
SENATE BILL NO. 371—SENATOR SCHNEIDER

MARCH 17, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Creates Constructional Defect Commission and revises various provisions governing actions resulting from constructional defects. (BDR 54-251)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

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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 real property; creating the Constructional Defect Commission; providing for its membership; setting forth the duties of the Commission; conferring exclusive jurisdiction upon the Commission to determine claims or causes of action for constructional defects; providing exceptions; requiring a claimant to provide certain notices and allow a contractor a reasonable opportunity to repair a constructional defect before presenting a claim involving the constructional defect to the Commission; setting forth the manner in which a complaint must be presented to the Commission; requiring the Commission to hear a claim of a constructional defect within a certain period; authorizing the Commission to require a contractor to repair a constructional defect under certain circumstances; limiting the period during which an action for the recovery of damages for a constructional defect may be commenced; requiring certain persons to complete a course of instruction in constructional defects as a condition for the renewal or reinstatement of a license or certificate; prohibiting the exclusion of a public officer from a meeting of a unit-owners' association under certain circumstances; and providing other matters properly relating thereto.



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

- 1 **Section 1.** Chapter 624 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 20, inclusive, of this
3 act.
- 4 **Sec. 2.** *As used in sections 2 to 20, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 3, 4 and 5 of this act have the meanings ascribed to*
7 *them in those sections.*
- 8 **Sec. 3.** *“Commission” means the Constructional Defect*
9 *Commission created pursuant to section 6 of this act.*
- 10 **Sec. 4.** *“Construction record” means a document received or*
11 *produced by a contractor, or any person employed by the*
12 *contractor, that contains information relating to the construction*
13 *of a residence or appurtenance, including, without limitation, any*
14 *report, record, plan, permit, contract, subcontract, invoice, work*
15 *order or other document.*
- 16 **Sec. 5.** *“Constructional defect” includes a defect in the*
17 *design, construction, manufacture, repair or landscaping of a new*
18 *residence, of an alteration of or addition to an existing residence,*
19 *or of an appurtenance. The term includes physical damage to the*
20 *residence, an appurtenance or the real property to which the*
21 *residence or appurtenance is affixed that is proximately caused by*
22 *a constructional defect.*
- 23 **Sec. 6. 1.** *The Board shall create the Constructional Defect*
24 *Commission consisting of seven members appointed by the*
25 *Governor.*
- 26 **2.** *Each member who is appointed to the Commission serves*
27 *for a term of 4 years. A member may be reappointed to the*
28 *Commission.*
- 29 **3.** *The Governor shall appoint to the Commission:*
- 30 **(a)** *Three members who are contractors recommended by the*
31 *Board, each of whom:*
- 32 **(1)** *Holds a license issued pursuant to this chapter;*
33 **(2)** *Is actively engaged in the contracting business and has*
34 *been so engaged for not less than 5 years preceding the date of his*
35 *appointment; and*
- 36 **(3)** *Has been a resident of this state for at least 5 years*
37 *immediately preceding his appointment; and*
- 38 **(b)** *Four members who are representatives of the general*
39 *public.*
- 40 **4.** *The Governor shall appoint a Chairman of the*
41 *Commission.*



1 **Sec. 7. 1. The members of the Commission:**
2 (a) *Serve without compensation; and*
3 (b) *Upon written request to the Board, are entitled to receive*
4 *the per diem allowance and travel expenses provided for state*
5 *officers and employees generally while engaged in the business of*
6 *the Commission. A claim submitted pursuant to this paragraph*
7 *must be paid from the account established by NRS 624.470.*
8 2. *The Governor may remove a member of the Commission*
9 *before the expiration of his term for misconduct in office,*
10 *incompetence or neglect of duty.*
11 3. *If a vacancy occurs in the membership of the Commission,*
12 *the Governor shall appoint a person to fill the vacancy for the*
13 *remainder of the unexpired term. A vacancy on the Commission*
14 *must be filled in the same manner as the original appointment.*
15 4. *Four members, at least one of whom must be a contractor,*
16 *constitute a quorum.*
17 5. *Notwithstanding any other provision of law, a member of*
18 *the Commission:*
19 (a) *Is not disqualified from public employment or holding a*
20 *public office because of his membership on the Commission; and*
21 (b) *Does not forfeit his public office or public employment*
22 *because of his membership on the Commission.*
23 **Sec. 8. 1. The Board shall arrange for courses of**
24 *instruction in the rules of procedure and substantive law*
25 *appropriate for members of the Commission.*
26 2. *Each person appointed to serve on the Commission shall*
27 *attend the instruction provided pursuant to subsection 1 before*
28 *serving on the Commission.*
29 **Sec. 9. 1. Except as otherwise provided in sections 2 to 20,**
30 *inclusive, of this act, the Commission has exclusive jurisdiction to*
31 *determine claims or causes of action for the recovery of damages*
32 *based on constructional defects, and no person may bring or*
33 *maintain such a claim or cause of action in a manner other than*
34 *that prescribed in sections 2 to 20, inclusive, of this act.*
35 2. *A final decision of the Commission concerning a claim or*
36 *cause of action specified in subsection 1 is subject to judicial*
37 *review in accordance with chapter 233B of NRS.*
38 3. *The provisions of chapter 241 of NRS do not apply to any*
39 *meeting or hearing of the Commission held to carry out the*
40 *provisions of sections 2 to 20, inclusive, of this act or to the*
41 *deliberations of the Commission on any information or evidence*
42 *pursuant to sections 2 to 20, inclusive, of this act.*
43 **Sec. 10. The Commission and its members acting pursuant to**
44 *sections 2 to 20, inclusive, of this act are immune from any civil*
45 *liability for any decision or action taken in good faith and without*



1 *malicious intent in response to a complaint filed with the*
2 *Commission.*

3 **Sec. 11. 1. The Board:**

4 (a) *Shall develop and maintain a list of alternate members who*
5 *satisfy the requirements of sections 6 and 8 of this act;*

6 (b) *Shall schedule the hearings for the Commission;*

7 (c) *Shall obtain, before or after the filing of a complaint with*
8 *the Commission, such construction records and other materials as*
9 *may be required by the parties or the Commission in connection*
10 *with the claim of a constructional defect;*

11 (d) *Shall charge and collect a reasonable fee for copying*
12 *materials produced under subpoena;*

13 (e) *For good cause shown, may authorize a continuance for*
14 *the proceedings involving the Commission;*

15 (f) *To the extent necessary for the Commission to carry out its*
16 *duties, shall provide the Commission with administrative support,*
17 *equipment and office space; and*

