

Construction Laws and Customs: Nevada

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A Q&A guide to construction projects in Nevada. This Q&A addresses state law and custom relating to public and private construction projects, including prompt payment laws, retainage, project delivery systems, contract forms and commonly negotiated terms, warranties, and licensing requirements for construction professionals. It also addresses payment and performance bonds, including any "Little Miller Acts," construction litigation statutes of limitation and pleading requirements, and the enforceability of specific clauses such as liquidated damages, limitations on liability, and no-damages-for-delay. Answers to questions can be compared across a number of jurisdictions (see [Construction Laws and Customs: State Q&A Tool](#)).

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Contents

[Prompt Payment Acts and Retainage](#)

[Project Delivery Systems and Contract Forms](#)

[Licensing](#)

[Warranties](#)

[Payment and Performance Bonds](#)

[Litigation Concerns](#)

Prompt Payment Acts and Retainage

1. *Does your state have any statutes governing the timing of payments to contractors or subcontractors on publicly owned or financed construction projects? If so, what do those statutes require regarding:*

- *Payments by owners to prime contractors?*
- *Payments by prime contractors to subcontractors?*
- *Penalties for failure to comply with requirements of the statute?*
- *A contractor's right to stop work for failure to receive payment?*

The following Nevada statutes mandate times for payment on publicly owned or financed projects:

- [Section 408.383 of the Nevada Revised Statutes](#) (where the project is sponsored by the [Nevada Department of Transportation \(NDOT\)](#)).
- [Sections 338.400 to 338.460 of the Nevada Revised Statutes](#) (where the project is a state and local construction project that is not sponsored by NDOT).

Payments by Owners

For NDOT projects, the Director of NDOT may make progress payments to the prime contractor at the end of each calendar month, or as soon as is practicable, if the contractor is satisfactorily performing the work as it is completed. No more than 95 percent of the total contract price may be paid using these progress payments. The remaining 5 percent, but no more than \$50,000, must be withheld until the contract is completed satisfactorily and accepted by NDOT. ([NRS 408.383\(1\)](#).)

For public works projects other than NDOT projects, the public body must make progress payments to the prime contractor within either:

- 30 days after the date that the public body receives the progress bill.
- A shorter period, if specified in the provisions of the contract.

([NRS 338.515\(1\)](#).)

95 percent of the amount of any progress payment must be paid, and five percent must be withheld as retainage until 50 percent of the work that the contract requires has been performed ([NRS 338.515\(1\)](#)). Once 50 percent of the work has been completed, the public body may pay:

- Any of the remaining progress payments without withholding further retainage.
- Any of the retainage that had been withheld from the previous progress payments.

([NRS 338.515\(2\)](#).)

Payment by Prime Contractors

For NDOT projects, the prime contractor must pay its subcontractors and suppliers within 15 days after receiving payment from NDOT, including any interest that the prime contractor receives ([NRS 408.383\(9\)](#)).

For non-NDOT projects, the prime contractor must pay its subcontractors and suppliers within ten days after the prime contractor receives payment from the public agency ([NRS 338.550\(1\)](#)). This includes any interest that the contractor receives.

Penalties

Interest is charged on the amount payable if the prime contractor on a NDOT project fails to disburse payments to its subcontractors or suppliers within 15 days after receiving payment from NDOT. The interest accrues at a rate equal to the lowest daily prime rate at the three largest banks in the United States on the date the subcontract or order of supplies was executed, plus two percent ([NRS 408.383\(10\)](#)).

In the case of non-NDOT projects, interest is charged if the owner does not pay the contractor for amounts due, within ten days of receiving payment from the government body. The interest accrues at a rate equal to that quoted by at least three insured banks, credit unions, or savings and loan associations in Nevada, as the highest rate paid on a Certificate of Deposit whose duration is approximately 90 days on the first day of the quarter. ([NRS 338.530](#) and [338.515\(6\)](#).)

If a prime contractor on a non-NDOT public works project fails to make payment to the subcontractor or supplier within ten days after receiving payment, then the contractor must pay interest on all overdue amounts, at a rate equal to the lowest daily prime rate at the three largest banks or other financial institutions of the United States on the date the contract was executed, plus two percent ([NRS 338.565\(1\)](#)).

Right to Stop Work

Nevada's prompt payment statutes do not address a contractor's right to stop work on publicly owned projects in the event of nonpayment.

2. Does your state have any statutes governing the timing of payments to contractors or subcontractors on privately owned construction projects? If so, what do those statutes require regarding:

- *Payments by owners to prime contractors?*
- *Payments by prime contractors to subcontractors?*
- *Penalties for failure to comply with the requirements of the statute?*
- *A contractor's right to stop work for failure to receive payment?*

Nevada has prompt payment statutes that apply to privately owned projects, which are found in [Sections 624.606 to 624.628 of the Nevada Revised Statutes](#).

Payments by Owners

If the written contract between the owner and the prime contractor includes a schedule for payments, then the owner is required to pay the prime contractor on or before the date payment is due according to the schedule of payments ([NRS 624.609\(1\)\(a\)](#)).

If the agreement is oral, however, or does not include a schedule for payments, then the owner must pay the prime contractor within 21 days after the date that the prime contractor submits a request for payment ([NRS 624.609\(1\)\(b\)](#)).

