October 1, 2019 marked the 20th anniversary of the Nevada State Contractors Board’s Residential Recovery Fund. Since its inception, the Recovery Fund has received roughly 1,800 claims and has awarded more than $12 million to homeowners who have suffered financial harm during their project with a licensed Nevada contractor.

The Residential Recovery Fund has provided assistance to Nevadans, including seniors who invested their life savings into a project that was abandoned, young couples who learned difficult lessons as they renovated their first home, and respected professionals who were taken advantage of.

The passage of Assembly Bill 26 during the 2019 Legislative Session increased the awards payable to homeowners from $35,000 to $40,000 for single claims and aggregate claims against a single contractor from $400,000 to $750,000 or 20% of the Recovery Fund balance, whichever is less. These changes became effective October 1, 2019.

The Recovery Fund is available to owners of single-family residences who hire licensed Nevada contractors to perform work on their homes and incur damages during the course of their projects. Established during the 1999 Nevada Legislative Session, the Residential Recovery Fund was introduced through Assembly Bill 636, sponsored by Assemblywoman Barbara Buckley, which unanimously passed the Senate and Assembly. AB 636 was subsequently signed by then-Governor Kenny Guinn.

The Contractors Board is proud of the work it does every day to protect Nevada homeowners. Every year, approximately 3,000 complaints are investigated by the Board – 80 percent of which are filed by Nevada consumers.

The Board’s work and the Recovery Fund’s anniversary were recognized by Governor Steve Sisolak, the Clark County Commission, and numerous legislators during ceremonies in October.
DON'T BECOME A VICTIM TO HOME REPAIR SCAMS
LEARN HOW TO PROTECT YOURSELF

Common Red Flags
Door-to-Door Solicitations
Offers "Today Only" specials

Verbal Agreements
Contractor refuses to put project terms into a written contract.

High Pressure Sales
Won't take "no" for an answer; aggressive and intimidating communication.

Cash Only Payments
Won't accept check or credit; offers "discount" for cash.

Large Down Payments
Needs money upfront for materials; demands large amount before any work is performed.

What You Can Do
Verify the Contractor's License: www.nscb.nv.gov
Ensure your contractor has an "Active" license status before signing a contract with them.

Obtain At Least 3 Bids
Compare costs & ensure multiple contractors view the scope of work the same.

Insist on a Written Contract
Ensure all project details, specific materials, and verbal agreements are documented.

Pay with Check or Credit
Always get a receipt and make checks payable to the company you hired. Never pay with cash.

Other Safety Precautions
Protect Your Identity
Never carry your social security card or Medicare card in your wallet.

Be Cautious of Phone Scams
Do not provide personal information or credit card details to someone over the phone.

Have Unique Passwords
Use different passwords and usernames for various accounts

Check Accuracy of Documents
Review your credit reports, financial documents, medical statements and billings regularly to ensure the information is correct.
PROTECT YOURSELF FROM BEING TAKEN ADVANTAGE OF;
HIRE A LICENSED CONTRACTOR

Margi Grein, Executive Officer, Nevada State Contractors Board

Whether you’re having your air conditioning and heating system serviced, replacing a water heater, or making repairs to your roof, it is important for homeowners – especially seniors – to understand the dangers of unlicensed contracting activities and how best to protect themselves when looking to hire a contractor in Nevada.

Home repair scams are an unfortunate, yet successful tactic used by many unlicensed contractors. They commonly start with an unsolicited knock at the door from an individual looking to provide you with a free estimate for home repairs. Some may seek to gain your trust by stating they have performed similar work for your neighbors, while others find ways to make you think you have a problem when you really don’t.

Additional warning signs to be cautious of may include:

• No contractor’s license number on the company vehicle, business cards, bid, or contracts. Remember that a contractor’s license number is different than a business license.

• The contractor will not provide you a written contract to document the work to be performed. A written contract ensures you and the contractor agree to the exact work to be performed. The more detail you can include, the better protected your interests are.

• Demands for cash payments or large down payments before any work has been performed. It is recommended homeowners pay not more than 10 percent or $1,000 as a down payment, whichever is less, and never let the payments exceed the amount of work performed.

• Requests to have checks made payable to an individual and not a company – the Contractors Board only licenses construction companies, therefore checks should always be paid directly to the company.

For the best protection, never allow yourself to be pressured into having work performed on your home. When you are ready, obtain references and bids from several licensed contractors. Most importantly, check with the Contractors Board to verify each contractor is properly licensed and that the credentials you were provided align with the information on the Board’s website: www.nscb.nv.gov. You can also verify licensure by calling the Board’s office at (775) 688-1141 or (702) 486-1100.

Hiring a licensed Nevada contractor affords you four years from the date the work was performed to file a complaint with the Contractors Board. The Board will then investigate your concerns and may order your contractor to remedy validated issues. Utilizing the complaint process may also provide you an opportunity for additional protections through the Board’s Residential Recovery Fund, which can compensate you for financial losses incurred as a result of the work performed by a licensed Nevada contractor.

Always contact the Contractors Board’s office with any questions or assistance you may need relative to your project and be sure to review the various print and video resources on the Board’s website before starting your next project!
Senior Without Power Receives Assistance

When the power went out at a mobile home park and the property manager was inaccessible, William, a disabled senior in need of electricity, sought the services of a licensed contractor to fix the community’s electrical issue. After a quick look, the contractor charged William $3,850 to replace a breaker that had gone bad. William gave the paid invoice documents and broken part to the property manager, who upon having it tested, found it to be working correctly. A complaint was filed with the Board and after review, the contractor agreed to refund William the full payment of $3,850.

Solar Project Doesn’t Go As Planned; Board Helps Panels Get Installed

In August, Michael, a southern Nevada homeowner, hired a licensed contractor to install an 8.96 Kw solar system at a cost of nearly $36,000. When only the inverter was installed - and not the solar panels - Michael contacted the contractor several times to resolve the issue, with no success. He then turned to the Contractors Board to file a complaint. The investigation validated Michael’s allegations and resulted in the licensed contractor installing all panels per the contract terms.

Roof Damage Remedied After Complaint is Filed with Contractors Board

Following installation of a solar project, Bernard noticed a leaking ceiling in his master bedroom caused by broken tiles. Unable to resolve the issue with the contractor directly, Bernard filed a complaint with the Contractors Board. In addition to the workmanship concerns, Bernard indicated that he only received 23 of the 25 panels agreed to in his contract. In response, the contractor informed the Board that they had a third party evaluate the roof who reported the issues to be pre-existing. The Board requested the report be submitted as part of the case evidence for review. Before that could occur, Bernard notified the Board that all damaged tiles had been replaced and the two additional panels were installed to his satisfaction by the contractor.