#### **RESIDENTIAL SWIMMING POOLS AND SPAS**

NRS 624.900 Definitions. As used in <u>NRS 624.900</u> to <u>624.965</u>, inclusive, unless the context otherwise requires, the words and terms defined in <u>NRS 624.905</u>, <u>624.910</u> and <u>624.915</u> have the meanings ascribed to them in those sections. (Supplied in revision)

NRS 624.905 "Contract" defined. "Contract" means any contract or agreement in which a contractor agrees to perform work concerning a residential pool or spa.

(Added to NRS by 1997, 2698; A 2001, 2977; 2005, 2377)—(Substituted in revision for part of NRS 597.713)

NRS 624.910 "Contractor" defined. "Contractor" means a person licensed pursuant to the provisions of this chapter who performs work concerning a residential pool or spa.

(Added to NRS by 1997, 2698; A 2001, 2977; 2005, 2377)-(Substituted in revision for part of NRS 597.713)

#### NRS 624.915 "Work concerning a residential pool or spa" defined.

1. "Work concerning a residential pool or spa" means any of the following acts, if performed for a fee:

(a) The design, construction, repair, maintenance, restoration, alteration or improvement of any residential swimming pool or spa, regardless of use, including the repair or replacement of existing equipment or the installation of new equipment, as necessary; or

(b) Any consultation or supervision concerning such work.

2. The scope of such work includes layout, excavation, operation of construction pumps for removal of water, steelwork, construction of floors, installation of gunite, fiberglass, tile and coping, installation of all perimeter and filter piping, installation of all filter equipment and chemical feeders of any type, plastering of the interior, construction of decks, installation of housing for pool equipment and installation of packaged pool heaters.

3. The scope of such work also includes the installation of plumbing, including, without limitation, connections to potable water, and the installation of gas lines if the contractor holds classifications for such work pursuant to <u>NRS 624.925</u>.

(Added to NRS by 1997, 2698; A 2001, 2977; 2005, 2377)-(Substituted in revision for part of NRS 597.713)

**NRS 624.920** License or other authorization required to perform work concerning residential pool or spa. A person shall not, directly or indirectly, perform or offer to perform, for a fee, any work concerning a residential pool or spa or any consultation or supervision concerning such work or otherwise hold himself or herself out as being able to perform such acts for a fee, unless the person holds:

1. A license as a contractor or subcontractor under state law which authorizes the person to perform such acts for a fee; or

2. Any other license, certificate, registration or permit under state law which authorizes the person to perform such acts for a fee. (Added to NRS by 2005, 2376)

### NRS 624.925 Classifications of licensing.

1. The Board shall adopt regulations to provide for classifications of licensing that authorize a contractor who performs work concerning a residential pool or spa to perform, in connection with such work, the installation of:

(a) Plumbing, including, without limitation, connections to potable water; and

(b) Gas lines.

2. The regulations adopted by the Board must include, without limitation, regulations establishing the qualifications, training and examinations that are required for such classifications.

(Added to NRS by 2005, 2376)

## NRS 624.930 Contractor and subcontractor required to obtain permits and meet certain requirements; certain ownerbuilders required to submit information regarding bonds and insurance; supervision and control of work; license or other authorization required to perform certain acts for owner-builder.

1. Any contractor or subcontractor who performs work concerning a residential pool or spa shall, regardless of whether the work is performed under the direction of a builder who is also the owner of the property being improved:

(a) Apply for and obtain all applicable permits for the project; and

(b) Meet all applicable requirements imposed pursuant to this chapter and any regulations adopted by the Board with respect to contracts for work concerning a residential pool or spa.

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

3. With respect to a contract for work concerning a residential pool or spa, the work performed pursuant to such a contract must be supervised and controlled directly by the qualified employee or qualified officer of the contractor.