Payments by Prime Contractors

If a prime contractor has a written agreement with a subcontractor that includes a schedule for payments, then the prime contractor must pay the subcontractor by the earlier of either:

- The date that the payment is due.
- Within ten days after the prime contractor receives payment from the owner for all or part of the work, materials, or equipment described in the subcontractor's request for payment.

([NRS 624.624\(1\)\(a\)](#).)

If the agreement is oral or does not contain a schedule for payments, then the higher-tiered contractor must pay the lower-tiered subcontractor within the earlier of either:

- 30 days after the date the subcontractor submits the request for payment.
- Ten days after the prime contractor receives a payment from the owner for all or part of the work, labor, materials, equipment, or services described in the subcontractor's request for payment.

([NRS 624.624\(1\)\(b\)](#).)

Penalties for Failure to Comply

Failure of an owner, contractor, or subcontractor to comply with the prompt payment statutes requires payment of interest on the unpaid balance due, at a rate that is equal to the higher of:

- The contract rate, if any.
- The prime rate at the largest bank in the state, as determined by the Commission of Financial Institutions on January 1 or July 1 immediately preceding:
 - the date the contract was entered into; or
 - the date on which the parties agreed to the terms of the agreement, if the agreement was oral.

An additional four percent will also be charged until the date of payment. ([NRS 624.630](#).)

Right to Stop Work

If payment on a privately owned construction project is not timely made, then the contractor or subcontractor entitled to payment may stop work on the project ([NRS 624.610](#) and [624.626](#)). The contractor or subcontractor must give written notice to the party responsible for making the payment at least ten days before stopping work ([NRS 624.610\(1\)](#) and [624.626\(1\)](#)).

Subcontractors may stop work if more than 45 days have elapsed from the twenty-fifth day of the month in which the subcontractor submits an application for payment, even if:

- The general contractor has not been paid by the owner.
- The subcontract agreement has a "pay-if-paid" or "pay-when-paid" clause.

(NRS 624.626(1)(b).)

For both contractors and subcontractors, if payment is not made within ten days after giving notice of intent to stop work, then the contractor or subcontractor may terminate the agreement by giving written notice of termination. The notice of termination must be given at least 15 days prior to the termination of the agreement. If the amount due is paid before the date of the termination in the written notice, the contractor or subcontractor must resume work. (NRS 624.610(2) and 624.626(2).)

3. If your state does not have a prompt payment act, what is the custom and practice regarding:

- *Timing of payments by owners to prime contractors?*
- *Timing of payment by prime contractors to subcontractors?*
- *Payment of interest on late payments?*
- *A contractor's right to stop work for failure to receive a payment?*

Nevada has Prompt Payment statutes that set out the requirements for payments and interest on public and private construction projects.

4. If your state does not regulate the timing of payments to subcontractors, are there any common law restrictions on the flow down of payments to subcontractors, such as prohibiting "pay-if-paid" or "pay-when-paid" clauses?

Nevada has statutes regulating the timing of payments to subcontractors (NRS 624.624 and 624.626).

Nevada law does not expressly prohibit "pay-if-paid" or "pay-when-paid" clauses. However, Nevada law prohibits the waiver of statutory prompt pay requirements (NRS 624.622(2)(a) and 624.628(3)(a)). Nevada provides rights to stop work, terminate the contract, and seek damages if payments are not made in accordance with the prompt pay requirements, even if a contract includes a "pay-if-paid" or "pay-when-paid" provision (NRS 624.620 and 624.626).

5. Does your state have a statute related to withholding retainage on a publicly owned or financed construction project? If so, does the statute:

- *Regulate the amount of retainage that can be withheld from a contractor or subcontractor?*

- *Require a partial release of or reduction in retainage at any point during the project?*
- *Govern when and how final retainage must be released?*
- *Impose any penalties for failure to comply with the statute?*

Nevada has the following statutes regulating the withholding of retainage on publicly owned or financed construction projects:

- [Section 408.383 of the Nevada Revised Statutes](#) (where the project is sponsored by the Nevada Department of Transportation (NDOT)).
- [Sections 338.515 to 338.535 of the Nevada Revised Statutes](#) (where the project is not sponsored by NDOT).

Amount of Retainage

For NDOT projects, NDOT must withhold a minimum of 5% retainage, but no more than \$50,000, until the entire contract is completed satisfactorily and accepted by NDOT ([NRS 408.383\(1\)](#)).

For non-NDOT projects, the public body must withhold 5% retainage until 50% of the work required by the contract has been completed ([NRS 338.515\(1\)](#)).

Partial Release of Retainage

The NDOT has the authority to reduce the percentage retained, if the NDOT Director:

- Determines that the work is being performed on a satisfactory basis.
- Finds that sufficient reasons exist for additional payment.
- Obtains written approval from every surety furnishing bonds for the work.

([NRS 408.383\(2\)](#).)

For non-NDOT projects, after 50% of the work has been completed, the public body may choose to pay any of the remaining progress payments without withholding additional retainage and any retainage amounts withheld from prior progress payments if it determines that satisfactory progress is being made ([NRS 338.515\(2\)](#)).

