



Nevada State Contractors Board

STRATEGIC PLAN

*EXECUTIVE OFFICER REPORT
QUARTER ONE REPORT*

July 1 - September 30, 2023



Members of the Board

Boyd Martin, *Chairman*

Margaret Cavin, *Treasurer*

Bryan Cowart

Joe Hernandez

Kent Lay

Jan B. Leggett

Louis Polish, Jr.

Executive Leadership

Margi Grein, *Executive Officer*

Susan Broili-Kamesch, *Licensing Administrator*

David Behar, *Director of Investigations*

Brian Hayashi, *Information Technology Manager*

Mission Statement

The Nevada State Contractors Board (NSCB) is committed to ensuring the integrity and professionalism of the construction industry in Nevada. The NSCB has the responsibility to promote quality construction by Nevada licensed contractors through a regulatory licensing system designed to protect the health, safety and welfare of the public.

members
and



Message from the Executive Officer

Returning full circle to the beginning of another fiscal year is something we look forward to at the Board. It is our opportunity to not only refocus our efforts on prioritized goals, but to continue strengthening and building upon the foundations of years prior.

One area is our ongoing commitment to partner and work collaboratively with organizations and officials across all levels of government, industry, and community at-large. As we entered the first quarter, many of our endeavors fell under this umbrella.

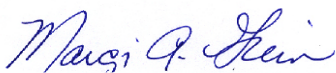
On the national level, participation in meetings held by the National Association of Contractor Licensing Agencies ensures we remain at the forefront of regulatory topics and trends, while proactively sharing ideas with other states on efforts that have proven both successful and challenging.

We've advanced our consumer protection initiatives through partnerships with state leaders on the development of public service announcements that reinforce the importance of hiring a licensed contractor and remind consumers of the dangers posed by unlawful construction activities.

The Board hosted state and local executives in Task Force meetings aimed at combating unlicensed contracting practices; discussing strategic undertakings that promote shared resources, collaborative solutions, and a focus on identified outcomes.

The passing of several laws during the 82nd Legislative Session provided a platform for the Board to educate industry groups and licensees on newly implemented requirements, making available in-person presentations, a webinar, and a variety of printed material distributed electronically and posted to the Board's website.

There will always be more that can be done, and that is what our strategic planning process is committed to. I look forward to sharing our steps forward each quarter and welcome you to participate in opportunities available that allow you to engage, interact, and contribute to these discussions.



MARGI A. GREIN
Nevada State Contractors Board Executive Officer

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Executive Officer - Quarter Highlights

Governor Lombardo and Attorney General Aaron Ford Serve as Spokesmen for NSCB Public Service Announcements

The Nevada State Contractors Board welcomed Governor Joe Lombardo and Attorney General Aaron Ford during the quarter as each filmed a public service announcement to promote the importance of contractor license verification and the protection of Nevada's seniors against unlawful contracting activities.

Executive Officer Grein Engages in NASCLA Annual Conference, Committee Meetings

The National Association of Contractor Licensing Agencies held its 61st Annual Conference highlighting various training and seminar topics focused on due process, caseload management, motion practice and other administrative and regulatory areas of importance. The conference was attended by Executive Officer Grein and Director of Investigations David Behar. Grein also serves on the NASCLA Membership Committee, which met during the reporting period to discuss ways to expand and attract new members to the organization.

Legislative Update Provided to Members of NAIOP Commercial Real Estate Development Association

Executive Officer Grein and legislative consultant Misty Grimmer of The Ferraro Group welcomed an opportunity by the NAIOP Commercial Real Estate Development Association Southern Chapter to highlight construction-related changes made following the conclusion of the 82nd Legislative

Session. The forum provided an opportunity for Ms. Grein to discuss the Board's legislative successes and address areas of mutual interests between the two industries.

Board Hosts 4th Annual Interagency Task Force Meeting in Northern Nevada

Led by Director of Investigations Behar, the Board hosted its 4th Annual Interagency Task Force meeting in its Reno office during the quarter. In attendance were building officials, state department representatives, and other officials with a vested interest in public safety initiatives related to the enforcement of unlicensed construction activities. In addition to discussions centered on strategic actions that can be taken and resources shared, ongoing efforts to communicate information of importance were highlighted as the group discussed ways of maximizing exposure through an efficient use of mediums.

New Residential Improvement Law Leads to Heightened Efforts to Inform Public and Industry

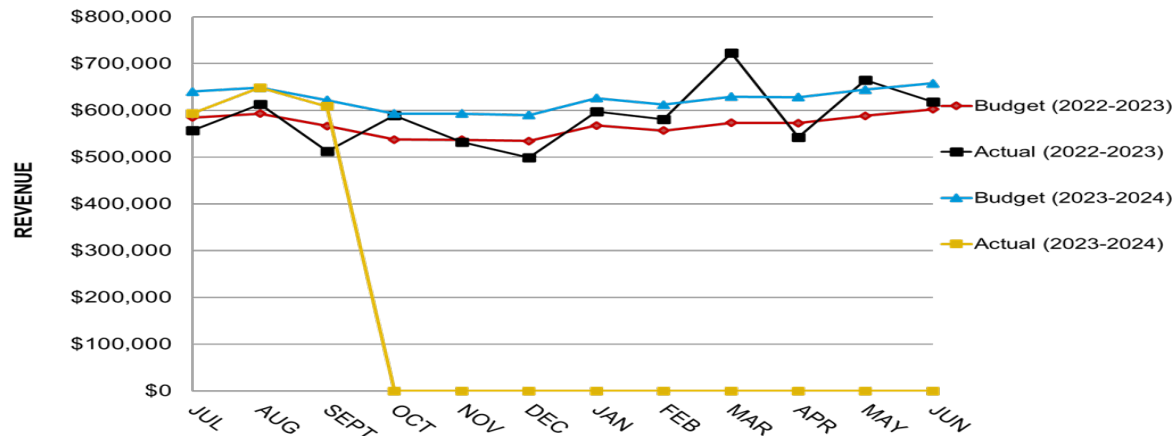
With Assembly Bill 39 set to take effect October 1, 2023, the NSCB initiated several efforts to inform all targeted audiences of the new requirements under the law. The Board issued industry bulletins and press releases highlighting the upcoming changes, conducted industry-wide outreach to answer questions and provide clarity, shared content frequently on its social media pages, distributed articles to media, developed a consumer checklist tool to guide them in contract discussions with contractors, and conducted in-depth interviews with media. These efforts, and more, remain ongoing.

