

ASSEMBLY BILL NO. 203—ASSEMBLYMEN CARRILLO, KIRKPATRICK, BROOKS; DALY, ELLISON, HANSEN AND SEGERBLOM

FEBRUARY 23, 2011

JOINT SPONSOR: SENATOR MANENDO

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the unlawful use of a contractor’s license. (BDR 54-660)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility. 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; requiring the State Contractors’ Board to issue or authorize the issuance of a written administrative citation to a person who acts as a contractor without an active license of the proper classification; increasing the penalty for certain violations of provisions relating to the unlawful use of a license; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law authorizes the State Contractors’ Board to issue a written
2 administrative citation if the Board, based upon a preponderance of the evidence,
3 has reason to believe that a person has violated any provision of statute or any
4 administrative regulation governing contractors. (NRS 624.341) Section 1 of this
5 bill requires the Board to issue such a citation if a person has acted as a contractor
6 without an active license of the proper classification.
7 Existing law establishes criminal penalties for violations of certain provisions
8 governing contractors. (NRS 624.750) Such violations include, without limitation,
9 misusing a contractor’s license, such as acting as a contractor without a license or
10 conspiring with an unlicensed person to perform an unauthorized act, allowing a
11 license to be used by someone who is not licensed and, unless exempt, engaging in
12 the business of or acting as a contractor or submitting a bid on a job without having
13 an active license. (NRS 624.3014, 624.305, 624.700) A first violation of those



14 provisions is a misdemeanor, the second violation is a gross misdemeanor and a  
15 third or subsequent violation is a category E felony. (NRS 624.750) **Section 2** of  
16 this bill increases the penalty for a first or second violation of those provisions so  
17 that the first and second violations are gross misdemeanors punishable by a fine of  
18 not more than \$10,000, and **section 2** further authorizes imprisonment in the county  
19 jail for up to 1 year for such violations. The third or a subsequent violation remains  
20 a category E felony.

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

1 **Section 1.** NRS 624.341 is hereby amended to read as follows:  
2 624.341 1. If the Board or its designee, based upon a  
3 preponderance of the evidence, has reason to believe that a person  
4 has ~~[committed an]~~ :  
5 (a) *Acted as a contractor without an active license of the*  
6 *proper classification issued pursuant to this chapter, the Board or*  
7 *its designee, as appropriate, shall issue or authorize the issuance*  
8 *of a written administrative citation to the person.*  
9 (b) *Committed any other* act which constitutes a violation of  
10 this chapter or the regulations of the Board, the Board or its  
11 designee, as appropriate, may issue or authorize the issuance of a  
12 written administrative citation to the person.  
13 2. A citation issued pursuant to this section may include,  
14 without limitation:  
15 (a) An order to take action to correct a condition resulting from  
16 an act that constitutes a violation of this chapter or the regulations of  
17 the Board, at the person's cost;  
18 (b) An order to pay an administrative fine not to exceed  
19 \$50,000, except as otherwise provided in subsection 1 of NRS  
20 624.300; and  
21 (c) An order to reimburse the Board for the amount of the  
22 expenses incurred to investigate the complaint.  
23 ~~[2-]~~ 3. If a written citation issued pursuant to ~~[subsection 1]~~  
24 *this section* includes an order to take action to correct a condition  
25 resulting from an act that constitutes a violation of this chapter or  
26 the regulations of the Board, the citation must state the time  
27 permitted for compliance, which must be not less than 15 business  
28 days after the date the person receives the citation, and specifically  
29 describe the action required to be taken.  
30 ~~[3-]~~ 4. The sanctions authorized by ~~[subsection 1]~~ *this section*  
31 are separate from, and in addition to, any other remedy, civil or  
32 criminal, authorized by this chapter.  
33 ~~[4-]~~ 5. The failure of an unlicensed person to comply with a  
34 citation or order after it is final is a misdemeanor. If an unlicensed



1 person does not pay an administrative fine imposed pursuant to this  
2 section within 60 days after the order of the Board becomes final,  
3 the order may be executed upon in the same manner as a judgment  
4 issued by a court.

5 **Sec. 2.** NRS 624.750 is hereby amended to read as follows:

6 624.750 1. It is unlawful for a person to commit any act or  
7 omission described in subsection 1 of NRS 624.3012, subsection 2  
8 of NRS 624.3013, NRS 624.3014 or subsection 1, 3 or 7 of  
9 NRS 624.3016.

10 2. Unless a greater penalty is otherwise provided by a specific  
11 statute, any person who violates ~~[subsection 1, NRS 624.305,~~  
12 ~~subsection 1 of NRS 624.700 or] subsection 1 of NRS 624.3012,~~  
13 ~~subsection 2 of NRS 624.3013, subsection 1, 3 or 7 of NRS~~  
14 ~~624.3016 or~~ NRS 624.720 or 624.740:

15 (a) For a first offense, is guilty of a misdemeanor and shall be  
16 punished by a fine of not more than \$1,000, and may be further  
17 punished by imprisonment in the county jail for not more than 6  
18 months.

19 (b) For the second offense, is guilty of a gross misdemeanor and  
20 shall be punished by a fine of not less than \$2,000 nor more than  
21 \$4,000, and may be further punished by imprisonment in the county  
22 jail for not more than 1 year.

23 (c) For the third or subsequent offense, is guilty of a category E  
24 felony and shall be punished by a fine of not less than \$5,000 nor  
25 more than \$10,000 and may be further punished by imprisonment in  
26 the state prison for not less than 1 year and not more than 4 years.

27 3. *Any person who violates NRS 624.3014 or 624.305 or*  
28 *subsection 1 of NRS 624.700:*

29 (a) *For a first or second offense, is guilty of a gross*  
30 *misdemeanor and shall be punished by a fine of not less than*  
31 *\$2,000 nor more than \$10,000 and may be further punished by*  
32 *imprisonment in the county jail for not more than 1 year.*

33 (b) *For the third or subsequent offense is guilty of a category*  
34 *E felony and shall be punished by a fine of not less than \$5,000*  
35 *nor more than \$10,000 and may be further punished by*  
36 *imprisonment in the state prison for not less than 1 year and not*  
37 *more than 4 years.*

38 4. It is unlawful for a person to receive money for the purpose  
39 of obtaining or paying for services, labor, materials or equipment if  
40 the person:

41 (a) Willfully fails to use that money for that purpose by failing  
42 to complete the improvements for which the person received the  
43 money or by failing to pay for any services, labor, materials or  
44 equipment provided for that construction; and



1 (b) Wrongfully diverts that money to a use other than that for  
2 which it was received.

3 ~~[4:]~~ 5. Unless a greater penalty is otherwise provided by a  
4 specific statute, any person who violates subsection ~~[3:]~~ 4:

5 (a) If the amount of money wrongfully diverted is \$1,000 or  
6 less, is guilty of a gross misdemeanor and shall be punished by a  
7 fine of not less than \$2,000 nor more than \$4,000, and may be  
8 further punished by imprisonment in the county jail for not more  
9 than 1 year.

10 (b) If the amount of money wrongfully diverted is more than  
11 \$1,000, is guilty of a category E felony and shall be punished by a  
12 fine of not less than \$5,000 nor more than \$10,000, and may be  
13 further punished by imprisonment in the state prison for not less  
14 than 1 year and not more than 4 years.

15 ~~[5:]~~ 6. Imposition of a penalty provided for in this section is  
16 not precluded by any disciplinary action taken by the Board against  
17 a contractor pursuant to the provisions of NRS 624.300 to 624.305,  
18 inclusive.