If the public body on a non-NDOT project chooses to continue withholding retainage even after 50% of the work has been completed and the contractor has complied with the contract and applicable building codes, laws, or regulations, however, then the public body must:

- Pay the contractor 50% of the amount of any retainage previously withheld, before continuing to withhold retainage on the remaining payments.
- Withhold no more than 2.5% of the amount of the remaining progress payments.

(NRS 338.515(4).)

Final Release of Retainage

For NDOT projects, the retained percentage due to the contractor becomes due and payable on the contractor's satisfactory completion and NDOT's acceptance of all required work on the NDOT project (NRS 408.383).

For non-NDOT projects, the public body generally must release any remaining retainage after the final payment has been made. The final payment to the contractor is due within 30 days after whichever of the following occurs first:

- The public body occupies or begins using the project or a portion of the project.
- The notice of completion for the project or a portion of the project is recorded under [Section 108.228 of the Nevada Revised Statutes](#).
- The public body partially occupies one or more buildings of the project.

(NRS 338.520.)

Penalties

[Section 408.383 of the Nevada Revised Statutes](#) is silent on the matter of penalties for improper withholding of retainage in NDOT projects.

For non-NDOT projects, if the public body receives and does not pay a retainage bill, and the contractor has not received written notice from the public body stating that it has failed to comply with the contract or applicable building codes, laws, or regulations, then the public body must pay:

- The entire amount or any unpaid portion of the retainage bill.
- Interest from the thirtieth day on the amount delayed, at a rate equal to the amount specified in [Subsection 6 of Section 338.515 of the Nevada Revised Statutes](#).

(NRS 338.530.)

6. Does your state have a statute related to withholding retainage on a privately owned or financed construction project? If so, does the statute:

- *Regulate the amount of retainage that can be withheld from a contractor or subcontractor?*
- *Require a partial release of or reduction in retainage at any point during the project?*
- *Govern when and how final retainage must be released?*

- *Impose any penalties for failure to comply with the statute?*

Amount of Retainage

A contract for a private construction project entered into on or after January 1, 2016 may authorize the private owner to withhold retention from any payments to the prime contractor. The retainage may not exceed 5% of the amount of the payment to be made. ([NRS 624.609\(2\)\(a\)\(1\)](#).)

Similarly, a private construction contract between a prime contractor and a subcontractor that is entered into on or after January 1, 2016 may authorize the prime contractor to retain up to 5% of each payment due to the subcontractor ([NRS 624.624\(2\)\(a\)\(1\)](#)).

Partial Release of Retainage

Nevada's Prompt Payment Statutes for private construction projects do not address the partial release or reduction of retainage.

Final Release of Retainage

Final release of retainage is due upon final payment.

For agreements between owners and prime contractors, the final payment for the private construction of a work of improvement, including retainage, is due within 30 days after:

- The owner or a person acting with the authority of the owner occupies or uses the work of improvement.
- The work of improvement becomes available for its intended use, if the contractor has provided to the owner:
 - a written notice of availability on or before the day it became available; or
 - a certificate of occupancy from the building inspector or other authority.

([NRS 624.620\(1\)](#).)

Penalties

The penalties for improper withholding of retainage are the same as those for the failure to make payments. Specifically, prime contractors and subcontractors are entitled to stop work or terminate the contract if payments are not timely and properly made under the prompt payment statutes ([NRS 624.610](#) and [624.626](#)).

Both prime contractors and subcontractors stopping work because of prompt payment failures must give written notice to the owner or higher-tiered contractor at least ten days before the stoppage ([NRS 624.610 \(1\)](#) and [624.626\(1\)](#)). Termination of the agreement due to prompt payment failures must be preceded by

written notice at least 15 days before the termination ([NRS 624.610\(2\)](#) and [624.626\(2\)](#); see [Question 2: Right to Stop Work](#)).

7. If your state does not regulate retainage on privately owned construction projects, what is the custom and practice regarding:

- *The amount of retainage withheld from each payment requisition? Does it differ for labor or material?*
- *Partial or early release of retainage upon achieving any project milestone or for early completion subcontractors?*
- *Requirements for the final release of retainage, including hold backs for incomplete work or disputed amounts?*

Nevada has prompt payment statutes regulating retainage on privately owned construction projects (see [Question 6](#)).

Project Delivery Systems and Contract Forms

8. What forms of project delivery systems are most commonly used in your state? Do they differ by the nature of the construction project?

For private works projects in Nevada, the most common project delivery methods are traditional [design-bid-build](#), [design-build](#), and [construction manager at risk](#) (CMAR).

All three of the above delivery systems are available to public agencies for publicly owned projects. However, the CMAR project delivery method is increasingly popular in Nevada and used extensively by public agencies.

9. Does your state have any statutes specifically related to design-build or construction management? If so, do they apply to:

- *Publicly owned or financed construction projects?*
- *Privately owned or financed construction projects?*

Publicly Owned or Financed Construction Projects

For publicly owned or financed construction projects sponsored by the Nevada Department of Transportation, [Sections 408.3875 to 408.3888 of the Nevada Revised Statutes](#) permit design-build projects.