Licensing & Cost Recovery - Data Dashboard

| Budget (2022-2023) | JULY-22 | AUG-22 | SEPT-22 | OCT-22 | NOV-22 | DEC-22 | JAN-23 | FEB-23 | MAR-23 | APR-23 | MAY-23 | JUN-23 | TOTALS |
|---------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| License Renewals | \$390,000 | \$398,000 | \$374,000 | \$345,000 | \$345,000 | \$342,100 | \$375,000 | \$365,000 | \$381,000 | \$380,000 | \$395,000 | \$409,900 | \$4,500,000 |
| New License Fee | \$67,916 | \$67,917 | \$67,917 | \$67,916 | \$67,917 | \$67,917 | \$67,916 | \$67,917 | \$67,917 | \$67,916 | \$67,917 | \$67,917 | \$815,000 |
| Application Fee | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$56,250 | \$675,000 |
| License Changes | \$39,583 | \$39,583 | \$39,584 | \$39,583 | \$39,583 | \$39,584 | \$39,583 | \$39,583 | \$39,584 | \$39,583 | \$39,583 | \$39,584 | \$475,000 |
| Investigative Recov Costs | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$18,750 | \$225,000 |
| Renewal Late Fees | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$6,750 | \$81,000 |
| Renewal Inactive Fee | \$5,725 | \$5,875 | \$3,325 | \$3,525 | \$3,075 | \$3,225 | \$3,625 | \$2,425 | \$3,325 | \$3,625 | \$4,225 | \$3,025 | \$45,000 |
| TOTALS | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | |
| | \$584,974 | \$593,125 | \$566,576 | \$537,774 | \$537,325 | \$534,576 | \$567,874 | \$556,675 | \$573,576 | \$572,874 | \$588,475 | \$602,176 | \$6,816,000 |
| Actual (2022-2023) | JULY-22 | AUG-22 | SEPT-22 | OCT-22 | NOV-22 | DEC-22 | JAN-23 | FEB-23 | MAR-23 | APR-23 | MAY-23 | JUN-23 | TOTALS |
| License Renewals | \$381,340 | \$380,850 | \$346,650 | \$416,425 | \$354,625 | \$326,278 | \$407,097 | \$393,000 | \$477,188 | \$342,750 | \$438,225 | \$386,325 | \$4,650,753 |
| New License Fee | \$55,500 | \$69,200 | \$52,000 | \$50,700 | \$62,600 | \$55,000 | \$66,750 | \$62,850 | \$72,600 | \$63,750 | \$72,300 | \$75,600 | \$758,850 |
| Application Fee | \$48,000 | \$60,000 | \$52,200 | \$45,100 | \$55,200 | \$50,100 | \$59,400 | \$56,700 | \$73,500 | \$60,600 | \$72,300 | \$75,900 | \$709,000 |
| License Changes | \$35,955 | \$44,620 | \$38,425 | \$41,050 | \$40,225 | \$43,525 | \$40,200 | \$45,500 | \$53,375 | \$36,975 | \$46,025 | \$44,000 | \$509,875 |
| Investigative Recov Costs | \$22,938 | \$40,796 | \$12,279 | \$18,271 | \$9,032 | \$12,289 | \$11,172 | \$11,690 | \$33,207 | \$26,478 | \$23,071 | \$22,941 | \$244,162 |
| Renewal Late Fees | \$8,025 | \$11,888 | \$8,363 | \$13,863 | \$7,373 | \$8,288 | \$8,362 | \$8,213 | \$8,475 | \$8,250 | \$8,138 | \$9,713 | \$108,947 |
| Renewal Inactive Fee | \$5,700 | \$5,700 | \$2,700 | \$3,750 | \$3,450 | \$3,600 | \$4,050 | \$3,000 | \$4,800 | \$3,600 | \$4,650 | \$4,200 | \$49,200 |
| TOTALS | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | |
| | \$557,458 | \$613,053 | \$512,617 | \$589,158 | \$532,504 | \$499,079 | \$597,031 | \$580,952 | \$723,145 | \$542,403 | \$664,708 | \$618,678 | \$7,030,787 |
| Variance (2022-2023) | JULY-22 | AUG-22 | SEPT-22 | OCT-22 | NOV-22 | DEC-22 | JAN-23 | FEB-23 | MAR-23 | APR-23 | MAY-23 | JUN-23 | TOTALS |
| License Renewals | (\$8,660) | (\$17,150) | (\$27,350) | \$71,425 | \$9,625 | (\$15,822) | \$32,097 | \$28,000 | \$96,188 | (\$37,250) | \$43,225 | (\$23,575) | \$150,753 |
| New License Fee | (\$12,416) | \$1,283 | (\$15,917) | (\$17,216) | (\$5,317) | (\$12,917) | (\$1,166) | (\$5,067) | \$4,683 | (\$4,166) | \$4,383 | \$7,683 | (\$56,150) |
| Application Fee | (\$8,250) | \$3,750 | (\$4,050) | (\$11,150) | (\$1,050) | (\$6,150) | \$3,150 | \$450 | \$17,250 | \$4,350 | \$16,050 | \$19,650 | \$34,000 |
| License Changes | (\$3,628) | \$5,037 | (\$1,159) | \$1,467 | \$642 | \$3,941 | \$617 | \$5,917 | \$13,791 | (\$2,608) | \$6,442 | \$4,416 | \$34,875 |
| Investigative Recov Costs | \$4,188 | \$22,046 | (\$6,471) | (\$479) | (\$9,718) | (\$6,461) | (\$7,578) | (\$7,060) | \$14,457 | \$7,728 | \$4,321 | \$4,191 | \$19,162 |
| Renewal Late Fees | \$1,275 | \$5,138 | \$1,613 | \$7,113 | \$623 | \$1,538 | \$1,612 | \$1,463 | \$1,725 | \$1,500 | \$1,388 | \$2,963 | \$27,947 |
| Renewal Inactive Fee | (\$25) | (\$175) | (\$625) | \$225 | \$375 | \$375 | \$425 | \$575 | \$1,475 | (\$25) | \$425 | \$1,175 | \$4,200 |
| TOTALS | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | |
| | (\$27,516) | \$19,928 | (\$53,959) | \$51,384 | (\$4,821) | (\$35,497) | \$29,157 | \$24,277 | \$149,569 | (\$30,471) | \$76,233 | \$16,502 | \$214,787 |
| Budget (2023-2024) | JULY-23 | AUG-23 | SEPT-23 | OCT-23 | NOV-23 | DEC-23 | JAN-24 | FEB-24 | MAR-24 | APR-24 | MAY-24 | JUN-24 | TOTALS |
| License Renewals | \$423,000 | \$431,000 | \$407,000 | \$378,000 | \$378,100 | \$375,100 | \$411,000 | \$398,000 | \$414,300 | \$413,000 | \$428,300 | \$443,200 | \$4,900,000 |
| New License Fee | \$65,833 | \$65,836 | \$65,836 | \$65,832 | \$65,832 | \$65,832 | \$65,832 | \$65,833 | \$65,832 | \$65,835 | \$65,832 | \$65,835 | \$790,000 |
| Application Fee | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$62,500 | \$750,000 |
| License Changes | \$47,917 | \$47,916 | \$47,917 | \$47,917 | \$47,916 | \$47,917 | \$47,917 | \$47,916 | \$47,917 | \$47,916 | \$47,917 | \$47,917 | \$575,000 |
| Investigative Recov Costs | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$300,000 |
| Renewal Late Fees | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$120,000 |
| Renewal Inactive Fee | \$6,225 | \$6,375 | \$3,825 | \$4,025 | \$3,575 | \$3,725 | \$4,125 | \$2,925 | \$3,825 | \$4,125 | \$4,725 | \$3,525 | \$51,000 |
| TOTALS | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | |
| | \$640,475 | \$648,627 | \$622,078 | \$593,274 | \$592,923 | \$590,074 | \$626,374 | \$612,174 | \$629,374 | \$628,376 | \$644,274 | \$657,977 | \$7,486,000 |
| Actual (2023-2024) | JULY-23 | AUG-23 | SEPT-23 | OCT-23 | NOV-23 | DEC-23 | JAN-24 | FEB-24 | MAR-24 | APR-24 | MAY-24 | JUN-24 | TOTALS |
| License Renewals | \$409,500 | \$410,590 | \$419,615 | | | | | | | | | | \$1,239,705 |
| New License Fee | \$54,900 | \$61,800 | \$55,800 | | | | | | | | | | \$172,500 |
| Application Fee | \$56,700 | \$75,900 | \$60,000 | | | | | | | | | | \$192,600 |
| License Changes | \$45,025 | \$51,100 | \$39,950 | | | | | | | | | | \$136,075 |
| Investigative Recov Costs | \$14,396 | \$30,111 | \$14,709 | | | | | | | | | | \$59,215 |
| Renewal Late Fees | \$9,075 | \$12,225 | \$14,875 | | | | | | | | | | \$36,175 |
| Renewal Inactive Fee | \$4,200 | \$7,050 | \$3,450 | | | | | | | | | | \$14,700 |
| TOTALS | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | |
| | \$593,796 | \$648,776 | \$608,399 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,850,970 |
| Variance (2023-2024) | JULY-23 | AUG-23 | SEPT-23 | OCT-23 | NOV-23 | DEC-23 | JAN-24 | FEB-24 | MAR-24 | APR-24 | MAY-24 | JUN-24 | TOTALS |
| License Renewals | (\$13,500) | (\$20,410) | \$12,615 | (\$378,000) | (\$378,100) | (\$375,100) | (\$411,000) | (\$398,000) | (\$414,300) | (\$413,000) | (\$428,300) | (\$443,200) | (\$3,660,295) |
| New License Fee | (\$10,933) | (\$4,036) | (\$10,036) | (\$65,832) | (\$65,832) | (\$65,832) | (\$65,832) | (\$65,833) | (\$65,832) | (\$65,835) | (\$65,832) | (\$65,835) | (\$617,500) |
| Application Fee | (\$5,800) | \$13,400 | (\$2,500) | (\$62,500) | (\$62,500) | (\$62,500) | (\$62,500) | (\$62,500) | (\$62,500) | (\$62,500) | (\$62,500) | (\$62,500) | (\$557,400) |
| License Changes | (\$2,892) | \$3,184 | (\$7,967) | (\$47,917) | (\$47,916) | (\$47,917) | (\$47,917) | (\$47,916) | (\$47,917) | (\$47,916) | (\$47,917) | (\$47,917) | (\$438,925) |
| Investigative Recov Costs | (\$10,604) | \$5,111 | (\$10,291) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$240,785) |
| Renewal Late Fees | (\$925) | \$2,225 | \$4,875 | (\$10,000) | (\$10,000) | (\$10,000) | (\$10,000) | (\$10,000) | (\$10,000) | (\$10,000) | (\$10,000) | (\$10,000) | (\$83,825) |
| Renewal Inactive Fee | (\$2,025) | \$675 | (\$375) | (\$4,025) | (\$3,575) | (\$3,725) | (\$4,125) | (\$2,925) | (\$3,825) | (\$4,125) | (\$4,725) | (\$3,525) | (\$36,300) |
| TOTALS | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | |
| | (\$46,679) | \$149 | (\$13,679) | (\$593,274) | (\$592,923) | (\$590,074) | (\$626,374) | (\$612,174) | (\$629,374) | (\$628,376) | (\$644,274) | (\$657,977) | (\$5,635,030) |