4. If work concerning a residential pool or spa is performed under the direction of a builder who is exempt from having to obtain a license as a contractor because the builder is also the owner of the property being improved, a person shall not, directly or indirectly, perform or offer to perform, for a fee, any act as a consultant, adviser, assistant or aide to the builder for the purposes of the project,

including, without limitation, any act associated with obtaining permits for the project, or otherwise hold himself or herself out as being able to perform such acts for a fee, unless the person holds:

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

(b) Any other license, certificate, registration or permit under state law which authorizes the person to perform such acts for a fee. (Added to NRS by 2001, 2976; A 2003, 1233; 2005, 2377)—(Substituted in revision for NRS 597.715)

# NRS 624.935 Duties of contractor regarding commencement, performance and completion of work; contract to explain rights of customer; conditions for final payment.

1. A contractor who receives an initial down payment or deposit of \$1,000 or 10 percent of the aggregate contract price, whichever is less, for work concerning a residential pool or spa shall start the work within 30 days after the date all necessary permits for the work, if any, are issued, unless the person who made the payment agrees in writing to a longer period to apply for the necessary permits or start the work or to longer periods for both.

2. A contractor who receives money for work concerning a residential pool or spa shall complete the work diligently and shall not refuse to perform any work for any 30-day period.

3. If satisfactory payment is made for any portion of the work performed, the contractor shall, before any further payment is made, furnish the owner a full and unconditional release from any claim of mechanic's lien for that portion of the work for which payment has been made.

4. The requirements of subsection 3 do not apply if the contract provides for the contractor to furnish a bond for payment and performance or joint control covering full performance and completion of the contract and the bond or joint control is furnished by the contractor.

5. A contract for work concerning a residential pool or spa must contain a written statement explaining the rights of the customer under <u>NRS 624.900</u> to 624.965, inclusive, and other relevant statutes.

6. A contractor may require final payment for the final stage or phase of the construction of a residential pool or spa after the completion of the plastering and the final inspection by the local building department, unless any installation of equipment, decking or fencing that is required in the contract is not completed.

(Added to NRS by 1997, 2698; A 2001, 2978; 2005, 2378)—(Substituted in revision for NRS 597.716)

## NRS 624.940 Mandatory elements and required information in contracts; contractor to furnish copy of signed documents and receipt for money paid; certain contracts void; contractor to apply for and obtain necessary permits.

1. The Board shall adopt by regulation mandatory elements to be included in all contracts to be used by contractors for work concerning a residential pool or spa. Such mandatory elements must not be waived or limited by contract or in any other manner. On and after October 1, 2001, any contract entered into between a contractor and the owner of a single-family residence for work concerning a residential pool or spa must comply with the standard elements adopted by the Board. A contract that does not comply with the standard elements adopted by the Board is void and unenforceable against the owner.

2. Any such contract in an amount of more than \$1,000 must contain in writing at least the following information:

(a) The name of the contractor and his or her business address and license number.

(b) The name and mailing address of the owner and the address or legal description of the property.

(c) The date of execution of the contract.

(d) The estimated date of completion of all work to be performed under the contract.

(e) A description of the work to be performed under the contract.

(f) The total amount to be paid to the contractor by the owner for all work to be performed under the contract, including all applicable taxes.

(g) The amount, not to exceed \$1,000 or 10 percent of the aggregate contract price, whichever is less, of any initial down payment or deposit paid or promised to be paid to the contractor by the owner before the start of construction.

(h) A statement that the contractor has provided the owner with the notice and informational form required by <u>NRS 624.600</u>.

(i) A statement that any additional work to be performed under the contract, whether or not pursuant to a change order, which will require the owner to pay additional money and any other change in the terms in the original contract must be agreed to in writing by the parties and incorporated into the original contract as a change order. A change order is not enforceable against the owner contracting for work concerning a residential pool or spa unless the change order clearly sets forth the scope of work to be completed and the price to be charged for the changes and is signed by the owner.

(j) A plan and scale drawing showing the shape, size, dimensions and the specifications for the construction and equipment for the residential pool or spa and for other home improvements, and a description of the work to be done, the materials to be used and the equipment to be installed, and the agreed consideration for the work.

