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SENATE BILL NO. 437—COMMITTEE ON COMMERCE AND LABOR

MARCH 24, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to contractors and projects involving residential pools and spas. (BDR 52-1288)

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.

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AN ACT relating to contractors; prohibiting certain acts relating to the repair, restoration, improvement or construction of residential pools and spas; clarifying certain provisions that prohibit contractors from acting as owners of certain companies, corporations and business entities; providing penalties; 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.** NRS 597.715 is hereby amended to read as follows:  
2     597.715 1. Any contractor or subcontractor who performs  
3 work for the repair, restoration, improvement or construction of a  
4 residential pool or spa shall, regardless of whether the work is  
5 performed under the direction of a builder who is also the owner of  
6 the property being improved:  
7     (a) Apply for and obtain all applicable permits for the project;  
8 and  
9     (b) Meet all applicable requirements imposed pursuant to:  
10       (1) This chapter;  
11       (2) Chapter 624 of NRS; and  
12       (3) Any regulations adopted by the Board,  
13 with respect to contracts for the repair, restoration, improvement or  
14 construction of a residential pool or spa.



1 2. If a contractor or subcontractor performs work for the repair,  
2 restoration, improvement or construction of a residential pool or spa  
3 and the work is performed under the direction of a builder who is  
4 also the owner of the property being improved, the owner shall  
5 comply with all state and local laws and ordinances for the  
6 submission of names, licenses and information concerning any  
7 required bonds and insurance with respect to the contractors and  
8 subcontractors working on the project.

9 3. With respect to a contract for the repair, restoration,  
10 improvement or construction of a residential pool or spa, regardless  
11 of use, the work performed pursuant to such a contract must be  
12 supervised and controlled directly by the qualified employee or  
13 qualified officer of the contractor.

14 *4. If the repair, restoration, improvement or construction of*  
15 *a residential pool or spa is performed under the direction of a*  
16 *builder who is exempt from having to obtain a license as a*  
17 *contractor because the builder is also the owner of the property*  
18 *being improved, a person shall not, directly or indirectly, perform*  
19 *or offer to perform, for a fee, any act as a consultant, adviser,*  
20 *assistant or aide to the builder for the purposes of the project,*  
21 *including, without limitation, any act associated with obtaining*  
22 *permits for the project, or otherwise hold himself out as being able*  
23 *to perform such acts for a fee, unless the person holds:*

24 *(a) A license as a contractor or subcontractor under state law*  
25 *which authorizes the person to perform such acts for a fee; or*

26 *(b) Any other license, certificate, registration or permit under*  
27 *state law which authorizes the person to perform such acts for a*  
28 *fee.*

29 **Sec. 2.** NRS 597.7192 is hereby amended to read as follows:

30 597.7192 *1.* Except as otherwise provided in *this section and*  
31 NRS 597.7194, a contractor who engages in the repair, restoration,  
32 improvement or construction of a residential pool or spa shall not  
33 act as, or carry out the duties of, an officer, director, employee or  
34 owner of a bonding company, finance company, or any other  
35 corporation or business entity who cosigns, underwrites, obtains a  
36 deed of trust for, issues, sells, purchases or acquires a loan to  
37 finance the repair, restoration, improvement or construction of a  
38 residential pool or spa.

39 *2. The provisions of this section do not prohibit a contractor*  
40 *from owning, holding or possessing, either directly or indirectly*  
41 *through a mutual fund or any other financial arrangement or*  
42 *investment plan, any stocks or other securities issued by a*  
43 *company, corporation or business entity described in subsection 1*  
44 *if:*



- 1     *(a) The stocks or other securities are offered openly to the*
- 2     *public through a securities exchange; and*
- 3     *(b) The contractor does not own, hold or possess a controlling*
- 4     *interest in the company, corporation or business entity.*
- 5     **Sec. 3.** This act becomes effective upon passage and approval.

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