Licensing & Cost Recovery - Data Dashboard

APPLICATION, RENEWAL & COST RECOVERY REVENUE
(FISCAL YEARS 2022-23 / 2023-24)



JULY TO SEPTEMBER 2023

| | |
|--|----------|
| Licenses (Beginning of Quarter) | 18,030 |
| New Licenses Issued | 343 |
| Licenses Cancelled / Surrendered / Revoked | (252) |
| Variance in Suspended/Reinstated Licenses | (26) |
| Licenses (End of Quarter) | 18,095 |
| # of Licenses on July 1, 2023 | 18,030 |
| # of Licenses on September 30, 2023 | 18,095 |
| Licenses Gained / Lost | 65 |
| Renewal Revenue Gained / Lost | \$39,000 |

*Does not include suspended licenses

FISCAL YEAR-TO-DATE LICENSING FEE TOTALS (FY 2023-24)

| LICENSING FEES | Q1 BUDGET | Q1 ACTUAL | VARIANCE |
|----------------------|-----------|-----------|----------|
| License Renewals | 1,261,000 | 1,239,705 | (21,295) |
| New License Fee | 197,505 | 172,500 | (25,005) |
| Application Fee | 187,500 | 192,600 | 5,100 |
| License Changes | 143,750 | 136,075 | (7,675) |
| Invest Recov Costs | 75,000 | 59,215 | (15,785) |
| Renewal Late Fees | 30,000 | 36,175 | 6,175 |
| Renewal Inactive Fee | 16,425 | 14,700 | (1,725) |

90 DAY RETENTION RATE

| | | | |
|-----------------------------------|----------------|--------|---------|
| Projected Year-End Retention Rate | July 2023 | 18,030 | |
| | Cancellations | (251) | (1.39%) |
| | New Licenses | 343 | 1.90% |
| | Susp/Reinstate | (27) | (0.15%) |
| | September 2023 | 18,095 | |
| | Change | 65 | |
| 3 Month Rolling | % Change | 0.36% | |