(k) Except as otherwise provided in this subsection, the dollar amount of any progress payment and the stage of construction at which the contractor will be entitled to collect progress payments during the course of construction under the contract. The schedule of payments must show the amount of each payment as a sum in dollars and cents. The schedule of payments must not provide for the contractor to receive, nor may the contractor actually receive, payments in excess of 100 percent of the value of the work performed on the project at any time, excluding finance charges, except for an initial down payment or deposit as authorized by subsection 1 of NRS 624.935 or the regulations adopted by the Board. With respect to a contract executed before October 1, 2001, if any schedule of payments set forth in the contract does not comply with the provisions of this chapter or any regulations adopted pursuant thereto:

(1) The obligation of the owner to make payments in accordance with the payment schedule shall be deemed void and unenforceable; and

(2) The lender, if any, may not initiate proceedings to enforce the payment of any applicable loan unless and until the contract is reformed or otherwise amended to comply with those provisions of law.

 $\rightarrow$  The provisions of this paragraph do not apply if the contractor has furnished a bond for payment and performance covering full performance and completion of the contract and the cost of the bond is included in the price of the project or if the contractor builds a residential pool or spa as part of the original building plan pursuant to which the contractor builds a single-family residence on the premises.

(1) If the contract provides for payment of a commission to a salesperson out of the contract price, a statement that the payment must be made on a pro rata basis in proportion to the schedule of payments made to the contractor by the disbursing party in accordance with the provisions of paragraph (k).

 $\rightarrow$  Except as otherwise provided in subsection 5, the contract may contain such other conditions, stipulations or provisions as to which the parties may agree.

3. The contract must contain:

(a) A method whereby the owner may initial provisions of the contract, thereby indicating that those provisions have been read and are understood.

(b) In close proximity to the signatures of the owner and the contractor, a notice stating that the owner:

(1) May contact the Board if assistance is needed to clarify any of the provisions of the contract that the owner does not fully understand; and

(2) Has the right to request a bond for payment and performance if such a bond is not otherwise required pursuant to <u>NRS</u> 624.270.

4. At the time the owner signs the contract, the contractor shall furnish the owner a legible copy of all documents signed and a written and signed receipt for any money paid to the contractor by the owner. All written information provided in the contract must be printed in at least 10-point bold type.

5. A condition, stipulation or provision in a contract that requires a person to waive any right provided by <u>NRS 624.900</u> to <u>624.965</u>, inclusive, or relieves a person of an obligation or liability imposed by those sections is void. Failure to comply with the requirements of <u>NRS 624.900</u> to <u>624.965</u>, inclusive, renders a contract void and unenforceable against the owner.

6. The contractor shall apply for and obtain all necessary permits.

(Added to NRS by 1997, 2699; A 2001, 2978; 2005, 2378)—(Substituted in revision for NRS 597.719)

## NRS 624.945 Standards for advertisements; prohibited advertising practices.

1. The Board shall adopt by regulation standards for advertisements used by contractors in connection with the solicitation or sale of contracts for work concerning residential pools or spas.

2. The regulations adopted pursuant to subsection 1 must prohibit a contractor from employing "bait and switch" advertising or otherwise intentionally publishing, displaying or circulating any advertisement which is misleading or inaccurate in any material particular or which misrepresents any of the goods or services sold or furnished by the contractor to members of the public.

3. The Board shall, in adopting the standards required by subsection 1, give consideration to the provisions of <u>chapter 598</u> of NRS relating to advertisements that constitute deceptive trade practices and, to the extent practicable, adopt standards that are at least as stringent as those provisions.

4. A contractor shall not cause to be published or display or circulate any advertisement that does not comply with the standards adopted by the Board pursuant to subsection 1.

5. As used in this section, "bait and switch" advertising has the meaning ascribed to it in NRS 482.351.

(Added to NRS by 2001, 2975; A 2005, 2380)—(Substituted in revision for NRS 597.7191)

#### NRS 624.950 Limitations on contractor's involvement with entities engaged in certain lending and financial services.

1. Except as otherwise provided in this section and <u>NRS 624.955</u>, a contractor who performs work concerning a residential pool or spa shall not act as, or carry out the duties of, an officer, director, employee or owner of a bonding company, finance company, or any other corporation or business entity who cosigns, underwrites, obtains a deed of trust for, issues, sells, purchases or acquires a loan to finance work concerning a residential pool or spa.

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

(a) The stocks or other securities are offered openly to the public through a securities exchange; and

(b) The contractor does not own, hold or possess a controlling interest in the company, corporation or business entity.

