JOE LOMBARDO Governor

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STATE OF NEVADA



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STATE CONTRACTORS BOARD

NOTICE OF INTENT TO ACT UPON A REGULATION

LCB File No. R029-24

Notice of Workshop and Hearing for the Adoption, Amendment or Repeal of Regulations of The State of Nevada Contractors Board

The State of Nevada Contractors Board (Board) will conduct a public workshop on Monday, May 6, 2024 at 8:30 a.m. and a public hearing on and Tuesday, May 21, 2204, at 8:30 a.m. The workshop and hearing will be video-conferenced between the Board's Las Vegas office located at 8400 West Sunset Road, Suite 150, Las Vegas, Nevada 89113 and the Reno office located at 5390 Kietzke Lane, Suite 102, Reno, Nevada, 89511

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 Nevada State Contractors Board proposes changes to an existing regulation based upon the passage of AB 39 (2023) which amended NRS 624 to define "work concerning a residential improvement" or "work" for the purposes of such contracts. The purpose of the proposed changes is to set forth the manner in which the State Contractors' Board will interpret the term "project of new work" for the purposes of such requirements.

The purpose of the proposed regulation is to amend NAC 624 to define the term Project of New Work and to define the term Repairs as used in the definition of "work concerning a residential improvement" or "work."

- 2. A statement explaining how to obtain the approved or revised text of the proposed regulation. A copy of the proposed regulation is attached to this notice and may be obtained by visiting our website at www.nscb.nv.gov or by writing to the Board's offices.
- 3. The estimated economic effect of this proposed regulation on the business which it is to regulate and on the public.

(a) Adverse and beneficial effects.

There is no economic effect on business or on the public.

(b) Both immediate and long-term effects.

There is no economic effect on business or on the public.

- 4. The methods used by the agency to determine the impact on small business. The proposed regulation change has no impact on small business other than to clarify certain statutory language, therefore a small business impact study was not performed.
- 5. The estimated cost to the agency for the enforcement of the proposed regulation. There is no cost to the agency.

6. A description of and citation to any regulations of other states or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication and overlapping is necessary. The Nevada State Contractors Board is not aware of any similar regulations of other state or

7. If the regulation is required pursuant to federal law, a citation and description of the federal law.

This does not apply.

- If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions. This does not apply.
- 9. Whether proposed regulation establishes a new fee or increases an existing fee. The proposed regulation does not establish new fees or increase existing fees.

government agencies that the proposed regulations overlap or duplicate.

Persons wishing to comment upon the proposed action of the Board may appear at the scheduled public workshop or public hearing or may address their comments, data, views or arguments, in written form to the Executive Officer of the Nevada State Contractors Board, 8400 West Sunset Road, Suite 150, Las Vegas, Nevada 89113 and the Reno office located at 5390 Kietzke Lane, Suite 102, Reno, Nevada, 89511. Written submissions must be received by the Board on or before April 30, 2024. 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 regulation to be adopted, amended or repealed will be on file at the State Library, Archives and Public Records, 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, amended or repealed will be available at the State Contractors Board 8400 West Sunset Road, Suite 150, Las Vegas, Nevada 89113 and the Reno office located at 5390 Kietzke Lane, Suite 102, Reno, Nevada, 89511, and <u>www.nscb.nv.gov</u>, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also 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 at no charge upon request.

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:

Nevada State Contractors Board – Reno Office Nevada State Contractors Board – Las Vegas Office Nevada State Contractors Board – Internet Website Nevada Public Notice Website

Dated: April 5, 2024

PROPOSED REGULATION OF THE

STATE CONTRACTORS' BOARD

LCB File No. R029-24

April 3, 2024

EXPLANATION - Matter in *italics* is new; matter in brackets [omitted material] is material to be omitted.

AUTHORITY: §§ 1-3, NRS 624.100 and section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1047.