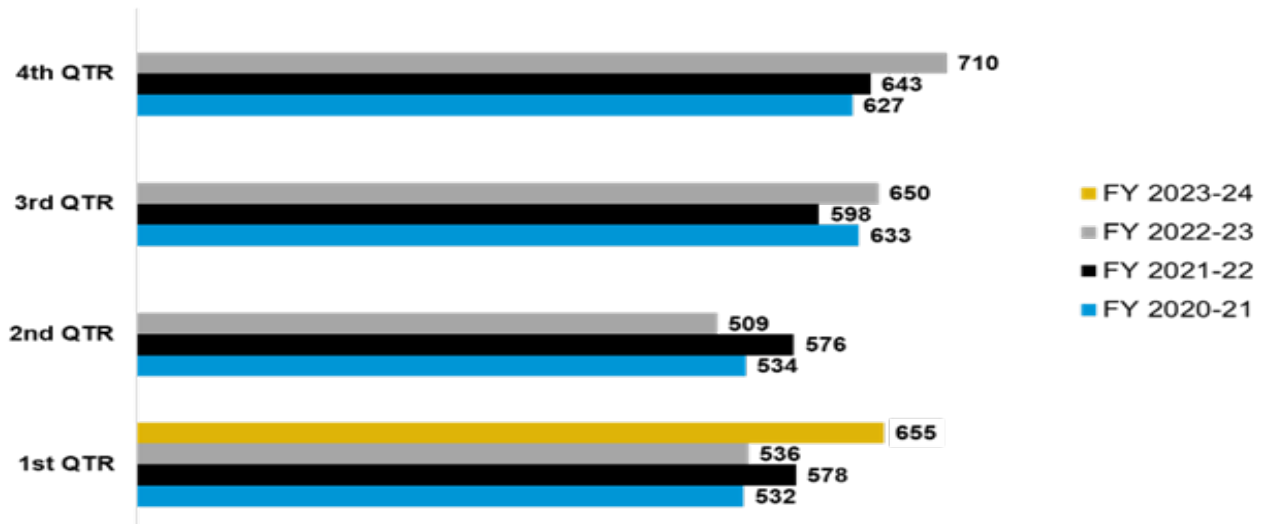
180 DAY RETENTION RATE

| | | | |
|-----------------------------------|----------------|--------|---------|
| Projected Year-End Retention Rate | April 2023 | 17,955 | |
| | Cancellations | (517) | (2.86%) |
| | New Licenses | 704 | 3.89% |
| | Susp/Reinstate | (47) | (0.26%) |
| | September 2023 | 18,095 | |
| | Change | 140 | |

Licensing - Quarter Statistics

| | | |
|--|--------|------------------------------|
| New License Apps | 655 | (22%) |
| Issued Licenses | 343 | (45%) |
| Change Apps | 788 | (15%) |
| Active Licenses | 17,674 | (2%) |
| Inactive Licenses | 420 | (17%) |
| Placed on Inactive Status | 26 | (43%) |
| Voluntary Surrender | 77 | (26%) |
| Licenses Canceled, Not Renewed | 163 | (27%) |
| Licenses Revoked | 12 | (9%) |
| License Suspensions (no bond) | 264 | (33%) |
| License Suspensions Initiated (DETR/DIR) | 8 | (72%) |
| • Compliance with DETR/DIR Received | 10 | (60%) |
| • Suspended | 4 | (0%) |
| • Pending Suspension | 3 | (63%) |
| <hr/> | | |
| Active License Renewals | 2,013 | (17%) |
| Inactive License Renewals | 35 | (30%) |
| Online Renewals | 1,371 | (67% of all renewals) |
| New Online Registrations | 496 | (14,341 total registered) |
| Application Denial Hearings | 11 | (21%) |
| Financial Reviews Initiated | 14 | (17%) |
| • 10 Approved; 4 Tabled | | |
| <hr/> | | |
| CMS Exams | 459 | (40%) |
| Trade Exams | 471 | (26%) |
| NASCLA Exam Transcripts | 22 | (4%) |
| • General Building Exam Waiver | 7 | (7%) |
| Licensure by Endorsement | 14 | (2% of all new applications) |
| • Trade & Experience | 10 | |
| • Experience Only | 4 | |
| Certificates of Eligibility Requests | 10 | (43%) |
| Certificates of Eligibility Renewals | 108 | (6%) |
| Single Project Limit Increases | 29 | (19%) |
| <hr/> | | |
| Contractors Identified As Veterans | 72 | (33%) |
| Business Assistance Program Attendees | 45 | (25%) |
| Public Records Requests | 26 | (63%) |
| Total Calls Received | 10,926 | |

Licensing - New License Application Trends



| Primary Classification | Trade | 1st Quarter 2023-24 | | |
|------------------------|----------------------------------|---------------------|--------------|-------|
| | | In State | Out of State | Total |
| B | General Building | 68 | 72 | 140 |
| C-2 | Electrical | 47 | 54 | 101 |
| A | General Engineering | 39 | 29 | 68 |
| C-3 | Carpentry | 31 | 12 | 43 |
| C-21 | Refrigeration & Air Conditioning | 24 | 10 | 34 |
| C-1 | Plumbing | 29 | 5 | 34 |
| C-4 | Painting | 27 | 6 | 33 |
| C-15 | Roofing & Siding | 15 | 15 | 30 |
| C-14 | Steel Reinforcing & Erection | 16 | 11 | 27 |
| C-10 | Landscape | 18 | 3 | 21 |

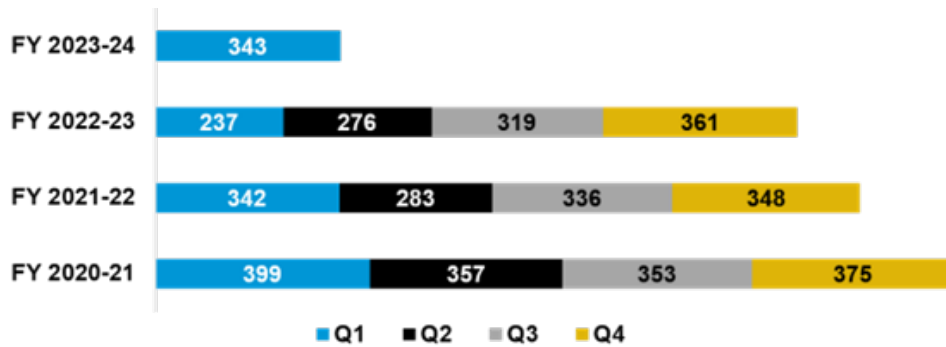
Among the 655 New License Applications submitted, a total of 397 were filed by in-state contractors with 258 (39%) coming from out-of-state professionals.