18 (g) *May adopt such rules of practice and procedure as are*
19 *necessary to carry out the provisions of sections 2 to 20, inclusive,*
20 *of this act.*

21 2. *The Attorney General shall serve as legal counsel for the*
22 *Commission.*

23 **Sec. 12. 1. A member of the Commission may disqualify**
24 **himself from acting in any matter upon the ground of actual or**
25 **implied bias.**

26 2. *A party to a matter who seeks to disqualify a member of the*
27 *Commission from acting on a complaint of a constructional defect*
28 *filed pursuant to section 15 of this act shall file a request for*
29 *disqualification in writing with the Board not later than 15 days*
30 *after the expiration of the time in which to answer the complaint,*
31 *specifying the facts upon which such disqualification is sought. A*
32 *party may make a request for the disqualification of any member*
33 *of the Commission for cause on any of the grounds provided*
34 *pursuant to NRS 16.050 for the challenge of jurors.*

35 3. *The Board shall determine whether cause exists to*
36 *disqualify a member of the Commission pursuant to a request filed*
37 *by a party and shall notify each party in writing of its decision not*
38 *later than 15 days after the request is made.*

39 4. *Except as otherwise provided in subsection 5, the*
40 *Commission, less any member who has been disqualified, may*
41 *proceed to review a complaint without designating a person to sit*
42 *in the place of a disqualified member.*

43 5. *If the number of members who are disqualified or whose*
44 *temporary absence prohibits a quorum of the Commission from*
45 *forming, the Board shall, upon the disqualification or temporary*



1 *absence of a member of the Commission, designate an alternate*
2 *member from the list developed pursuant to section 11 of this act*
3 *who is the same class of member as the disqualified or absent*
4 *member to sit in the place of the disqualified or absent member. If*
5 *an alternate member is designated, that member must be identified*
6 *in the notice provided to the parties pursuant to subsection 3.*

7 **Sec. 13. 1.** *Except as otherwise provided in this section, no*
8 *claim involving a constructional defect may be presented to the*
9 *Commission until the claimant provides:*

10 (a) *Two written notices by certified mail, return receipt*
11 *requested, to the contractor, at the contractor's last known*
12 *address, of the constructional defect alleged in the complaint*
13 *against the contractor; and*

14 (b) *A reasonable opportunity, following the written notices, for*
15 *the contractor to repair the alleged constructional defect.*

16 2. *The written notices required pursuant to subsection 1*
17 *must:*

18 (a) *Be mailed at least 30 days apart;*

19 (b) *Specify, in reasonable detail, the defect or any damage or*
20 *injury to each residence or appurtenance that is the subject of the*
21 *claim;*

22 (c) *Describe in reasonable detail the cause of the defect, if the*
23 *cause is known, and the nature and extent that is known of the*
24 *damage or injury resulting from the defect; and*

25 (d) *Provide the location of each defect within each residence*
26 *or appurtenance to the extent known.*

27 3. *Within 45 days after the contractor receives the first notice,*
28 *on his written request, the contractor is entitled to inspect the*
29 *property that is the subject of the claim to determine the nature*
30 *and cause of the defect, damage or injury and the nature and*
31 *extent of repairs necessary to remedy the defect. The contractor*
32 *shall, before conducting the inspection, provide reasonable notice*
33 *of the inspection, and shall conduct the inspection at a reasonable*
34 *time. The contractor may take reasonable steps to establish the*
35 *existence of the defect, damage or injury.*

36 4. *Within 15 days after a contractor receives the second*
37 *notice, a claimant may present a claim to the Commission as set*
38 *forth in section 15 of this act if the contractor fails to:*

39 (a) *Make an agreement that is acceptable to the claimant to*
40 *make repairs, if the contractor is licensed to make the repairs, or*
41 *cause the repairs to be made, at the contractor's expense, by*
42 *another contractor who is bonded, insured and licensed to make*
43 *the repairs; or*

44 (b) *Make the repairs specified in an agreement between the*
45 *claimant and contractor pursuant to paragraph (a):*



1 (1) *Within the time specified in the agreement; and*
2 (2) *In a good and workmanlike manner.*
3 5. *A written waiver or settlement agreement executed by a*
4 *claimant after a contractor has corrected or otherwise repaired a*
5 *constructional defect pursuant to this section does not bar a claim*
6 *for the constructional defect if it is determined that the contractor*
7 *failed to correct or repair the defect properly.*
8 **Sec. 14.** *A contractor or his representative must be present at*
9 *any inspection at the residence or appurtenance, if any, that is the*
10 *subject of a claim governed by sections 2 to 20, inclusive, of this*
11 *act, which is conducted by the claimant or his representative,*
12 *including, without limitation, an expert hired or retained by the*
13 *claimant to conduct the inspection.*
14 **Sec. 15.** 1. *A claim of a constructional defect is properly*
15 *presented to the Commission by filing a complaint with the Board.*
16 2. *The complaint must contain a clear and concise statement*
17 *of the facts of the case, including, without limitation, the persons*
18 *involved and the dates and circumstances, so far as they are*
19 *known, of the alleged constructional defect. The Commission may*
20 *dismiss a complaint if the complaint is filed without an affidavit*
21 *supporting the allegations of the complaint submitted by an expert*
22 *concerning the alleged constructional defect.*
23 3. *The person against whom a complaint is made must,*
24 *within 30 days after receipt of the complaint, file an answer with*
25 *the Board, accompanied by a fee of \$250. The Board may*
26 *authorize an extension of the time in which an answer must be*
27 *filed only if all parties to the action stipulate to the extension.*
28 4. *Unless otherwise stipulated to by all the parties to the*
29 *action, an answer or response that is not timely filed may not be:*
30 (a) *Accepted by the Board; or*
31 (b) *Considered by the Commission.*
32 5. *The claimant may respond only to the allegations of the*
33 *answer or any accompanying affidavit by filing a written response*
34 *with the Board within 15 days after he receives the answer. The*
35 *Commission shall disregard any portion of the response that does*
36 *not address an allegation raised in the answer or an affidavit*
37 *accompanying the answer. No fee may be charged or collected by*
38 *the Board for the filing of the response. The Board may authorize*
39 *an extension of the time in which a response may be filed only if*
40 *all parties to the action stipulate to the extension.*
41 6. *A copy of any pleading required by this section to be filed*
42 *with the Board must be delivered by the party, by certified or*
43 *registered mail or by personal service, to each opposing party or, if*
44 *an opposing party is represented in the proceedings by counsel, to*
45 *his attorney.*



1 7. *The fees provided by this section must not be charged or*
2 *collected more than once from any party.*