For publicly owned or financed construction projects that are not sponsored by the Nevada Department of Transportation:

- [Sections 338.1711 to 338.1727 of the Nevada Revised Statutes](#) permit public agencies to use the design-build delivery method.
- [Sections 338.1685 to 338.16995 of the Nevada Revised Statutes](#) permit the usage of the Construction Manager at Risk delivery method.

Privately Owned or Financed Construction Projects

Nevada has no statutes specifically governing design-build or construction management for privately owned or financed construction projects.

10. Any industry standard forms of documents customarily used in private construction projects?

If so:

- *Do they vary by delivery system or type of project?*
- *Which forms are most widely used?*

The American Institute of Architects (AIA) documents are the most commonly used standard form construction documents for private projects in Nevada, with the ConsensusDOCS being the next most common set of standard form construction documents. Both the AIA and the ConsensusDOCS are used for various types of projects in Nevada.

Public agencies typically develop and use custom contracts for public works projects, but often use variations of the Engineers Joint Contract Documents Committee (EJCDC) forms.

For more information on different industry form agreements, see [Practice Note, Standard Construction Industry Documents: Overview](#).

11. What terms are customarily most heavily negotiated in construction contracts? Do they vary by delivery system or type of project?

The most heavily negotiated terms of construction projects for Nevada projects are typically:

- Contract price.
- Commencement date.
- Completion date.
- Liquidated damages provisions.
- Payment provisions.

- Mechanics' lien provisions.
- Consequential damages.
- Indemnification provisions.
- Choice of law and choice of venue provisions.

The negotiation of these provisions is not typically dependent on a certain type of project delivery system. However, in projects that include a Guaranteed Maximum Price (GMP), the provisions relating to the GMP calculation, cost of work, cost overages, and cost savings are typically subject to negotiation.

Licensing

12. Does your state license construction professionals? If so:

- *Which construction professionals are licensed (general contractors, specialty contractors, construction managers, design professionals)?*
- *Which departments oversee the licensing and regulation of these construction professionals?*

Licensed Professionals

Nevada requires the following construction-related professions to be licensed to practice:

- Architects ([NRS 623.010](#) to [623.370](#); see [Architects](#)).
- General and specialty contractors ([NRS 624.005](#) to [624.965](#); see [General and Specialty Contractors](#)).
- Engineers and land surveyors ([NRS 625.005](#) to [625.590](#); see [Engineers and Land Surveyors](#)).
- Interior designers ([NRS 623.010](#) to [623.370](#); see [Interior Designers](#)).
- Landscape Architects ([NRS 623A.010](#) to [623A.370](#); see [Landscape Architects](#)).

Architects

A certificate of registration is required to practice architecture in Nevada ([NRS 623.180](#)). The practice of architecture is defined as "rendering services embracing the scientific, esthetic and orderly coordination of processes which enter into the production of a completed structure," which has as its main purpose either:

- Human habitation or occupancy.
- Utilization of space within and surrounding the structure.

([NRS 623.023](#).)

Architecture services include:

- Plans.
- Specifications.
- Administration of construction.
- Preliminary studies.
- Consultations.
- Evaluations.
- Investigations.
- Contract documents.
- Advice and direction.

(NRS 623.023.)

Architects must be registered with the [Nevada State Board of Architecture, Interior Design, and Residential Design](#) (NRS 623.180).

General and Specialty Contractors

All persons defined as a contractor, including both general and specialty contractors and persons acting as construction managers, must be licensed by the [Nevada State Contractors Board](#) (NRS 624.240). A contractor is a person who:

- Is not a registered architect or licensed professional engineer.
- Undertakes the construction, alteration, repair, addition to, subtraction to, improvement, moving, wrecking, or demolition of any:
 - building;
 - highway;
 - road;
 - railroad;
 - excavation; or
 - project, development, or improvement of any part thereof.

(NRS 624.020(2).)

Under Nevada law, a person who merely furnishes materials or supplies without fabricating them into or consuming them in the performance of the project is not a contractor (NRS 624.020(3)).

A construction manager who performs management and counseling services on a construction project for a professional fee is a contractor ([NRS 624.020\(4\)](#)). However, an owner of a plan unit development who enters into one or more agreements with one or more general contractors to construct a planned unit development is not considered a contractor ([NRS 624.020\(5\)](#)).

Engineers and Land Surveyors

A license from the [Nevada State Board of Professional Engineers and Land Surveyors](#) is required to practice engineering or land surveying in Nevada ([NRS 625.005](#)).

The practice of professional engineering includes but is not limited to:

- Any professional service that involves the application of engineering principles and data to any public or private utility, structure, building, machine, equipment, process, work, or project that involves the public welfare or the safeguarding of life, health, property, including:
 - surveying;
 - consultation;
 - investigation;
 - planning and design;
 - evaluating; and
 - responsible supervision of construction or operation.
- Other services that are necessary for the planning, progress, and completion of any engineering project or to the performance of any engineering service.

([NRS 624.050\(1\)](#).)

The practice of engineering does not include land surveying or work that is normally performed by persons operating or maintaining equipment or machinery ([NRS 624.050\(2\)](#)).