Note that the two most applied for classifications had a higher number of applicants from out-of-state than in-state. Although the margins are not large, it does reflect that the increasing amount of work available in Nevada is resulting in recruitment and attraction of workers across state lines.

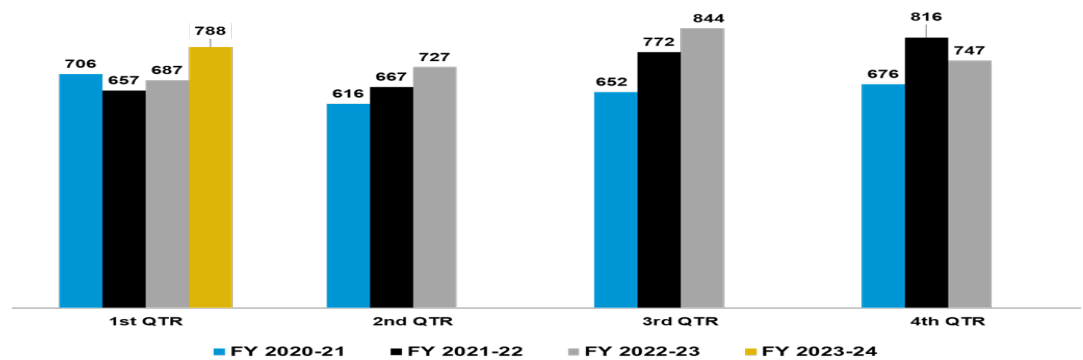
Licensing - Issued License & Renewal Trends

The charts below present annual data trends by quarter for comparison purposes.

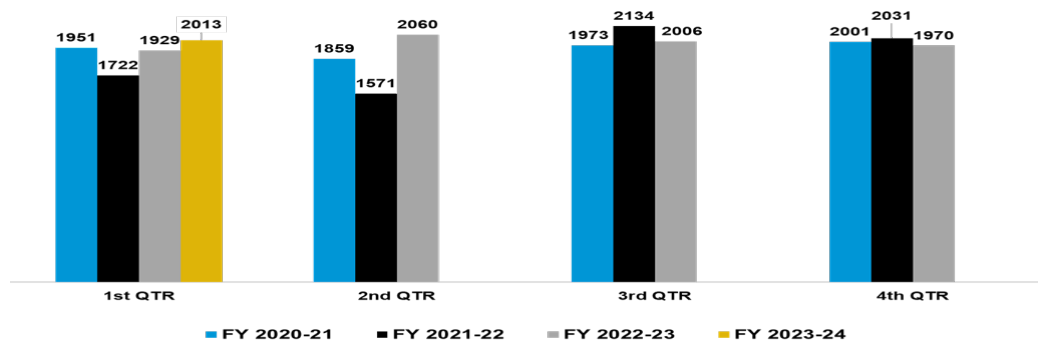
ISSUED LICENSES



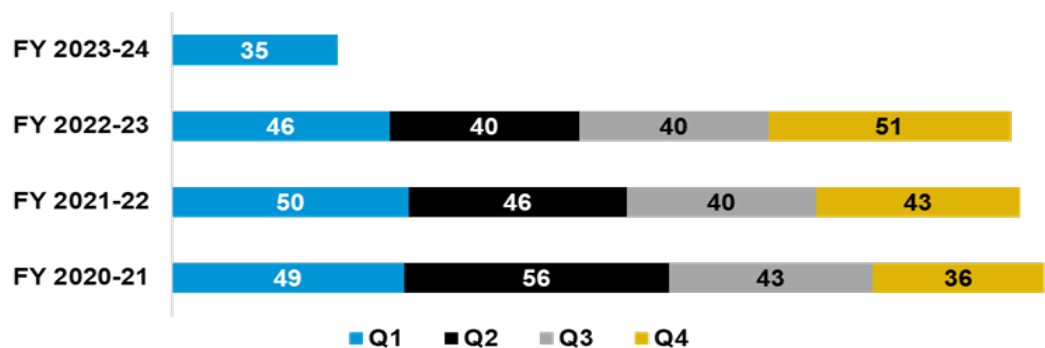
LICENSE CHANGE APPLICATIONS



ACTIVE LICENSE RENEWALS



INACTIVE LICENSE RENEWALS

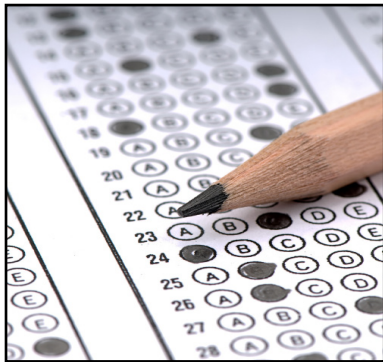


Licensing - Quarter Highlights



RULEMAKING INITIATED

During the quarter, rulemaking was initiated to make various changes to NAC 624 based on the contents of Executive Orders 2023-03 and 2023-04. Additional efforts were made to update financial statement requirements, consolidate the wrecking classification, and review each of the solar classifications to identify opportunities for consolidation.



TRADE EXAMS RECEIVE UPDATE

The Board updated classifications C-3(e); C-4(e); C-17(c); C-4(f); and C-17(f) to include drywall and sheet metal studs. Each of the changes took effect August 2023. Staff also began updating the electrical exams and information bulletin to 2018 National Electric Code Book (NEC). Lastly, the CMS exam review was initiated to add questions related to bills enacted into law during the 2019, 2021 and 2023 legislative sessions. Part of this effort included a panel discussion to clarify existing language, delete outdated content, and add additional questions where necessary.

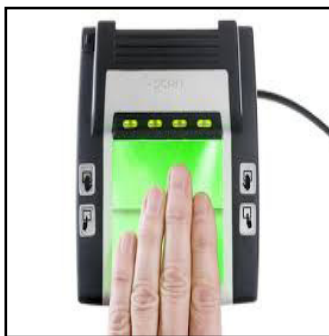


NEW BOND DEVELOPED FOLLOWING PASSAGE OF ASSEMBLY BILL 39

Assembly Bill 39 related to residential improvement projects included a new consumer protection bond that contractors may elect to obtain. Prior to its implementation on October 1, 2023, the Board developed the required forms, processes, and trained staff in accordance with the new guidelines. This information was added to the Board's website and communicated throughout the industry.

Investigations - Background Check Trends

The Nevada State Contractors Board is authorized under NRS 624.265 to request fingerprints from all applicants for licensure for the purposes of conducting criminal background checks, which are used to assess the character of an applicant and verify accuracy and/or omission of information provided on the license application. The Board's use of criminal justice databases is monitored and audited by the State of Nevada and the FBI for compliance with applicable rules, regulations, policies and procedures.



