

## NEVADA STATE CONTRACTORS BOARD INDUSTRY BULLETIN

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#### 2025 LEGISLATIVE SESSION CONCLUDES; NEW LAWS TAKE EFFECT

LAS VEGAS AND RENO, NEV. – The 83<sup>rd</sup> Session of the Nevada State Legislature concluded on June 3, 2025, resulting in the passage and approval of several new laws as well as the veto or failed passage of others. Below is the final report of bills monitored by the Nevada State Contractors Board (NSCB/Board) that were anticipated to impact the NSCB and/or industry.

The NSCB thanks members of the industry for letting your voice be heard and for meeting with legislators to impart upon them the value of Nevada's construction trades this legislative session. Perspectives on legislative outcomes may vary, but we all share common goals to represent the best our industry has to offer and protect our communities in the process. We are grateful for the open discussions and collaborative solutions that took place over the last five months and welcome your insights and suggestions on future matters of importance.

Details concerning the implementation of approved bills will be included below, when available. Industry Bulletins and online communications can be expected in the weeks and months ahead concerning regulatory workshops and hearings and other opportunities to share public comment as we work through the implementation of each bill. Contractors affiliated with trade associations or related groups are encouraged to seek additional information about legislative impacts to respective industries.

Please note that the enrolled or most recent text of each bill is available by clicking the bill title. A complete list of all bills introduced during the 2025 legislative session can be accessed on the NELIS website at <a href="https://www.leg.state.nv.us/App/NELIS/REL/83rd2025">https://www.leg.state.nv.us/App/NELIS/REL/83rd2025</a>.

• AB 540 is the Governor's housing bill that seeks to attain affordable housing in rural areas in Nevada, and outlines a process for licensure by endorsement and provisional contractors' licenses, requiring such person to submit proof to the Board of their employment in a rural area, a business presence in a rural area or a contractual agreement to perform work in a rural area. They must also hold a valid and unrestricted contractor's license in the District of Columbia or any state or territory in the United States for at least 4 consecutive years.

The Board must approve or deny an application for a contractor's license by endorsement within 60 days after receipt of a completed application and the applicant must submit proof of insurance per NRS 624.256 and a bond pursuant to NRS 624.270. The applicant must not have been disciplined or have any disciplinary actions concerning their contractor's license by any regulatory authority in the District of Columbia or any state or territory of the United States which they currently hold a license in. Fingerprints for criminal background checks must be submitted to the Board, and a person who obtains a contractor's license by endorsement must only perform work in a rural area of Nevada. This contractor's license by endorsement would expire on December 31, 2029.

Should the Director of the Department of Business and Industry determine there to be a shortage of skilled labor or licensed contractors in a rural area in Nevada that can impact the availability of attainable housing for essential workers employed in a rural area, the Director can issue a declaration of a shortage, which cannot be in effect for more than 3 years.

Provisional licensing requirements would expire 3 years after the date of issuance and mirror the endorsement requirements except for lowering the years of holding an active license from 4 to 3. A person who holds a provisional contractor's license may only perform work relating to attainable housing in the area where a declared shortage is made.

The Board shall not be allowed to charge any fee for a provisional contractor's license, any application fee in connection with obtaining or renewing any contractor's license, a fee for processing the fingerprints of an applicant for a contractor's license for anyone associated with the license, or an applicant for reinstatement for a license that was suspended in a rural area until the declaration of shortage is no longer in effect.

The Board must adopt any regulation regarding both the contractor's license by endorsement and provisional contractors' licenses before January 1, 2026. By December 31, 2028, the Board must submit to the Governor and the Director of the Legislative Counsel Bureau, a report that evaluates the impact in rural areas on attainable housing, local businesses and economic development that can be attributed to the issuance of contractor's licenses by endorsement and provide recommendations relating to whether the requirement for the Board to issue provisional contractor's license should be continued, modified or terminated.

This bill was approved by the Governor on June 9, 2025. The provisions concerning license by endorsement take effect upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act. Section 50 becomes effective July 1, 2025, Sections 39 to 46 expire by limitation December 31,



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2029, and Section 47 takes effect January 1, 2030.