3 8. *If a person fails to pay any fee required by this section, the*
4 *Board may refer the nonpayment to the Office of the Attorney*
5 *General for collection of the fee and any costs incurred.*

6 **Sec. 16.** 1. *The Board may, by certified or registered mail,*
7 *issue subpoenas as may be required by the Commission, to compel*
8 *the attendance of expert witnesses and, as may be required by the*
9 *parties or the Commission, to compel the production of*
10 *construction records or other materials.*

11 2. *The Board shall keep the material so produced and make it*
12 *available to the parties, upon request, for inspection or copying. If*
13 *the material is reasonably capable of being copied, the Board shall*
14 *provide a copy to the parties, upon request and the receipt of a fee*
15 *for the copying.*

16 3. *If an expert witness refuses to attend or testify or if a*
17 *person refuses to produce any construction records or other*
18 *materials as required by the subpoena, the Board may petition the*
19 *district court for an order compelling the expert witness to attend*
20 *and testify or the other person to produce the construction records*
21 *or other materials. The petition must include a statement*
22 *indicating that:*

23 (a) *Notice has been given of the time and place of attendance*
24 *of the expert witness or for the production of the construction*
25 *records or other materials;*

26 (b) *The expert witness or the person required to produce the*
27 *construction records or other materials has been subpoenaed by*
28 *the Board pursuant to this section; and*

29 (c) *The expert witness has failed or refused to attend or testify,*
30 *to produce the construction records or other materials required by*
31 *the subpoena, or to answer questions propounded to him.*

32 4. *Upon receiving a petition pursuant to subsection 3, the*
33 *court shall enter an order directing the expert witness or other*
34 *person to appear before the court at a time and place to be fixed by*
35 *the court in its order, which is not more than 10 days after the date*
36 *of the order, and show cause why he has not attended, testified, or*
37 *produced the construction records or other materials. A certified*
38 *copy of the order must be served upon the expert witness or other*
39 *person.*

40 5. *If it appears to the court that the subpoena was regularly*
41 *issued by the Board, the court shall enter an order that the expert*
42 *witness or other person appear at the time and place fixed in the*
43 *order and testify or produce the required construction records or*
44 *other materials, and upon his failure to obey the order, the expert*



1 *witness or other person must be dealt with as for contempt of*
2 *court.*

3 **Sec. 17. 1.** *A claim of a constructional defect must be heard*
4 *by the Commission within 45 days after the expiration of the time*
5 *in which to answer the complaint filed pursuant to section 15 of*
6 *this act.*

7 *2. The Commission shall consider all the construction*
8 *records or other materials, including, without limitation, the*
9 *complaint, answer and response, construction records and the*
10 *testimony of an expert witness the Commission considers*
11 *necessary, and shall, based on the evidence submitted, determine*
12 *only whether there is a reasonable probability that a*
13 *constructional defect exists and that the claimant was damaged*
14 *thereby.*

15 *3. Copies of the original complaint and of the findings of the*
16 *Commission with regard to each matter considered by the*
17 *Commission must be forwarded to the city or county building*
18 *department where the alleged constructional defect occurred, as*
19 *appropriate.*

20 *4. The Board shall promptly mail to each party to the claim a*
21 *copy of the findings of the Commission concerning the complaint.*

22 *5. The findings must be based upon a vote of the members of*
23 *the Commission made by a written ballot, must be rendered within*
24 *5 days after the hearing on the claim and must be in substantially*
25 *the following form:*

26 *(a) Based upon a review of the materials submitted by the*
27 *parties and the testimony of expert witnesses, if any, the*
28 *Commission finds that there is a reasonable probability that a*
29 *constructional defect exists and that the claimant was damaged*
30 *thereby; or*

31 *(b) Based upon a review of the materials submitted by the*
32 *parties and the testimony of expert witnesses, if any, the*
33 *Commission finds that there is no reasonable probability that a*
34 *constructional defect exists.*

35 *6. A finding made pursuant to paragraph (a) of subsection 5*
36 *must also include the findings of the Commission concerning each*
37 *claim of constructional defect alleged by the claimant.*

38 **Sec. 18. 1.** *If the Commission issues a finding in favor of*
39 *the claimant pursuant to paragraph (a) of subsection 5 of section*
40 *17 of this act, the Commission may order the contractor to:*

41 *(a) Make repairs at the contractor's expense, if the contractor*
42 *is licensed to make the repairs; or*

43 *(b) Cause the repairs to be made, at the contractor's expense*
44 *and, if insured, his insurer's expense, by another contractor who*
45 *is bonded, insured and licensed to make the repairs.*



1 2. Any repairs ordered pursuant to this section must be
2 completed within 90 days after the contractor is served with a
3 written notice of the order.

4 3. A copy of the order must be served on each party to the
5 claim personally, or by registered or certified mail. The order is
6 effective upon such service, unless the Commission orders
7 otherwise.

8 4. A contractor may petition the Board, by written request
9 supported by an affidavit of the contractor, for an extension of
10 the time for completion of repairs if completion is delayed by the
11 claimant or by any other event beyond the control of the
12 contractor, or if timely completion of the repairs is not reasonably
13 possible.

14 5. The Board may grant one extension of time not to exceed
15 45 days for a contractor to complete the repairs required by the
16 order of the Commission if the extension is timely requested and
17 supported by an affidavit of the contractor. The Board shall
18 provide written notice of any grant or denial of an extension of
19 time to each party to the claim within 10 days after receipt of the
20 request.

21 6. If the contractor fails to comply with an order issued
22 pursuant to this section, upon the written request of the claimant
23 made within 10 days after the expiration of the period for making
24 the repairs or causing the repairs to be made as described in the
25 order, or any authorized extension for the contractor to make the
26 repairs or cause the repairs to be made, the Commission:

27 (a) May cause the repairs to be made, at the constructor's
28 expense and, if insured, at his insurer's expense, by another
29 contractor who is bonded, insured and licensed to make the
30 repairs; and

31 (b) Shall notify the Board in writing of the failure of the
32 contractor to comply with the order. As soon as practicable after
33 receiving a written notice pursuant to this paragraph, the Board
34 shall revoke the license of the contractor.

35 **Sec. 19.** If the Commission issues a finding that there is no
36 reasonable probability that a constructional defect exists, the
37 Commission shall dismiss the complaint filed in the action
38 pursuant to section 15 of this act.

39 **Sec. 20. 1.** No action may be commenced for the recovery
40 of damages for a constructional defect more than 2 years after the
41 alleged constructional defect is discovered or should have been
42 discovered through the use of reasonable diligence.

