section 1.** NRS 624.212 is hereby amended to read as follows:

2 624.212 1. The Executive Officer, on behalf of the Board,  
3 shall issue an order to cease and desist to any person:

4 (a) Acting as a contractor, including, without limitation,  
5 commencing work as a contractor; or

6 (b) Submitting a bid on a job situated in this State,

7 ↪ without a valid license issued pursuant to this chapter. The order  
8 must be served personally or by certified mail and is effective upon  
9 receipt. For the purposes of this section, a person shall be deemed to  
10 have a valid license if the person has an active license and is  
11 performing work in conformity with the requirements of subsection  
12 4 of NRS 624.220.

13 2. After confirming that the cease and desist order has been  
14 received by the person to whom it was issued, the Board shall return  
15 to the job site or take any other action required to confirm that the  
16 terms of the cease and desist order have been complied with. The  
17 person to whom the cease and desist order was issued may, while in  
18 the course of stopping work on the job, take any necessary action  
19 within 48 hours after receiving the cease and desist order to protect  
20 the public, the project, any other contractors, laborers and  
21 equipment on the site and to limit the loss of any perishable goods.

22 3. ~~If the Board determines that any term of a cease and desist~~  
23 ~~order has not been complied with and no exception applies:~~

24 ~~—(a) The person to whom the cease and desist order was issued~~  
25 ~~shall be deemed noncompliant with the cease and desist order and~~  
26 ~~the person may not complete the project, except for taking any~~  
27 ~~necessary action to protect the public, the project, any other~~  
28 ~~contractors, laborers and equipment and to limit the loss of any~~  
29 ~~perishable goods.~~

30 ~~—(b) Except as otherwise provided in paragraph (c), for a first~~  
31 ~~pursuant, the Board shall issue a written administrative citation~~  
32 ~~pursuant to NRS 624.341, which may include any reasonable~~  
33 ~~investigatory fees and costs, conditioned upon the submission by the~~



1 ~~person of a bona fide application for the issuance of a license~~  
2 ~~pursuant to this chapter within a reasonable period established by~~  
3 ~~the Board.~~

4 ~~—(c) For a second or subsequent violation, or for any first~~  
5 ~~violation for which the reasonable value of the unlicensed work~~  
6 ~~exceeds \$50,000, the Board shall:~~

7 ~~—(1) Report the violation of the cease and desist order to the~~  
8 ~~appropriate district attorney for possible criminal prosecution~~  
9 ~~pursuant to NRS 624.700; and~~

10 ~~—(2) Provide any reasonable assistance in the prosecution.~~

11 ~~—(d) The Board may apply for injunctive relief pursuant to the~~  
12 ~~Nevada Rules of Civil Procedure to enjoin the person to whom~~  
13 ~~the cease and desist order was issued from continuing to violate the~~  
14 ~~cease and desist order in any county in which the person may be~~  
15 ~~found. If such an action is filed, irreparable injury is presumed and~~  
16 ~~the likelihood of success on the merits may be established by a~~  
17 ~~showing that, on the date the cease and desist order was issued, the~~  
18 ~~person did not hold a valid license issued pursuant to this chapter~~  
19 ~~and had bid for or undertaken work for which such a license is~~  
20 ~~required.~~

21 ~~—4. If the Board determines that the person to whom the] *After*~~  
22 ~~*issuing a* cease and desist order , [was issued has complied with the~~  
23 ~~order,] the Board [:] shall:~~

24 (a) ~~[Shall]~~ *For a first violation which does not involve theft or*  
25 *fraud*, issue an administrative citation pursuant to NRS 624.341 and  
26 impose an administrative fine against the person in accordance with  
27 NRS 624.710, in addition to any reasonable investigatory fees and  
28 costs. ~~[; and]~~

29 (b) ~~[May require]~~ *For a second or subsequent violation, or for*  
30 *any first violation involving theft or fraud, take any or all of the*  
31 *following actions:*

32 (1) *Issue an administrative citation pursuant to NRS*  
33 *624.341 and impose an administrative fine against the person in*  
34 *accordance with NRS 624.710, in addition to any reasonable*  
35 *investigatory fees and costs.*

36 (2) *Report the violation of the provisions of this chapter for*  
37 *possible criminal prosecution pursuant to NRS 624.700. If the*  
38 *violation is prosecuted, the Board shall provide any reasonable*  
39 *assistance in the prosecution.*

40 *4. After issuing a cease and desist order, in addition to the*  
41 *actions required by subsection 3, the Board may:*

42 (a) *Require* the person to submit a bona fide application for the  
43 issuance of a license pursuant to this chapter within a reasonable  
44 period established by the Board.