A REGULATION relating to contractors; interpreting certain terms relating to contracts for work concerning certain residential improvements; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Assembly Bill No. 39 (A.B. 39) of the 2023 Legislative Session sets forth certain requirements pertaining to a contract used by a residential contractor and the owner of a completed single-family residence who occupies the single-family residence for any work concerning a residential improvement other than work concerning a residential photovoltaic system used to produce electricity or work concerning a residential pool or spa. (NRS 624.3016, as amended by section 2 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1049, NRS 624.750, as amended by section 3 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1050, and section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1047)

A.B. 39 defines "work concerning a residential improvement" or "work" for the purposes of such contracts to mean any construction, remodeling, repair or improvement performed by a residential contractor to a completed single-family residence or any activity for the supervision concerning such work. A.B. 39 also requires a contract for a project of new work concerning a residential improvement to contain certain additional information. (Section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1047) **Section 2** of this regulation sets forth the manner in which the State Contractors' Board will interpret the term "project of new work" for the purposes of such requirements. **Section 3** of this regulation sets forth the manner in which the term "repair" as used in the definition of "work concerning a residential improvement" or "work."

Section 1. Chapter 624 of NAC is hereby amended by adding thereto the provisions set

forth as sections 2 and 3 of this regulation.

Sec. 2. As used in paragraph (j) of subsection 2 of section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1048, the Board will interpret the term "project of new work" to mean work concerning a residential improvement:

1. That requires a building permit;

2. That involves adding, removing or relocating interior walls of the completed singlefamily residence;

3. That involves, adding, removing or relocating other substantive elements of the completed single-family residence, including, without limitation:

(a) Existing heating, air-conditioning and ventilation ductwork or systems;

(b) Existing plumbing or electrical systems;

(c) Kitchen or bathroom remodeling involving cabinets or other substantive elements; or

(d) Landscaping or other improvement to the grounds of the completed single-family residence involving plants, walkways, patios, walls or other substantive elements of the landscape;

4. That will increase the square footage of usable space of the completed single-family residence; or

5. For which the residential contractor has prepared a plan or scale drawing as part of a presentation to or negotiation with the owner of the completed single-family residence who occupies the single-family residence.

Sec. 3. As used in paragraph (d) of subsection 7 of section 1 of Assembly Bill No. 39, chapter 178, Statutes of Nevada 2023, at page 1049, the Board will interpret the term "repair" to include, without limitation, the replacement or routine maintenance of mechanical equipment which is installed in a completed single-family residence, including, without *limitation, heating and air-conditioning equipment, plumbing fixtures, chimneys, garage doors and mechanisms which open a garage door.*

Small Business Impact Statement

EFFECTIVE DATE OF REGULATION: Upon filing with the Nevada Secretary of State **Proposed Regulation R029-24**

1. Background

The Nevada State Contractors Board ("NSCB") proposes changes to an existing regulation based upon the passage of AB 39 (2023) which amended NRS 624 to define "work concerning a residential improvement" or "work" for the purposes of such contracts. The purpose of the proposed changes is to set forth the manner in which the State Contractors' Board will interpret the term "project of new work" for the purposes of such requirements.

The purpose of the proposed regulation is to amend NAC 624 to define the term Project of New Work and to define the term Repairs as used in the definition of "work concerning a residential improvement" or "work."

2. Description of Solicitation:

The proposed regulation change has no impact on small business other than to clarify certain statutory language, therefore a small business impact study was not performed.

3. Does the proposed regulation impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business?

The regulation should not result in any significant economic burden upon a small business or directly impact its formation, operation or expansion.

4. How was that conclusion reached?

To reach its conclusion, the NSCB has determined it has not created, amended, or changed any processes. The NSCB is providing clarification to terms found in AB 39 (2023).

Ultimately, no adverse economic effects were identified because the proposed regulation changes do not adversely affect NRS Chapter 624 licensee or those who may seek to become a licensee. These changes should have no impact on small business.

I, Margi Grein, Executive Officer of the Nevada State Contractors Board, certify to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small business, and the information contained in this statement above is accurate.

Date: 4/5/2024

Signature:

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Margi Grein, Executive Officer Nevada State Contractors Board