BACKGROUND CHECK STATISTICS

64 Investigations Initiated

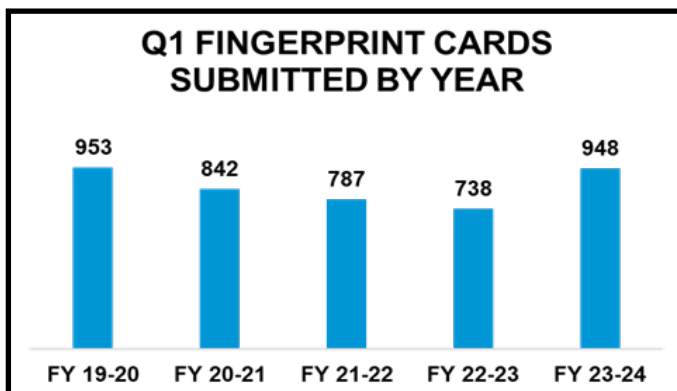
- 78 Investigations pending
- 57 Investigations closed
- 10 Administrative Citations issued for misrepresentation

| | |
|---|------------|
| Fingerprint Cards Submitted | 752 |
| Applicants with criminal conviction(s) | 198 |
| Applicants without criminal conviction(s) | 554 |
| Criminal Histories | 26% |

BACKGROUND INTERVIEWS AID APPLICATION PROCESS

Interviews with applicants whose history reveals criminal activities of concern afford an opportunity for a more in-depth analysis and evaluation before deciding if the conviction would disqualify the applicant.

Of the 28 applicants interviewed for this purpose during the reporting period, 22 were recommended for approval and 6 were recommended for denial of licensure.



Investigations - Quarter Statistics

654 COMPLAINTS OPENED

- 348 Workmanship (53%)
- 129 Contracting w/o License (20%)
- 62 Money Owing (9%)
- 58 Industrial Regulation (9%)
- 56 Unlawful Advertising (9%)
- 1 Criminal Fraud (<1%)

118 ADMINISTRATIVE CITATIONS ISSUED

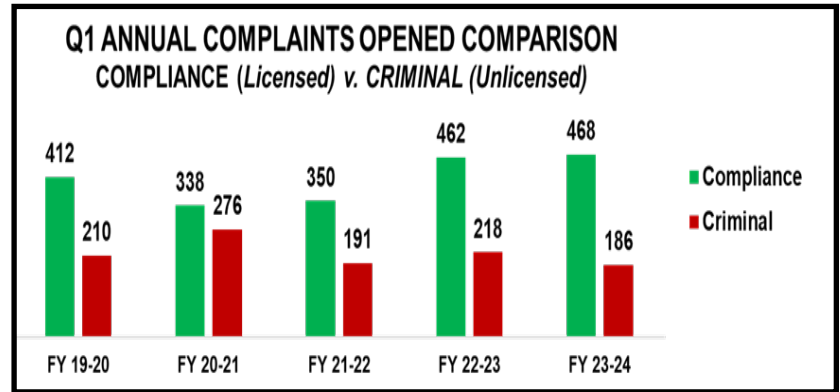
- *Licensed Contractors:* 40
 - \$59,450 in Fines
 - \$15,025 in Costs
- *Unlicensed Contractors:* 78
 - \$238,000 in Fines
 - \$54,830 in Costs

45 DISCIPLINARY HEARINGS

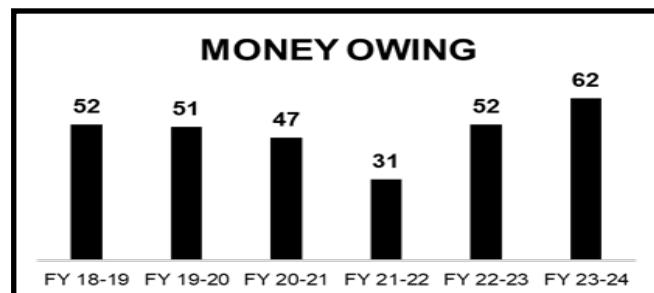
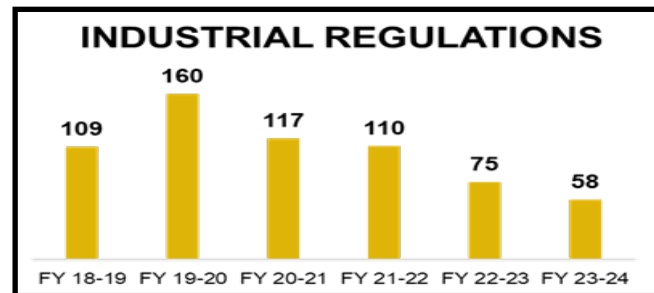
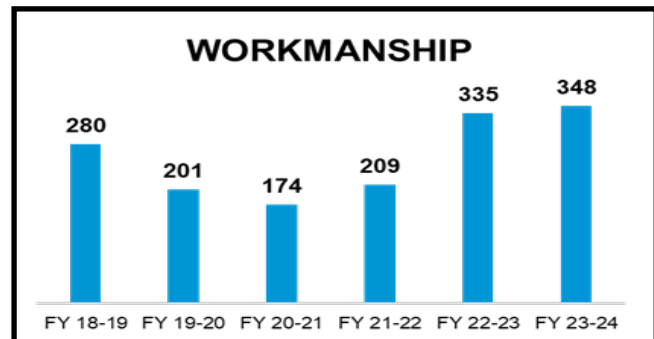
- 8 Licenses Revoked