43 2. The period of limitation set forth in subsection 1 is tolled
44 for any period during which the person against whom the recovery
45 of damages is sought conceals the constructional defect upon



1 *which the action is based and which is known or through the use*
2 *of reasonable diligence should have been known to him.*

3 **Sec. 21.** NRS 624.470 is hereby amended to read as follows:

4 624.470 1. Except as otherwise provided in subsection 3, in
5 addition to the annual fee for a license required pursuant to NRS
6 624.280, a residential contractor shall pay to the Board an annual
7 assessment in the following amount, if the monetary limit on his
8 license is:

9	
10	Not more than \$1,000,000..... \$100
11	More than \$1,000,000 but limited..... 250
12	Unlimited..... 500
13	

14 2. The Board shall administer and account separately for the
15 money received from the annual assessments collected pursuant to
16 subsection 1. The Board may refer to the money in the account as
17 the "Recovery Fund."

18 3. The Board ~~[shall]~~:

19 (a) *Shall* suspend the collection of assessments pursuant to
20 subsection 1 when the balance in the account reaches 150 percent of
21 the largest balance in the account during the previous fiscal year ~~[;]~~ ;
22 *and*

23 (b) *May increase the annual assessment imposed pursuant to*
24 *subsection 1 in an amount that, as determined by the Board, is*
25 *required to pay any claims for per diem allowances and travel*
26 *expenses of the Constructional Defect Commission pursuant to*
27 *section 7 of this act.*

28 4. Except as otherwise provided in NRS 624.540, the money in
29 the account must be used to pay claims ~~[made:]~~ :

30 (a) *Made* by owners who are damaged by the failure of a
31 residential contractor to perform qualified services adequately, as
32 provided in ~~[NRS 624.400 to 624.560, inclusive.]~~ *sections 2 to 20,*
33 *inclusive, of this act; or*

34 (b) *Submitted pursuant to section 7 of this act.*

35 **Sec. 22.** Chapter 645 of NRS is hereby amended by adding
36 thereto a new section to read as follows:

37 *"Constructional defect" has the meaning ascribed to it in*
38 *section 5 of this act.*

39 **Sec. 23.** NRS 645.0005 is hereby amended to read as follows:

40 645.0005 As used in this chapter, unless the context otherwise
41 requires, the words and terms defined in NRS 645.001 to 645.040,
42 inclusive, *and section 22 of this act* have the meanings ascribed to
43 them in those sections.



1 **Sec. 24.** NRS 645.285 is hereby amended to read as follows:
2 645.285 1. Application for original registration as an owner-
3 developer ~~shall~~ **must** be made on a form provided by the Division,
4 and ~~shall~~ **must** set forth:

5 (a) The limits of the area within which the applicant owns the
6 residences proposed to be sold;

7 (b) The location of the applicant's principal place of business;
8 and

9 (c) Any further information required by regulations of the
10 Commission.

11 2. An application to enlarge the area covered by a registration
12 shall set forth the limits of the area to be added.

13 **3. *The Division shall not approve an application for original***
14 ***registration as an owner-developer unless the owner-developer***
15 ***submits evidence satisfactory to the Division that he has, before***
16 ***the date of his application, completed a course of instruction in***
17 ***construction defects approved by the State Contractors' Board.***

18 **Sec. 25.** NRS 645.575 is hereby amended to read as follows:

19 645.575 1. The Commission shall prescribe standards for the
20 continuing education of persons licensed pursuant to this chapter by
21 adopting regulations which include:

22 (a) For renewal of a license which is on active status, a
23 requirement for the hours of attendance at any approved educational
24 course, seminar or conference of:

25 (1) Thirty hours within the first year immediately after initial
26 licensing; and

27 (2) Fifteen hours within each subsequent 2-year period
28 before renewal.

29 For each period, at least 6 of the hours must be devoted to ethics,
30 professional conduct or the legal aspects of real estate.

31 (b) For reinstatement of a license which has been placed on
32 inactive status, a requirement for total attendance at any approved
33 educational course, seminar or conference of:

34 (1) Thirty hours if the license was on inactive status for 2
35 years or less during the initial license period;

36 (2) Fifteen hours if the license was on inactive status for a
37 period of 2 years or less, no part of which was during the initial
38 license period;

39 (3) Forty-five hours if the license was on inactive status for a
40 period of more than 2 years, part of which was during the initial
41 license period; or

42 (4) Thirty hours if the license was on inactive status for a
43 period of more than 2 years, no part of which was during the initial
44 license period.



1 For each period, at least 6 of the hours must be devoted to ethics,
2 professional conduct or the legal aspects of real estate.

3 (c) A basis and method of qualifying educational programs and
4 certifying attendance which will satisfy the requirements of this
5 section.

6 (d) A procedure for the evaluation of petitions based on a claim
7 of equivalency with the requirements of paragraph (a) or (b).

8 (e) A system of controlling and reporting qualifying attendance.

9 (f) A statement of the conditions for which an extension of time
10 may be granted to comply with the continuing education
11 requirements as well as a method of applying and qualifying for an
12 extension.

13 2. The standards prescribed in subsection 1 must permit
14 alternatives of subject material, taking cognizance of specialized
15 areas of practice and alternatives in sources of programs considering
16 availability in area and time. The standards must include, where
17 qualified, generally accredited educational institutions, private
18 vocational schools, educational programs and seminars of
19 professional societies and organizations, other organized educational
20 programs on technical subjects, or equivalent offerings. The
21 Commission shall qualify only those educational courses that it
22 determines address the appropriate subject matter and are given by
23 an accredited university or community college. Subject to the
24 provisions of this section, the Commission has exclusive authority
25 to determine what is an appropriate subject matter for qualification
26 as a continuing education course.

27 3. Except as otherwise provided in this subsection, the license
28 of a broker, broker-salesman or salesman must not be renewed or
29 reinstated unless the Administrator finds that the applicant for the
30 renewal license or for reinstatement to active status has completed
31 the continuing education required by this chapter. Any amendment
32 or repeal of a regulation does not operate to prevent an applicant
33 from complying with this section for the next licensing period
34 following the amendment or repeal.

35 ***4. In addition to any other requirement for the renewal or***
36 ***reinstatement of a license pursuant to this chapter, a broker,***
37 ***broker-salesman or salesman must, as a condition for the renewal***
38 ***or reinstatement of his license, complete a course of instruction in***
39 ***construction defects approved by the State Contractors' Board.***
40 ***The course of instruction must be completed:***

41 ***(a) For the renewal of a license that is on active status, during***
42 ***each of the 2 years immediately preceding the application for***
43 ***renewal; or***



1 **(b) For the reinstatement of a license that has been placed on**
2 **inactive status, during the year immediately preceding the**
3 **application for reinstatement.**

4 **Sec. 26.** NRS 645.6052 is hereby amended to read as follows:
5 645.6052 1. A person who is licensed pursuant to this chapter
6 as a real estate broker, real estate broker-salesman or real estate
7 salesman may apply to the Real Estate Division for a permit to
8 engage in property management.