(Added to NRS by 2001, 2976; A 2003, 1234; 2005, 2381)—(Substituted in revision for NRS 597.7192)

#### NRS 624.955 Limitations on certain lending and financial practices.

1. A contract for work concerning a residential pool or spa is not enforceable against the owner if the obtaining of a loan for all or a portion of the contract price is a condition precedent to the contract unless all of the following requirements are satisfied:

(a) A third party agrees to make the loan or give the financing.

(b) The owner agrees to accept the loan or financing.

(c) The owner does not rescind the loan or financing transaction within the period prescribed for rescission pursuant to the Truth in Lending Act, 15 U.S.C. §§ 1601 et seq., or <u>chapter 598</u> of NRS, if applicable.

2. Unless and until all applicable requirements of subsection 1 are satisfied, a contractor shall not:

(a) Perform or deliver any work, labor, material or services; or

(b) Represent in any manner that the contract is enforceable or that the owner has any obligation under the contract.

3. A contract for work concerning a residential pool or spa is not enforceable against the owner if the contractor provides a loan or gives financing for all or a portion of the contract price unless all of the following requirements are satisfied:

(a) The owner agrees to accept the loan or financing.

(b) The owner does not rescind the loan or financing transaction within the period prescribed for rescission pursuant to the Truth in Lending Act, 15 U.S.C. §§ 1601 et seq., or <u>chapter 598</u> of NRS, if applicable.

4. Unless and until all applicable requirements of subsection 3 are satisfied, a contractor shall not:

(a) Perform or deliver any work, labor, material or services; or

(b) Represent in any manner that the contract is enforceable or that the owner has any obligation under the contract.

5. A contract for work concerning a residential pool or spa is not enforceable against the owner if the contractor receives from a third party, either directly or indirectly, remuneration or any other thing of value for a loan to finance the work and that fact is not disclosed in writing in the contract.

6. As used in this section, "third party" means a bonding company, finance company, or any other corporation or business entity who cosigns, underwrites, obtains a deed of trust for, issues, sells, purchases or acquires a loan to finance work concerning a residential pool or spa.

(Added to NRS by 2001, 2976; A 2005, 2381)-(Substituted in revision for NRS 597.7194)

## NRS 624.960 Contractor who commits certain violations may be required to obtain services of construction control.

1. If a contractor who performs work concerning a residential pool or spa is determined by the Board to have violated:

(a) One or more of the provisions of <u>NRS 624.301</u> to <u>624.305</u>, inclusive, or <u>624.920</u>, <u>624.935</u> or <u>624.940</u>; or

(b) Any regulation adopted by the Board with respect to contracts for work concerning a residential pool or spa,

 $\rightarrow$  the Board may require that the contractor obtain the services of a construction control for each contract that the contractor enters into for work concerning a residential pool or spa.

2. The contractor may not:

(a) Be related to the construction control or to an employee or agent of the construction control; or

(b) Hold, directly or indirectly, a financial interest in the business of the construction control.

3. As used in this section, "construction control" has the meaning ascribed to it in <u>NRS 627.050</u>.

(Added to NRS by 2001, 2975; A 2005, 2382)—(Substituted in revision for NRS 597.7196)

## NRS 624.965 Grounds for disciplinary action; unlawful acts; penalties.

1. A violation of any provision of <u>NRS 624.900</u> to <u>624.965</u>, inclusive, or any regulation adopted by the Board with respect to contracts for work concerning a residential pool or spa by a contractor constitutes cause for disciplinary action pursuant to <u>NRS 624.300</u>.

2. It is unlawful for a person to violate any provision of <u>NRS 624.900</u> to <u>624.965</u>, inclusive.

3. Any person who violates any provision of NRS 624.900 to 624.965, inclusive:

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

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

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

4. The imposition of a penalty provided for in this section is not precluded by any disciplinary action taken by the Board against a contractor pursuant to the provisions of <u>NRS 624.300</u> to  $\underline{624.305}$ , inclusive.

(Added to NRS by 2001, 2977; A 2005, 2382)—(Substituted in revision for NRS 597.7198)