5 CRIMINAL AFFIDAVITS FILED WITH DA OFFICES

74 CEASE & DESIST ORDERS ISSUED TO UNLICENSED CONTRACTORS



First Quarter Comparison of Complaints by Fiscal Year



Investigations - Quarter Statistics

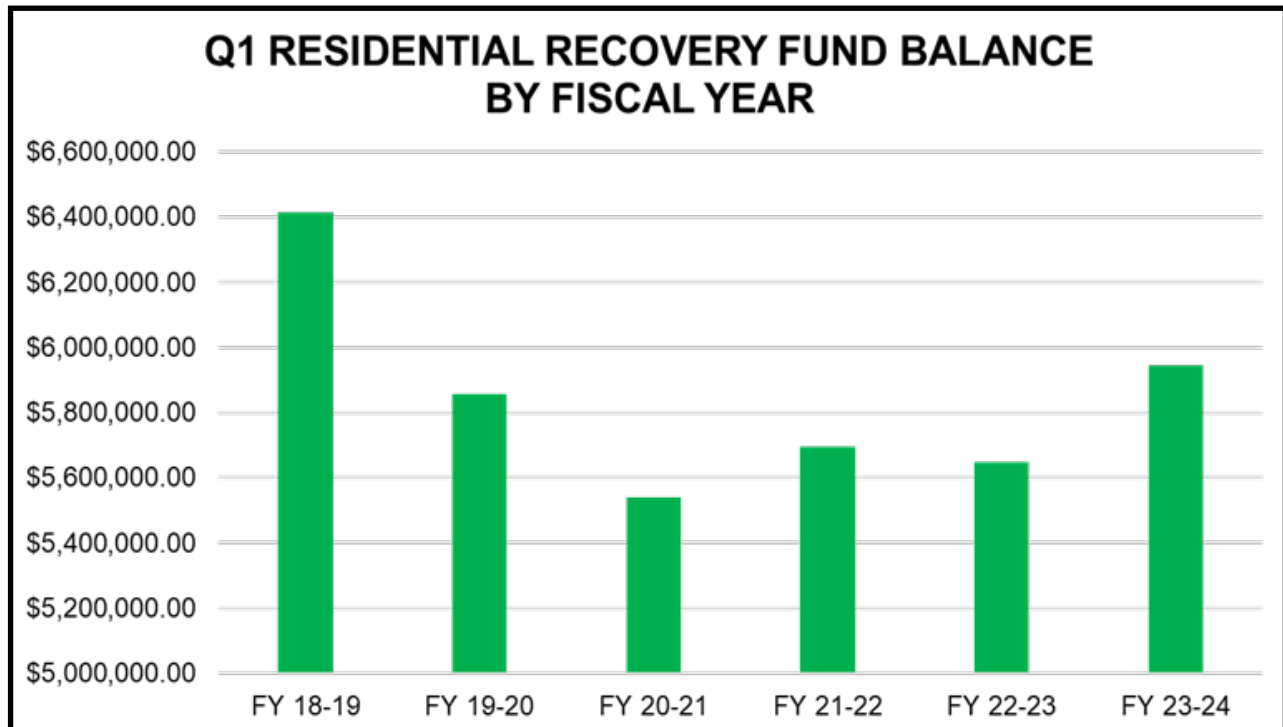
RESIDENTIAL RECOVERY FUND

During the reporting period, the Board opened 59 Recovery Fund cases following receipt of claims from consumers.

One Recovery Fund meeting was held where 11 claims were considered by the Committee. A total of \$136,310 was awarded to eight claimants for an average award amount of approximately \$17,039.

Of the cases considered, one case was continued and two were denied by the Committee.

As of September 30, 2023, the Recovery Fund maintains a balance of approximately \$5.9 million.



Investigations - Highlights



ONGOING TASK FORCE MEETINGS REINFORCE IMPORTANCE OF PUBLIC OUTREACH AND COLLABORATIVE EFFORTS

On September 8, 2023, the NSCB hosted an Underground Economy Task Force (UETF) meeting in Reno, Nevada to discuss topics related to unlicensed contracting activities.

The joint meeting involved stakeholders from the state's Business and Industry Division, DETR, OSHA, Trade Associations and others.

During the meeting members of the UETF discussed efforts to combat unlicensed contracting to include the expansion of public service announcements, proactive enforcement operations, increased visibility of NSCB unlicensed violators and the continued enhancement of relationships with prosecutorial and law enforcement agencies across the state.

EFFORTS TO KEEP CONSUMERS INFORMED OF PUBLIC SAFETY INITIATIVES A TOP PRIORITY

During the quarter members of the NSCB investigative team were invited to speak at Sun City Aliante, CAMCO Community Management Association and other venues on topics related to senior scams, unlicensed contracting, and legislative updates.

These various engagements allowed members of the NSCB to interact with a diverse audience and share valuable information on the importance of hiring a licensed contractor.

The success of these outreach efforts has expanded the NSCB's footprint and opened the door for future opportunities throughout the northern and southern parts of the state, most notably upcoming events involving students, additional senior communities, and members of the industry.



Investigations - Case Highlights

LICENSE REVOKED AFTER PROJECT ABANDONMENT, DIVERSION OF FUNDS

During the quarter, compliance investigators in southern Nevada brought action against licensed contractor S&E Contracting, dba Made in the Shade, in response to an influx of investigations involving harmed homeowners. The investigations revealed that money was taken from 27 separate homeowners who had contracted for work including patios, fire pits, shade structures, water features, and backyard remodels.

The contractor was found guilty by Decision and Order on September 13, 2023, of 120 separate counts including abandoning projects, diverting funds, exceeding the monetary limit, conducting work beyond the scope of the license, misrepresentation by omitting statements, and conducting poor workmanship after filing for bankruptcy. The license was revoked and a total fine of \$477,100 was ordered.

UNDERCOVER INVESTIGATION LEADS TO ARREST OF MOST WANTED UNLICENSED CONTRACTOR

In July of 2023, a complaint was received of an unlicensed contractor named Brent Jordan, a.k.a. Brent Jordan Benson, regarding a security door contract. The complaint stemmed from a homeowner who never received a security door or refund after paying a deposit. The check submitted by the homeowner was made payable to Brent Jordan, however investigators quickly identified that the endorsed name on the back of the check had been changed to Brent Jordon Benson, an individual known to investigators from prior investigations. Benson previously held a contractor's license under the company name of Security Screen Masters and in 2019 entered into 18 contracts with homeowners for security doors and screens after receiving significant payments from homeowners. As a result of his prior illicit activity, 18 counts of Theft were filed against him with the Clark County District Attorney's Office and active warrants were issued for his arrest.

As the current investigation unfolded, it was quickly learned that Benson had resurfaced under a new company named Security Screen Masters USA. In late July, a joint operation with members of the Las Vegas Metropolitan Police Department and members of the NSCB was conducted. During the operation, Benson was taken into custody after attempting to solicit unlicensed contracting to undercover NSCB investigators. He was subsequently booked on the prior NSCB warrants stemming from his 2019 conduct, two outstanding Henderson Justice Court warrants, and eight new felony counts from the Las Vegas Metropolitan Police Department which were the result of his current arrest and a subsequent search of his vehicle.

DEFECTIVE WORK AND ABANDONMENT OF PROJECT AT LOCAL SCHOOL DISTRICT RESULTS IN LICENSE REVOCATION & \$80,000 FINE

In northern Nevada, a compliance investigation involving contractor Sierra Eco Systems resulted in a Decision and Order being issued on September 5, 2023. During the course of the investigation, it was determined that Sierra Eco Systems caused serious harm to the health and well-being of students, parents, and teachers of the Mineral County School District. The contractor performed defective, incomplete, and abandoned work at a school that included insufficient heating and cooling during the winter and summer months, along with improperly installed electrical and plumbing throughout the building. As a result, Sierra Eco System was required to pay fines totaling \$80,000, had their license revoked by Board action, and was found guilty on eight separate allegations that included abandonment, substandard workmanship, failure to obtain permits, acting beyond the scope of their license, and failure to establish financial responsibility.