9 2. An applicant for a permit must:

10 (a) Furnish proof satisfactory to the Division that he has
11 successfully completed at least 24 classroom hours of instruction in
12 property management; and

13 (b) Comply with all other requirements established by the
14 Commission for the issuance of a permit.

15 3. A permit expires, and may be renewed, at the same time as
16 the license of the holder of the permit.

17 4. An applicant for the renewal of a permit must:

18 (a) Furnish proof satisfactory to the Division that he has
19 successfully completed at least 3 of the hours of the continuing
20 education required for the renewal of his license pursuant to NRS
21 645.575 in **a course of instruction in constructional defects**
22 **specified in subsection 4 of NRS 645.575 and** an approved
23 educational course, seminar or conference concerning property
24 management; and

25 (b) Comply with all other requirements established by the
26 Commission for the renewal of a permit.

27 5. The Commission may adopt such regulations as it
28 determines are necessary to carry out the provisions of this section.
29 The regulations may, without limitation:

30 (a) Establish additional requirements for the issuance or renewal
31 of a permit.

32 (b) Establish a fee for the issuance and renewal of a permit.

33 (c) Set forth standards of education for the approval of a course
34 of instruction to qualify a person for a permit pursuant to this
35 section.

36 **Sec. 27.** Chapter 645C of NRS is hereby amended by adding
37 thereto a new section to read as follows:

38 ***“Constructional defect” has the meaning ascribed to it in***
39 ***section 5 of this act.***

40 **Sec. 28.** NRS 645C.010 is hereby amended to read as follows:

41 645C.010 As used in this chapter, unless the context otherwise
42 requires, the words and terms defined in NRS 645C.020 to
43 645C.130, inclusive, **and section 27 of this act** have the meanings
44 ascribed to them in those sections.



1 **Sec. 29.** NRS 645C.420 is hereby amended to read as follows:
2 645C.420 1. The Division may place a certificate or license
3 on inactive status:

- 4 (a) At the request of the appraiser;
- 5 (b) For failure of the appraiser to notify the Division pursuant to
6 NRS 645C.400 of any change in the name or location of his
7 business, or of the location or any change in the location where his
8 records are stored;
- 9 (c) For failure to apply and pay the fee for renewal before the
10 expiration of the certificate or license; or
- 11 (d) As a result of a disciplinary proceeding against the appraiser.

12 2. An appraiser whose certificate or license has been placed on
13 inactive status shall not prepare or communicate appraisals until he
14 meets all the requirements for the reinstatement of his certificate or
15 license.

16 3. A certificate or license may be reinstated upon submission
17 of the required fee and proof of completion of the required hours of
18 continuing education ~~H~~ *and the course of instruction in*
19 *constructional defects specified in subsection 2 of NRS 645C.430,*
20 and upon approval by the Division.

21 **Sec. 30.** NRS 645C.430 is hereby amended to read as follows:

22 645C.430 1. An appraiser must complete the following
23 number of hours of continuing education in courses approved by the
24 Commission as a condition to the renewal of an active certificate or
25 license or the reinstatement of an inactive certificate or license:

26 (a) For the renewal of an active certificate or license, not less
27 than 30 hours of instruction within the 2 years immediately
28 preceding the application for renewal.

29 (b) For the reinstatement of a certificate or license which has
30 been on inactive status:

31 (1) For not more than 2 years, or for more than 2 years
32 including the initial period of certification or licensure, not less than
33 30 hours of instruction.

34 (2) For more than 2 years, no part of which includes the
35 initial period of certification or licensure, not less than 15 hours of
36 instruction per year for each year that the certificate or license was
37 on inactive status, not to exceed 60 hours of instruction.

38 2. *In addition to the requirements for renewing or reinstating*
39 *a license or certificate set forth in subsection 1, an appraiser must,*
40 *as a condition for the renewal of an active certificate or license or*
41 *the reinstatement of an inactive certificate or license, complete a*
42 *course of instruction in constructional defects approved by the*
43 *State Contractors' Board. The course of instruction must be*
44 *completed:*



1 (a) *For the renewal of an active certificate or license, during*
2 *each of the 2 years immediately preceding the application for*
3 *renewal; or*

4 (b) *For the reinstatement of a certificate or license which has*
5 *been on inactive status, during the year immediately preceding the*
6 *application for reinstatement.*

7 3. As used in this section, an "hour of instruction" means at
8 least 50 minutes of actual time spent receiving instruction.

9 **Sec. 31.** Chapter 645D of NRS is hereby amended by adding
10 thereto a new section to read as follows:

11 *"Constructional defect" has the meaning ascribed to it in*
12 *section 5 of this act.*

13 **Sec. 32.** NRS 645D.010 is hereby amended to read as follows:

14 645D.010 As used in this chapter, unless the context otherwise
15 requires, the words and terms defined in NRS 645D.020 to
16 645D.080, inclusive, *and section 31 of this act* have the meanings
17 ascribed to them in those sections.

18 **Sec. 33.** NRS 645D.120 is hereby amended to read as follows:

19 645D.120 The Division shall adopt:

20 1. Regulations prescribing the education and experience
21 required to obtain a certificate.

22 2. Regulations prescribing a standard of practice and code of
23 ethics for certified inspectors. Such regulations must establish a
24 degree of care that must be exercised by a reasonably prudent
25 certified inspector.

26 3. *Regulations requiring a certified inspector, as a condition*
27 *for the renewal of his certificate, to complete a course of*
28 *instruction in constructional defects approved by the State*
29 *Contractors' Board. The regulations must include the*
30 *requirements for submission of proof of attendance at the course.*

31 4. Such other regulations as are necessary for the
32 administration of this chapter.

33 **Sec. 34.** NRS 645D.230 is hereby amended to read as follows:

34 645D.230 1. The Division shall issue a certificate to each
35 eligible person in the form and size prescribed by the Division. A
36 certificate must:

37 (a) Indicate the name and address of the inspector and the
38 location of each place where he transacts business as an inspector;
39 and

40 (b) Contain any additional matter prescribed by the Division.

41 2. A certificate is valid for 2 years after the first day of the first
42 calendar month immediately following the date it is issued.