Land surveying includes the following practices:

- Locating, establishing, or retracing any property line or boundary of any tract of land or any road, right of way, easement, alignment, or elevation of any of the fixed works described in [Section 625.050 of the Nevada Revised Statutes](#).
- Making any survey for the subdivision or resubdivision of any tract of land.
- Determining through land surveying principles the position for any monument or reference point that marks a property line, boundary, or corner.
- Using the measurement of lines and angles and the principles of trigonometry to determine the configuration or contour of the earth's surface, or the position of fixed objects on the earth.
- Municipal and topographic surveying.

- Procuring or offering to procure land-surveying work.
- Managing any place from which land-surveying work is solicited, performed, or practiced.

([NRS 624.040\(1\)](#).)

Interior Designers

A certificate of registration from the Nevada State Board of Architecture, Interior Design, and Residential Design is required to practice as a registered interior designer ([NRS 623.192](#)).

Interior design services enhance the quality and function of an interior area of a structure that is designed for human habitation or occupancy. Services include:

- Analysis of the client's needs and goals for the interior area of a structure, or the safety requirements for that area.
- Formulation of preliminary designs for an interior area that are:
 - appropriate;
 - functional; and
 - aesthetic.
- Development and presentation of final designs that are appropriate for altering or constructing an interior area of a structure.
- Preparation of contract documents for altering or constructing an interior area of a structure, including specifications for:
 - partitions;
 - materials;
 - finishes;
 - furniture;
 - fixtures; and
 - equipment.
- Collaboration with registered professional engineers or architects in the completion of a project for the alteration or construction of an interior area of a structure.
- Preparation and administration of bids or contracts as the agent of a client.
- Review and evaluation of problems related to the design of a project for the alteration or construction of an area designed for human habitation or occupancy.
- ([NRS 623.0225](#).)

Landscape Architects

A certificate of registration from the [Nevada State Board of Landscape Architecture](#) is required to practice as a landscape architect ([NRS 623A.165](#)).

A person practices landscape architecture by providing or holding out professional services to the public, where the dominant purpose of the services is to:

- Preserve, enhance, or determine:
 - proper land uses;
 - natural land features;
 - ground cover and planting;
 - natural and aesthetic values;
 - natural drainage; and
 - settings and approaches to structures or other improvements.
- Consider and determine the issues of the land relating to:
 - erosion;
 - wear and tear; lighting characteristics; and
 - design of landscape irrigation, lighting, and grading.

([NRS 623A.060.](#))

Landscape architect services include:

- Consultation.
- Reconnaissance.
- Investigation.
- Research.
- Planning.
- Design.
- Preparation of drawings and specifications.
- Supervision.

([NRS 623A.060.](#))

13. What are the licensing requirements for each licensed construction professional in [Question 12](#)? Are there any continuing education requirements for those licensed construction professionals?

Architects

Licensing Requirements

To obtain certification to practice architecture, an individual must submit an application for registration and:

- Be at least 21 years old.
- Possess good moral character.
- Meet the education and practical training requirements established by the [Nevada State Board of Architecture, Interior Design, and Residential Design \(NSBAIDRD\)](#).

([NRS 623.190](#) and [623.200](#).)

The NSBAIDRD requires applicants for architectural registration to:

- Have obtained a professional degree in architecture from a program accredited by the National Architectural Accreditation Board (NAAB).
- Complete the National Council of Architectural Registration Boards (NCARB) intern development program.
- Pass the Architect Registration Examination.

Alternatively, an applicant who is already registered to practice architecture in another state may apply for registration by reciprocity. An applicant seeking registration by reciprocity must:

- Hold a current NCARB certificate.
- Have successfully completed all portions of the NCARB exams at the date of his initial registration.
- Have fulfilled the seismic requirement by exam, completion of the NCARB-approved seismic seminar, or a seismic treatise submitted to another western state.

([Nevada State Board of Architecture, Interior Design, and Residential Design, Registration Requirements: Architects](#).)

Continuing Education Requirements

The Nevada Revised Statutes allow the NSBAIDRD to require up to 12 hours of continuing education annually as a condition of renewing registration ([NRS 623.255](#)). Currently, the NSBAIDRD mandates that architects seeking renewal complete a minimum of eight continuing education units, for a total of eight hours annually ([Nev. Admin. Code §§ 623.0125](#) and [623.630](#)).

Once the applicant for renewal has submitted proof of continuing education, renewal fees, and other required information, the NSBAIDRD will issue a card to the applicant, which certifies that the applicant's registration is renewed for one year after the original date of expiration ([NRS 623.250](#)).

General and Specialty Contractors

Licensing Requirements

To obtain a contractor's license in Nevada, the contractor must submit an application to the [Nevada State Contractors Board](#). A contractor may be an individual or a company, though a company seeking a Nevada license must be represented by a "qualifying individual." Individual applicants and "qualifying individuals" representing companies must have at least four full years of experience within the ten years prior to the filing of the application, either:

- At the journeyman level, which is defined as a person who has completed an apprenticeship program, or is an experienced worker, fully qualified and able to perform the trade without supervision.
- As a foreman, supervising employee, or contractor who has managed the daily activities of a construction business.