1 *(b) If the Board determines that any term of the cease and*  
2 *desist order has not been complied with and no exception applies,*  
3 *apply for injunctive relief pursuant to the Nevada Rules of Civil*  
4 *Procedure to enjoin the person to whom the cease and desist order*  
5 *was issued from continuing to violate the cease and desist order in*  
6 *any county in which the person may be found. If such an action is*  
7 *filed, irreparable injury is presumed and the likelihood of success*  
8 *on the merits may be established by a showing that, on the date the*  
9 *cease and desist order was issued, the person did not hold a valid*  
10 *license issued pursuant to this chapter and had bid for or*  
11 *undertaken work for which such a license is required.*

12 5. When assessing an administrative fine pursuant to this  
13 section, the Board may:

14 (a) Require the person to whom the cease and desist order was  
15 issued to remedy any loss or damage caused by the unlicensed  
16 activity for which the order was issued, including, without  
17 limitation, the disgorgement of any amount of money collected from  
18 the owner of the project that was not for material delivered to the  
19 job site and that has not been damaged or altered by the person;

20 (b) Reduce or stay any administrative fine imposed pursuant to  
21 subsection ~~4~~ 3 pending completion by the person of a program of  
22 training or an examination required by the Board; or

23 (c) Reduce or stay any administrative fine imposed pursuant to  
24 subsection ~~4~~ 3 if the person obtains a valid license issued pursuant  
25 to this chapter.

26 6. When imposing an administrative fine pursuant to this  
27 section, the Board shall impose the maximum administrative fine  
28 established pursuant to this chapter for the unlicensed activity if  
29 more than one of the following circumstances exist:

30 (a) The person has previously committed the same or a similar  
31 violation as the violation for which the administrative fine is  
32 imposed;

33 (b) The unlicensed activity involves more than one trade or  
34 craft;

35 (c) The unlicensed activity resulted in harm to any person or  
36 property;

37 (d) The unlicensed activity involved an elderly person or a  
38 person with a diagnosed physical or mental disability; or

39 (e) The unlicensed activity was for a project having a contract  
40 value in excess of \$50,000.

41 7. Within 15 business days after receiving a cease and desist  
42 order, the person against whom the order was issued may petition  
43 the Board in writing to lift or alter the order. The petition may  
44 assert:

45 (a) As an absolute defense:



- 1 (1) Licensure of the person pursuant to this chapter;  
2 (2) Any applicable exception to licensure set forth in NRS  
3 624.031; or  
4 (3) Misidentification of the person.  
5 (b) As a partial defense:  
6 (1) Overbreadth of any term of the cease and desist order;  
7 (2) Vagueness or ambiguity of any term of the cease and  
8 desist order;  
9 (3) Consideration of any necessary action taken by the  
10 person to protect the public, the project, any other contractors,  
11 laborers and any equipment on the job site and to limit any loss of  
12 perishable goods; or  
13 (4) Any other ~~[defect]~~ *deficiency* in the terms of the cease  
14 and desist order.  
15 8. After considering any assertion made in a petition pursuant  
16 to:  
17 (a) Paragraph (a) of subsection 7, the Board shall, if facts are  
18 established to the satisfaction of the Board to support the absolute  
19 defense asserted in the petition, vacate the cease and desist order or  
20 any portion thereof.  
21 (b) Paragraph (b) of subsection 7, the Board shall, if facts are  
22 established to the satisfaction of the Board to support the partial  
23 defense asserted in the petition, reasonably clarify any terms of the  
24 cease and desist order requested by the petitioner.  
25 9. When considering an application for the issuance of a  
26 license pursuant to this chapter, the Board may consider:  
27 (a) Any cease and desist order issued against the applicant;  
28 (b) Compliance by the applicant with any cease and desist order  
29 issued against him or her;  
30 (c) Any criminal conviction of the applicant for failure to  
31 comply with any cease and desist order; or  
32 (d) The payment by the applicant of any criminal or  
33 administrative fine and any administrative fee or cost imposed  
34 against the applicant.  
35 10. If the court finds that a person violated an order issued  
36 pursuant to subsection 1 without an established absolute defense set  
37 forth in paragraph (a) of subsection 7, it shall impose a fine of not  
38 less than \$250 nor more than \$1,000 for each violation of the order.