43 3. If an inspector fails to apply for the renewal of his certificate
44 and *fails to submit proof satisfactory to the Division that he has*
45 *completed a course of instruction in constructional defects during*



1 *each of the 2 years immediately preceding his application and* pay
2 the fee for renewal before the certificate expires, and applies for
3 renewal:

4 (a) Not later than 1 year after the date of expiration, he must
5 *submit to the Division the proof of completion of a course of*
6 *instruction in constructional defects required by this subsection*
7 *and* pay a fee equal to 150 percent of the amount otherwise required
8 for renewal.

9 (b) Later than 1 year after the date of expiration, he must apply
10 in the same manner as for an original certificate.

11 **Sec. 35.** NRS 11.202 is hereby amended to read as follows:

12 11.202 1. ~~Am~~ *Except as otherwise provided in section 20 of*
13 *this act, an* action may be commenced against the owner, occupier
14 or any person performing or furnishing the design, planning,
15 supervision or observation of construction, or the construction of an
16 improvement to real property at any time after the substantial
17 completion of such an improvement, for the recovery of damages
18 for:

19 (a) Any deficiency in the design, planning, supervision or
20 observation of construction or the construction of such an
21 improvement which is the result of his willful misconduct or which
22 he fraudulently concealed;

23 (b) Injury to real or personal property caused by any such
24 deficiency; or

25 (c) Injury to or the wrongful death of a person caused by any
26 such deficiency.

27 2. The provisions of this section do not apply in an action
28 brought against:

29 (a) The owner or keeper of any hotel, inn, motel, motor court,
30 boardinghouse or lodginghouse in this state on account of his
31 liability as an innkeeper.

32 (b) Any person on account of a defect in a product.

33 **Sec. 36.** NRS 11.203 is hereby amended to read as follows:

34 11.203 1. Except as otherwise provided in NRS 11.202 and
35 11.206, *and section 20 of this act,* no action may be commenced
36 against the owner, occupier or any person performing or furnishing
37 the design, planning, supervision or observation of construction, or
38 the construction of an improvement to real property more than 10
39 years after the substantial completion of such an improvement, for
40 the recovery of damages for:

41 (a) Any deficiency in the design, planning, supervision or
42 observation of construction or the construction of such an
43 improvement which is known or through the use of reasonable
44 diligence should have been known to him;



1 (b) Injury to real or personal property caused by any such
2 deficiency; or

3 (c) Injury to or the wrongful death of a person caused by any
4 such deficiency.

5 2. Notwithstanding the provisions of NRS 11.190 and
6 subsection 1 of this section, if an injury occurs in the 10th year after
7 the substantial completion of such an improvement, an action for
8 damages for injury to property or person, damages for wrongful
9 death resulting from such injury or damages for breach of contract
10 may be commenced within 2 years after the date of such injury,
11 irrespective of the date of death, but in no event may an action be
12 commenced more than 12 years after the substantial completion of
13 the improvement.

14 3. The provisions of this section do not apply to a claim for
15 indemnity or contribution.

16 **Sec. 37.** NRS 11.204 is hereby amended to read as follows:

17 11.204 1. Except as otherwise provided in NRS 11.202,
18 11.203 and 11.206, *and section 20 of this act*, no action may be
19 commenced against the owner, occupier or any person performing
20 or furnishing the design, planning, supervision or observation of
21 construction, or the construction, of an improvement to real property
22 more than 8 years after the substantial completion of such an
23 improvement, for the recovery of damages for:

24 (a) Any latent deficiency in the design, planning, supervision or
25 observation of construction or the construction of such an
26 improvement;

27 (b) Injury to real or personal property caused by any such
28 deficiency; or

29 (c) Injury to or the wrongful death of a person caused by any
30 such deficiency.

31 2. Notwithstanding the provisions of NRS 11.190 and
32 subsection 1 of this section, if an injury occurs in the eighth year
33 after the substantial completion of such an improvement, an action
34 for damages for injury to property or person, damages for wrongful
35 death resulting from such injury or damages for breach of contract
36 may be commenced within 2 years after the date of such injury,
37 irrespective of the date of death, but in no event may an action be
38 commenced more than 10 years after the substantial completion of
39 the improvement.

40 3. The provisions of this section do not apply to a claim for
41 indemnity or contribution.

42 4. For the purposes of this section, "latent deficiency" means a
43 deficiency which is not apparent by reasonable inspection.



1 **Sec. 38.** NRS 11.205 is hereby amended to read as follows:
2 11.205 1. Except as otherwise provided in NRS 11.202,
3 11.203 and 11.206, *and section 20 of this act*, no action may be
4 commenced against the owner, occupier or any person performing
5 or furnishing the design, planning, supervision or observation of
6 construction, or the construction of an improvement to real property
7 more than 6 years after the substantial completion of such an
8 improvement, for the recovery of damages for:
9 (a) Any patent deficiency in the design, planning, supervision or
10 observation of construction or the construction of such an
11 improvement;
12 (b) Injury to real or personal property caused by any such
13 deficiency; or
14 (c) Injury to or the wrongful death of a person caused by any
15 such deficiency.
16 2. Notwithstanding the provisions of NRS 11.190 and
17 subsection 1 of this section, if an injury occurs in the sixth year after
18 the substantial completion of such an improvement, an action for
19 damages for injury to property or person, damages for wrongful
20 death resulting from such injury or damages for breach of contract
21 may be commenced within 2 years after the date of such injury,
22 irrespective of the date of death, but in no event may an action be
23 commenced more than 8 years after the substantial completion of
24 the improvement.
25 3. The provisions of this section do not apply to a claim for
26 indemnity or contribution.
27 4. For the purposes of this section, “patent deficiency” means a
28 deficiency which is apparent by reasonable inspection.
29 **Sec. 39.** NRS 113.135 is hereby amended to read as follows:
30 113.135 1. Upon signing a sales agreement with the initial
31 purchaser of residential property that was not occupied by the
32 purchaser for more than 120 days after substantial completion of the
33 construction of the residential property, the seller shall:
34 (a) Provide to the initial purchaser a copy of NRS 11.202 to
35 11.206, inclusive, and ~~[40.600 to 40.695, inclusive;]~~ *sections 2 to*
36 *20, inclusive, of this act;*
37 (b) Notify the initial purchaser of any soil report prepared for the
38 residential property or for the subdivision in which the residential
39 property is located; and
40 (c) If requested in writing by the initial purchaser not later than
41 5 days after signing the sales agreement, provide to the purchaser
42 without cost each report described in paragraph (b) not later than 5
43 days after the seller receives the written request.



1 2. Not later than 20 days after receipt of all reports pursuant to
2 paragraph (c) of subsection 1, the initial purchaser may rescind the
3 sales agreement.