([Nevada State Contractors Board, Overview of Contractor License Requirements for Nevada, Experience Requirements.](#))

The individual or qualifying individual must pass a written Business and Law (Construction Management Survey) examination and trade examinations for the trade in which the applicant is seeking a license. However, an applicant may obtain a waiver of the trade examinations based on the demonstration of prior experience. ([NRS 624.240\(1\); Nevada State Contractors Board, Overview of Contractor License Requirements for Nevada, Licensing Examinations.](#))

In addition to evaluating the skill and experience of the applicant, the Nevada State Contractors Board also assesses the applicant's:

- Financial standing.
- Good character.

The applicant must submit a current financial statement with the application ([Nevada State Contractors Board, Overview of Contractor License Requirements for Nevada, Financial Requirements](#)). [Sections 624.260 to 624.264 of the Nevada Revised Statutes](#) govern the criteria for demonstrating financial responsibility.

To determine the applicant's good character or lack of character, the contractor's license application includes questions regarding criminal convictions, a form authorizing the investigation of the applicant's background, and a requirement that applicants submit fingerprints ([NRS 624.265](#)).

Continuing Education Requirements

There are no continuing education requirements for Nevada contractors.

Engineers and Land Surveyors

Licensing Requirements

To obtain a license as a professional engineer, the applicant must submit an application to the Nevada State Board of Professional Engineers and Land Surveyors (NSBPELS), and:

- Be at least 21 years old.
- Be a citizen of the United States, or lawfully entitled to remain and work in the United States.
- Possess good character and reputation.
- Pass an examination on:
 - the fundamentals of engineering, unless the applicant receives a waiver of this requirement; and
 - the principles and practices of engineering.
- Be a graduate of an engineering curriculum that is four or more years and approved by the NSBPELS.
- Have a record of four years or more of active experience in engineering that is:
 - satisfactory to the NSBPELS; and
 - indicative of the applicant's competence to be placed in responsible charge of engineering work.

[\(NRS 625.183\(1\)-\(3\).\)](#)

To obtain a license as a professional land surveyor, the applicant must submit an application to the NSBPELS, and:

- Be at least 21 years old.
- Be a citizen of the United States, or lawfully entitled to remain and work in the United States.
- Possess good character and reputation.
- Pass an examination on:
 - the fundamentals of land surveying, unless the applicant receives a waiver of this requirement; and
 - the principles and practices of land surveying.
- Be a graduate of a land-surveying curriculum that is four or more years and approved by the NSBPELS.
- Have a record of four years or more of active experience in land surveying that is:
 - satisfactory to the NSBPELS; and

- indicative of the applicant's competence to be placed in responsible charge of land-surveying work.

(NRS 625.270(1)-(3).)

Each applicant must provide proof of his or her college and postgraduate education by having the issuing institution send transcripts directly to the NSBPELS ([Nevada State Board of Professional Engineers and Land Surveyors, Licensure Applications](#)).

For a professional engineer applicant, graduation from a college or university in an engineering discipline with a master's or doctoral degree is equivalent to two years of active experience (NRS 625.183(4)(a)).

For both a professional engineer applicant and a professional land surveyor applicant, two of the four years of active experience must be completed by working under the direct supervision of a professional licensed in the discipline in which the applicant is applying for licensure, unless the NSBPELS has waived the requirement (NRS 625.183(4)(b) and 625.270(4)(a)).

Continuing Education Requirements

There are no continuing education requirements for engineers or land surveyors in Nevada.

Interior Designers

Licensing Requirements

To become certified to practice as a registered interior designer, the applicant must:

- Be of good moral character.
- Submit to the Nevada State Board of Architecture, Interior Design, and Residential Design (NSBAIDRD):
 - an application on a form provided by the NSBAIDRD;
 - the fees required under [Section 623.310 of the Nevada Revised Statutes](#);
 - proof which is satisfactory to the NSBAIDRD that the applicant has at least two years of experience in interior design;
 - proof which is satisfactory to the NSBAIDRD that the applicant has successfully completed a program of interior design education;
 - a certificate verifying that the applicant passed the National Council for Interior Design Qualification examination;
 - all information required to complete the application.

(NRS 623.192(1).)

Each applicant must also personally appear before the NSBAIDRD to take an oath before receiving a certificate of registration ([NRS 623.192\(3\)](#)).

Continuing Education Requirements

The Nevada Revised Statutes permit the NSBAIDRD to require up to 12 hours of continuing education annually as a condition of renewing a certificate of registration ([NRS 623.255](#)). Currently, the NSBAIDRD mandates that registered interior designers seeking renewal complete a minimum of eight continuing education units, for a total of eight hours annually ([Nev. Admin. Code §§ 623.0125 and 623.630](#)).

Once the applicant for renewal has submitted proof of continuing education, renewal fees, and other required information, the NSBAIDRD will issue a card to the applicant, which certifies that the applicant's registration is renewed for one year after the original date of expiration ([NRS 623.250](#)).

Landscape Architect

Licensing Requirements

To become a certified landscape architect, the applicant must submit an application and fees to the Nevada State Board of Landscape Architecture (NSBLA) and:

- Be at least 21 years of age.
- Be of good moral character.
- Be a citizen of the United States, or lawfully entitled to remain and work in the United States.
- Have satisfied the NSBLA's requirements for education and experience in landscape architecture.

([NRS 623A.170\(1\)](#).)