Information Technology

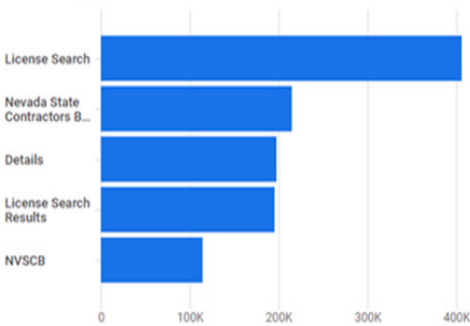
Progress continues to be made on upgrades to the Board’s website and mobile application. Staff meet frequently with developers to discuss visual and organizational changes and offer feedback to best ensure the end-user experience is enhanced in the final product.

IT staff completed migrations to a new mail server and will remain focused on enabling its new features while deprecating the old mail server.

Lastly, new equipment was procured to improve the Board’s network and ensure operational efficiency.

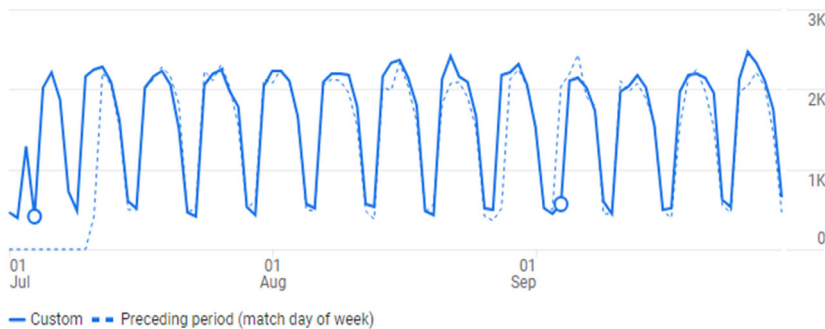
WEBSITE DATA

Views by Page title and screen class



| Page title and screen class | Views | Users | Views per user | Average engagement time |
|----------------------------------|----------------------------|-------------------------|-----------------|-------------------------|
| | 1,180,125 100% of total | 92,127 100% of total | 12.81 Avg 0% | 3m 09s Avg 0% |
| 1 License Search | 405,912 | 40,628 | 9.99 | 1m 17s |
| 2 Nevada State Contractors Board | 215,148 | 66,274 | 3.25 | 1m 18s |
| 3 Details | 197,516 | 26,659 | 7.41 | 2m 23s |
| 4 License Search Results | 195,205 | 31,324 | 6.23 | 1m 02s |
| 5 NVSCB | 114,229 | 10,427 | 10.96 | 3m 40s |

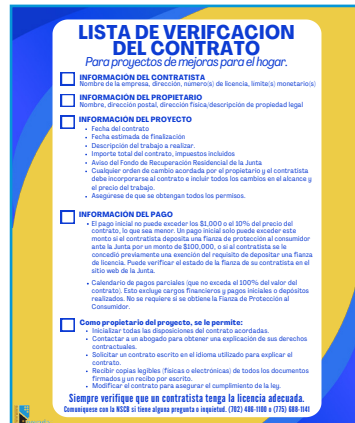
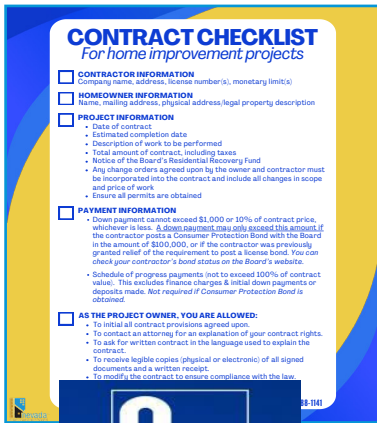
Users: 92K
New users: 83K
↑ 15.9% (Users)
↑ 6.1% (New users)



| City | Users |
|------------------|-------------------------|
| | 80,842 100% of total |
| 1 Las Vegas | 25,419 |
| 2 (not set) | 7,472 |
| 3 Los Angeles | 7,178 |
| 4 Reno | 5,310 |
| 5 San Jose | 2,389 |
| 6 Ashburn | 1,964 |
| 7 Sacramento | 1,535 |
| 8 Sparks | 1,395 |
| 9 Carson City | 1,062 |
| 10 San Francisco | 1,030 |

Public Information Office

Residential Improvement Projects Major Focus in Quarterly Outreach Initiatives



Following the approval of Assembly Bill 39, the Public Information Office assisted in coordinating a number of outreach opportunities as well as developing and posting informational resources to the Board's website in an effort to guide consumers and contractors in the newly implemented requirements for residential improvement projects.

In addition to creating, posting, and distributing a Consumer Contract Checklist, the Board disseminated print articles, and Industry Bulletins, conducted industry-wide outreach, which was highlighted by CBS 8 News Now in Las Vegas, participated in an in-depth interview with the LV Review-Journal, promoted the new changes on social media, and gave presentations to industry groups upon request.

Board Engages in a Variety of Media Opportunities



In addition to efforts focused on AB 39, the Board welcomed several other opportunities to discuss topics of relevance with the public. Among them included the following:

- Feature story with KTNV-Channel 13 on the arrest of NSCB Most Wanted Unlicensed Contractor Brett Benson, dba Security Screen Masters, who faces 24 felony charges and one misdemeanor after collecting more than \$150,000 in down payments before abandoning projects.
- Director of Investigations David Behar shared information during a live interview with KTNV about preparing for monsoon season.
- The Tahoe Daily Tribune ran the Board's article on Fire/ Disaster Preparedness tips and the Board participated in an in-depth interview with Beasley Media Group on the topic.

Looking Forward - Quarter 2

With a robust quarter already behind us, the Board is full steam ahead on its strategic plan initiatives. We have appreciated the opportunities thus far to promote a variety of public safety messages, work alongside the industry in sharing relevant information about new laws taking effect and will continue to expand upon many of our current efforts in the months ahead. On the horizon are efforts to:

- Implement a virtual help desk to assist applicants with the licensing process.
- Inform the contractor industry about new laws that may impact contracting, following the end of the legislative session.
- Continue working with the interagency task force to conduct an informational session highlighting the Board's role in consumer protection.
- Distribute Board Member Orientation Manual to new members expected to join the Board later this year.

With every endeavor we satisfy, a new challenge and opportunity awaits. Our mission to protect the public's health, safety, and welfare while promoting confidence and integrity across the construction industry is a journey that we look forward to advancing every chance we can. Being able to share our insights along the way is what makes the strategic planning process so valuable.



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