4 3. The initial purchaser may waive his right to rescind the sales
5 agreement pursuant to subsection 2. Such a waiver is effective only
6 if it is made in a written document that is signed by the purchaser.

7 **Sec. 40.** NRS 116.3115 is hereby amended to read as follows:

8 116.3115 1. Until the association makes an assessment for
9 common expenses, the declarant shall pay all common expenses.
10 After an assessment has been made by the association, assessments
11 must be made at least annually, based on a budget adopted at least
12 annually by the association in accordance with the requirements set
13 forth in NRS 116.31151. Unless the declaration imposes more
14 stringent standards, the budget must include a budget for the daily
15 operation of the association and the money for the reserve required
16 by paragraph (b) of subsection 2.

17 2. Except for assessments under subsections 4 to 7, inclusive:

18 (a) All common expenses, including a reserve, must be assessed
19 against all the units in accordance with the allocations set forth in
20 the declaration pursuant to subsections 1 and 2 of NRS 116.2107.

21 (b) The association shall establish an adequate reserve, funded
22 on a reasonable basis, for the repair, replacement and restoration of
23 the major components of the common elements. The reserve may be
24 used only for those purposes, including, without limitation,
25 repairing, replacing and restoring roofs, roads and sidewalks, and
26 must not be used for daily maintenance.

27 3. Any past due assessment for common expenses or
28 installment thereof bears interest at the rate established by the
29 association not exceeding 18 percent per year.

30 4. To the extent required by the declaration:

31 (a) Any common expense associated with the maintenance,
32 repair, restoration or replacement of a limited common element
33 must be assessed against the units to which that limited common
34 element is assigned, equally, or in any other proportion the
35 declaration provides;

36 (b) Any common expense or portion thereof benefiting fewer
37 than all of the units must be assessed exclusively against the units
38 benefited; and

39 (c) The costs of insurance must be assessed in proportion to risk
40 and the costs of utilities must be assessed in proportion to usage.

41 5. Assessments to pay a judgment against the association may
42 be made only against the units in the common-interest community at
43 the time the judgment was entered, in proportion to their liabilities
44 for common expenses.



1 6. If any common expense is caused by the misconduct of any
2 unit's owner, the association may assess that expense exclusively
3 against his unit.

4 7. The association of a common-interest community created
5 before January 1, 1992, is not required to make an assessment
6 against a vacant lot located within the community that is owned by
7 the declarant.

8 8. If liabilities for common expenses are reallocated,
9 assessments for common expenses and any installment thereof not
10 yet due must be recalculated in accordance with the reallocated
11 liabilities.

12 9. The association shall provide written notice to the owner of
13 each unit of a meeting at which an assessment for a capital
14 improvement or the commencement of a civil action is to be
15 considered or action is to be taken on such an assessment at least 21
16 calendar days before the meeting. Except as otherwise provided in
17 this subsection, the association may commence a civil action only
18 upon a vote or written agreement of the owners of units to which at
19 least a majority of the votes of the members of the association are
20 allocated. The provisions of this subsection do not apply to a civil
21 action that is commenced:

22 (a) To enforce the payment of an assessment;
23 (b) To enforce the declaration, bylaws or rules of the
24 association;

25 (c) To proceed with a counterclaim; or

26 (d) To protect the health, safety and welfare of the members of
27 the association. If a civil action is commenced pursuant to this
28 paragraph without the required vote or agreement, the action must
29 be ratified within 90 days after the commencement of the action by
30 a vote or written agreement of the owners of the units to which at
31 least a majority of votes of the members of the association are
32 allocated. If the association, after making a good faith effort, cannot
33 obtain the required vote or agreement to commence or ratify such a
34 civil action, the association may thereafter seek to dismiss the action
35 without prejudice for that reason only if a vote or written agreement
36 of the owners of the units to which at least a majority of votes of the
37 members of the association are allocated was obtained at the time
38 the approval to commence or ratify the action was sought.

39 10. At least 10 days before an association commences or seeks
40 to ratify the commencement of a civil action, the association shall
41 provide a written statement to all units' owners that includes:

42 (a) A reasonable estimate of the costs of the civil action,
43 including reasonable attorney's fees;

44 (b) An explanation of the potential benefits of the civil action
45 and the potential adverse consequences if the association does not



1 commence the action or if the outcome of the action is not favorable
2 to the association; and

3 (c) All disclosures that are required to be made upon the sale of
4 the property.

5 11. *At any meeting at which the filing of a claim for a*
6 *constructional defect is considered, the executive board shall not*
7 *exclude a public officer from attending the meeting if the public*
8 *officer is invited to attend the meeting by a unit's owner who is*
9 *authorized to attend the meeting. The authority of the public*
10 *officer to attend a meeting pursuant to this subsection is*
11 *coextensive with the authority of the unit's owner to attend the*
12 *meeting pursuant to NRS 116.31085. As used in this subsection:*

13 (a) *"Constructional defect" has the meaning ascribed to it in*
14 *section 5 of this act.*

15 (b) *"Public officer" means:*

16 (1) *The Ombudsman for Owners in Common-Interest*
17 *Communities; and*

18 (2) *Any other person who is an elected or appointed public*
19 *officer.*

20 12. No person other than a unit's owner may request the
21 dismissal of a civil action commenced by the association on the
22 ground that the association failed to comply with any provision of
23 this section.

24 **Sec. 41.** NRS 278.577 is hereby amended to read as follows:

25 278.577 1. Except as otherwise provided in subsection 2, in a
26 county whose population is 100,000 or more, or in any city located
27 within such a county, if the city or county provides for the
28 inspection of structures and the enforcement of building codes
29 pursuant to NRS 278.570, 278.573 and 278.575, the city or county
30 shall:

31 (a) Prepare a list of national and international organizations
32 which certify persons who inspect a structure or a portion of a
33 structure and which are approved by the city or county, as
34 appropriate, for certifying persons pursuant to this subsection;

35 (b) Require a person who fills the position of building official,
36 reviews plans or inspects a structure or building or a portion of a
37 structure or building pursuant to NRS 278.570 or 278.575 to be
38 certified by an organization included on the list prepared pursuant to
39 paragraph (a);

40 (c) Establish requirements for continuing education for a person
41 who is required to be certified pursuant to this subsection; and

42 (d) Prohibit a person who is not certified or does not fulfill the
43 requirements for continuing education pursuant to this subsection
44 from filling the position of building official, reviewing plans or



1 inspecting a structure or building or a portion of a structure or
2 building pursuant to NRS 278.570 or 278.575.