The NSBLA requires applicants to:

- Pass all sections of the Landscape Architecture Registration Examination.
- Submit with the application professional reference forms from two landscape architects and two other licensed professionals.
- Have earned:
 - a bachelor's or master's degree in landscape architecture from an approved school and two or more years of postgraduate work experience under the direct supervision of a registered landscape architect;
 - an associate degree in landscape architecture or a bachelor's in a related field and four years of postgraduate work experience under a registered landscape architect;
 - a bachelor's degree in architecture or civil engineering from an accredited institution and three years of postgraduate work experience under a registered landscape architect;

- any other combination of education and experience that NSBLA could deem equivalent to the previous requirements; or
- at least six years of active engagement in the full-time professional practice of landscape architecture under a registered landscape architect.

([Nevada State Board of Landscape Architecture, Process for Registration with the Nevada State Board of Landscape Architecture When Eligible based on Combination of Education and Experience.](#))

Alternatively, an applicant may bypass the NSBLA's examination requirement if she submits satisfactory evidence that the applicant is:

- Licensed, registered, or certified as a landscape architect in another jurisdiction, if the other jurisdiction's license qualifications are substantially equivalent to Nevada's.
- Otherwise qualified for a certificate of registration to practice landscape architecture in Nevada.

([NRS 623A.193.](#))

For the purposes of registration, each year of study, up to five years, that is satisfactorily completed in a program of landscape architecture accredited or approved by the NSBLA is equivalent to one year of experience in landscape architectural work ([NRS 623A.170](#)).

Continuing Education Requirements

Although the [Section 623A.215 of the Nevada Revised Statutes](#) permits the NSBLA to require continuing education as a condition for renewing a landscape architecture certificate of registration, there are currently no continuing education requirements for landscape architects.

14. What is the best way to confirm that a construction professional is duly licensed? Are there any consequences if a construction professional is not properly licensed?

License Confirmation

Each of the following professional boards has an online search index or roster to confirm licensure:

- [Nevada State Board of Architecture, Interior Design, and Residential Design.](#)
- [Nevada State Contractors Board.](#)
- [Nevada State Board of Professional Engineers and Land Surveyors.](#)
- [Nevada State Board of Landscape Architecture.](#)

Consequences

Any individual, firm, or corporation that is not authorized but engages in business as one of the following licensed professionals may be subject to injunctions, criminal prosecution, imprisonment, fines, or a combination thereof:

- Architects ([NRS 623.360](#) to [623.370](#)).
- Contractors ([NRS 624.700](#) and [624.710](#)).
- Engineers ([NRS 625.520](#) and [625.590](#)).
- Land Surveyors ([NRS 625.540](#) and [625.590](#)).
- Interior Designers ([NRS 623.360](#) to [623.370](#)).
- Landscape Architects ([NRS 623A.360](#) to [623A.370](#)).

Warranties

15. Does your state recognize any implied warranties related to construction projects, whether established by statute or case law?

Nevada recognizes an implied warranty of habitability (*Platinum Unit-Owners' Ass'n v. Residential Constructors, LLC*, 2015 WL 1186530, at *4 (D. Nev. Mar. 16, 2015), citing *Radaker v. Scott*, 855 P.2d 1037, 1042 (Nev. 1993)). To claim a breach of the implied warranty of habitability, a plaintiff must show that:

- The plaintiff purchased a new dwelling from the defendant.
- The defendant is the builder-vendor of the new dwelling.

The Nevada Uniform Commercial Code (UCC) provides that all goods, unless otherwise excluded or modified in the sales contract, are covered by the implied warranties of:

- Merchantability.
- Course of dealing or usage of trade.
- Fitness for a particular purpose.

([NRS 104.2314](#) to [104.2316](#).)

However, a federal court interpreting Nevada law has ruled that the UCC provisions for the implied warranties of merchantability and fitness are generally limited to transactions in goods, not construction projects (*Platinum Unit-Owners' Ass'n*, 2015 WL 1186530, at *4).

16. What types of warranties are customarily included in construction contracts? What are the customary warranty periods?

Nevada construction contracts typically contain warranties that are found in standard form construction contracts, for example, the American Institute of Architects (AIA) forms and the ConsensusDOCS forms. The customary warranty period for contracts in Nevada is one year from substantial completion.

17. Does your state have any statutes governing warranties for new residential construction? If so:

- *What building structures and systems are warranted?*
- *When is each warranty in effect?*
- *Are there any restrictions on filing claims under the warranty?*

There are no statutory warranties for residential construction. However, Nevada has "constructional defect" laws applying to residential construction, which are found in [Sections 40.600 to 40.688 of the Nevada Revised Statutes](#).

Payment and Performance Bonds

18. Does your state have a "Little Miller Act" requiring contractors to provide security in connection with performing public improvement contracts? If so:

- *What are the minimum requirements to trigger the law?*
- *What types of security can be posted?*
- *Where is the security posted?*

Nevada has a Little Miller Act, which is codified in [Sections 339.015 to 339.065 of the Nevada Revised Statutes](#). The provisions of Nevada's Little Miller Act generally mirror the requirements of the federal Miller Act. However, a key difference is that a Nevada claimant who does not have a direct contract with the prime contractor must provide a preliminary written notice to the prime contractor informing the prime contractor of the nature of the labor and or materials being furnished, within 30 days after furnishing the first materials or labor ([NRS 339.035](#)).