Regulatory changes are currently being drafted by the Nevada State Contractor Board with Workshops and Hearings expected to take place in July.

• <u>SB 16</u> authorizes the Board to refuse to issue a person a license for a period of not more than one year after the date on which the person submitted the bid when the work performed is in excess of \$1,000 without the proper licensure. The bill also makes interfering with an investigation or disciplinary proceeding grounds for disciplinary action, including criminal penalties.

The Governor approved SB 16 on May 26, 2025, taking effect immediately. Regulatory changes are currently being drafted by the Nevada State Contractor Board with Workshops and Hearings expected to take place in July.

• <u>SB 130</u> provides a process for the Board to issue a restricted license to an applicant that authorizes the individual to perform certain work for which a contractor's license is required, within the scope and monetary limit of the restricted license. This bill is the result of collaborative discussions between NSCB and the bill's sponsors to allow work that exceeds \$1,000 to be performed without having the proper license.

Applicants must demonstrate at least two years of experience in a certain trade; procure and maintain a surety or cash bond of \$2,000 or higher as determined by the Board; complete a business counseling or similar class with a minimum number of hours as determined by the Board and complete within one year, prior to applying for the restricted license; and pass an entry-level exam.

Individuals granted a restricted license may not perform life safety trades or work exceeding \$7,000 including labor and materials. The restricted license is good for two years, at which time it can be renewed or the individual can apply for a non-restricted license meeting all existing requirements. The Board is charged with adopting regulations by January 1, 2027 to set forth the requirements of a restricted license and related examinations, fees and additional conditions deemed necessary.

This approval of this bill, which takes effect October 1, 2025, is the result of collaborative efforts from the bill's sponsors and the Latin Chamber of Commerce. The NSCB appreciates the dialogue and believes

the new pathway to licensure will help advance the career objectives of many individuals wanting to become licensed. In addition to regulatory changes that are underway, the NSCB will be working with stakeholder groups on different outreach initiatives to raise awareness of the opportunities this bill creates.

- SB 379 requires a distributed generation system financier to ensure that any solar installation company that installs a distributed generation system that is leased or loaned holds the proper contractor's license and is acting within the monetary limit of that license or the agreement is voidable by the borrower or lessee for a certain period. The NSCB worked collaboratively with the Attorney General's Office, bill sponsors, industry groups, and Legal Aid of Southern Nevada on this bill, which intends to strengthen the requirements of solar installations and protection of consumers engaging in solar contracts. This bill was approved by the Governor and takes effect October 1, 2025.
- SB 440 mirrors the intent of SB 379 but pertains specifically to contractual arrangements for homeowner associations (HOAs). Section 30 takes effect June 5, 2025, and Sections 1 to 29, having to adopt regulations and administrative tasks, by June 5, 2025, with all other provisions taking effect October 1, 2025.

#### The following bills failed passage or were vetoed by the Governor:

- AB 264 sought to establish procedures for applicants of a professional or occupational license to obtain
  judicial review of the decision of a licensing agency denying an application based on the moral
  character or criminal history of the applicant.
- SB 78 sought to revise the powers and duties of the Office of Nevada Boards, Commissions and Councils
  Standards of the Department of Business and Industry, streamlining the operations and licensing
  processes of Boards, Commissions and Councils under the authority of the Department of Business and
  Industry.
- <u>SB 327</u> sought to amend NRS 624.270(4) by including that a bond must be provided by a person "who is, at the time of the execution of the bond, listed as a certificate holding company in the United States Department of the Treasury..." The NSCB currently accepts bonds provided by a person whose long-term debt obligations are rated "A" or better by a nationally recognized agency. This bill was vetoed by the Governor.

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The Nevada State Contractors Board 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



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licensed contractors through a regulatory licensing system designed to protect the health, safety and welfare of the public. For more information about the Nevada State Contractors Board, please visit <a href="https://www.nscb.nv.gov">www.nscb.nv.gov</a>.

Follow the Board on <u>Facebook</u>, <u>Twitter</u>, <u>LinkedIn</u>, and <u>Instagram</u>.

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