3 2. A city or county specified in subsection 1 may authorize an
4 employee of the city or county to perform duties for which
5 certification is required pursuant to that subsection if those duties
6 are performed under the supervision of a person who is certified by
7 an organization that is included on the list prepared by the city or
8 county pursuant to paragraph (a) of that subsection. The city or
9 county may authorize an employee to perform duties pursuant to
10 this subsection for not more than 1 year.

11 3. The requirements for continuing education established
12 pursuant to paragraph (c) of subsection 1 must:

13 (a) Include the completion of at least 45 hours of continuing
14 education every 3 years; and

15 (b) Specify the manner in which a person may complete those
16 hours.

17 4. In a county whose population is less than 100,000, or in any
18 city located within such a county, if the city or county provides for
19 the inspection of structures and the enforcement of building codes
20 pursuant to NRS 278.570, 278.573 and 278.575, the city or county
21 shall, by resolution, establish the requirements for certifying and for
22 continuing education for a person who, on a full-time basis, fills the
23 position of building official, reviews plans or inspects a structure or
24 building or a portion of a structure or building pursuant to NRS
25 278.570 or 278.575.

26 *5. In addition to the requirements for continuing education
27 established pursuant to this section, each city or county that
28 provides for the inspection of structures and the enforcement of
29 building codes pursuant to NRS 278.570, 278.573 and 278.575
30 shall, by resolution, require each person who:*

31 *(a) Fills the position of building official, reviews plans or
32 inspects a structure or building or a portion of a structure or
33 building pursuant to NRS 278.570 or 278.575; and*

34 *(b) Is required to attend a course of continuing education
35 pursuant to this section,*

36 *to complete a course of instruction in constructional defects
37 approved by the State Contractors' Board. The resolution must
38 require the person to complete the course annually and must
39 include the requirements for submission of proof of attendance at
40 the course. As used in this subsection, "constructional defect" has
41 the meaning ascribed to it in section 5 of this act.*

42 **Sec. 42.** NRS 40.600, 40.605, 40.610, 40.613, 40.615, 40.620,
43 40.625, 40.630, 40.635, 40.640, 40.645, 40.650, 40.655, 40.660,
44 40.665, 40.667, 40.668, 40.670, 40.672, 40.675, 40.680, 40.682,



1 40.687, 40.688, 40.6881, 40.6882, 40.6883, 40.6884, 40.6885,
2 40.689, 40.690, 40.692 and 40.695 are hereby repealed.

3 **Sec. 43.** 1. Each person who, before October 1, 2003,
4 submitted a claim to recover damages resulting from a
5 constructional defect pursuant to NRS 40.600 to 40.695, inclusive,
6 but who has not filed a civil action concerning the claim, may, if the
7 claim has not been withdrawn, settled or otherwise resolved in
8 accordance with those sections before October 1, 2003, submit the
9 claim to the Constructional Defect Commission for disposition in
10 accordance with the provisions of sections 2 to 20, inclusive, of this
11 act. The claim must be submitted within 1 year after October 1,
12 2003.

13 2. The clerk of each court in this state in which a civil action
14 for damages resulting from a constructional defect has been filed
15 before October 1, 2003, and for which a trial has not been
16 commenced in that court before October 1, 2003, shall, as soon as
17 practicable after October 1, 2003, transmit the file for the civil
18 action to the Constructional Defect Commission for disposition in
19 accordance with the provisions of sections 2 to 20, inclusive, of this
20 act.

21 3. Notwithstanding the provisions of section 42 of this act, if:

22 (a) A civil action for damages resulting from a constructional
23 defect has been filed before October 1, 2003; and

24 (b) A trial for the civil action has been commenced before
25 October 1, 2003,

26 the civil action must be adjudicated in accordance with the
27 provisions of NRS 40.600 to 40.695, inclusive, as if those
28 provisions had not been repealed.

LEADLINES OF REPEALED SECTIONS

- 40.600 Definitions.**
- 40.605 "Appurtenance" defined.**
- 40.610 "Claimant" defined.**
- 40.613 "Complex matter" defined.**
- 40.615 "Constructional defect" defined.**
- 40.620 "Contractor" defined.**
- 40.625 "Homeowner's warranty" defined.**
- 40.630 "Residence" defined.**
- 40.635 Applicability; effect on other defenses.**
- 40.640 Liability of contractor.**



40.645 Written notice to contractor required before claimant commences certain actions; contents of notice; inspection by contractor; pursuit of claim under warranty; written response by contractor required; mutual duty to disclose documentary evidence.

40.650 Effect of rejecting reasonable offer of settlement or denying opportunity to repair defect; effect of payment under warranty; effect of contractor failing to take certain actions; effect of bad faith denial of coverage under warranty.

40.655 Limitation on recovery.

40.660 Nonacceptance of offer of settlement deemed rejection.

40.665 Settlement by repurchase; certain offers of settlement deemed reasonable.

40.667 Effect of written waiver or settlement agreement when contractor fails to correct or repair defect properly; conditions to bringing action; effect of failure to prevail in action.

40.668 Action against subdivider or master developer for defect in appurtenance in planned unit development: Conditions and limitations; tolling of statutes of limitation or repose; applicability.

40.670 Defect which creates imminent threat to health or safety: Duty of contractor to cure; effect of failure to cure; exceptions.

40.672 Defect in new residence: Duty of contractor to repair; time limits; extensions; disciplinary action for failure to comply.

40.675 Inspection of repairs.

40.680 Mediation of certain claims required before action commenced; procedure; appointment of special master; effect of failure to mediate in good faith.

40.682 Complex matters: Written notice by claimant; procedural requirements; additional parties and third-party complaints; mediation; appointment of special master; limitation on certain pretrial procedures; pursuit of claim under warranty; written response by contractor.

40.687 Disclosure of information concerning warranties after action is commenced; disclosure of information concerning insurance agreements; compelled production of information.

40.688 Disclosure of defects by claimant to prospective purchaser of residence required; timing and contents of disclosure; duty of attorney to inform claimant of disclosure requirement.

40.6881 Definitions.



40.6882 “Complainant” defined.

40.6883 “Design professional” defined.

40.6884 Attorney required to consult expert; required affidavit of attorney; required report of expert.

40.6885 Effect of compliance with or failure to comply with NRS 40.6884.

40.689 Preference given to action; action may be assigned to senior judge; assessment of additional expenses.

40.690 Limitation on bringing claim against governmental entity during period for resolution; effect of settlement; contractor or claimant may require party to appear and participate.

40.692 Procedural requirements waived for certain defects included in amended complaint; joinder or intervention of party after action is commenced.

40.695 Tolling of statutes of limitation or repose; applicability.