Minimum Requirements

Nevada's Little Miller Act applies to any public works project with a value in excess of \$100,000. The contractor must provide to the contracting body a performance bond and a payment bond that are each at least 50% of the contract amount. ([NRS 339.025\(1\)](#).)

Security

The prime contractor must furnish:

- A payment bond in an amount to be fixed by the contracting body, but that is at least 50% of the contract amount, for the protection of all claimants supplying labor or materials to the contractor, or to any of the subcontractors.
- A performance bond in an amount to be fixed by the contracting body, but that is at least 50% of the contract amount, conditioned on the faithful performance of the contract according to the contract's plans, specifications, and conditions.

(NRS 339.025(1).)

The surety bonds must be executed by one or more surety companies that are licensed to do business in Nevada (NRS 339.025(3)).

19. What is the mechanism for making a claim or filing a lawsuit against the security?

Specifically:

- *Are there any statutory notices for making claims against the security?*
- *What is the statute of limitations for making a claim against the security? For filing a lawsuit?*
- *Are there any other requirements associated with collection of funds against the security?*

Statutory Notices

Any potential bond claimant who does not have a direct contract with the prime contractor must, within 30 days of first furnishing its work or materials, serve the prime contractor a written notice that:

- Informs the prime contractor of the nature of the work or materials furnished.
- Identifies the person or company who hired the potential claimant to do the work.

(NRS 339.035(2)(a).)

Then, if not paid, the claimant must give written notice of the claim to the prime contractor within 90 days from the date that the claimant last performed its work or supplied its materials. The written notice of claim must state, with substantial accuracy:

- The amount of the claim.
- The names of the persons for whom the claimant performed the work or supplied the materials.

(NRS 339.035(2)(b).)

This notice must be served on the contractor:

- By registered or certified mail.
- In an envelope addressed to the contractor at:
 - any place where the contractor maintains an office or conducts business; or
 - the residence of the contractor.

(NRS 339.035(2)(b).)

Statute of Limitations

A claim against the bond must be made within one year from the date the claimant performed the last of the labor or furnished the last of the materials on the project ([NRS 339.055](#)).

Additional Requirements

There are no additional requirements associated with the collection of funds against the security.

20. Do private owners generally require payment or performance bonds or other types of security? Does the security vary by project type or dollar value of the construction? What types of security can be posted?

Most owners of private construction projects in Nevada do not require the prime contractor to obtain a payment or performance bond. However, sophisticated owners may require the prime contractor to obtain performance and payment bonds for large projects.

Litigation Concerns

21. What are the applicable statutes of limitation for filing a lawsuit or commencing arbitration in connection with a construction project for:

- *Breach of contract?*
- *Breach of warranty?*
- *Negligence resulting in bodily injury or property damage?*
- *Professional malpractice by a design professional?*
- *Latent defects in design or construction?*

The following statutes of limitation apply to claims in Nevada:

- Breach of written agreement, six years ([NRS 11.190\(1\)\(b\)](#)).
- Breach of written warranty, six years ([NRS 11.190\(1\)\(b\)](#)).
- Breach of implied warranty, four years ([NRS 11.190\(2\)\(c\)](#)).
- Negligence (including professional liability), two years ([NRS 11.190\(4\)\(e\)](#)).
- Latent defects in construction (not based on direct written contract), four years ([NRS 11.190\(2\)\(c\)](#)).

22. *Are there any special requirements for filing a construction-related lawsuit? For example:*

- *Is an affidavit of merit required for filing a professional malpractice claim against a design professional?*
- *Must a party required to be licensed allege or attach proof of licensure?*
- *Are there any special requirements for lawsuits alleging damages resulting from latent design or construction defects?*

Affidavit of Merit

In both residential and non-residential constructional defect claims, an affidavit of merit is required before filing a suit against a design professional ([NRS 40.6884](#) and [11.258](#)).

The requirements for an affidavit of merit are identical for both residential and non-residential construction defect claims. The attorney for the complainant must file an affidavit with the court concurrently with the service of the first pleading in the action, stating that the attorney:

- Has reviewed the facts of the case.
- Has consulted with an expert.
- Reasonably believes the expert who was consulted is knowledgeable in the relevant discipline involved in the action.
- Has concluded on the basis of the attorney's review and the consultation with the expert that the action has a reasonable basis in law and fact.

([NRS 40.6884\(1\)](#) and [11.258\(1\)](#).)

Additionally, a report must be prepared by the expert whom the attorney consulted and such report must be attached to the affidavit. The report must include, without limitation:

- The resume of the expert.
- A statement that the expert is experienced in each discipline which is the subject of the report.
- A copy of each nonprivileged document reviewed by the expert in preparing the expert's report.

- The conclusions of the expert and the basis for the conclusions.
- A statement that the expert has concluded that there is a reasonable basis for filing the action.

([NRS 40.6884\(3\)](#) and [11.258\(3\)](#).)

Proof of Licensure

Parties engaged in the business or acting in the capacity of a contractor may only bring suit if they were duly licensed as a contractor in Nevada at all times during the performance process and when the job was bid ([NRS 624.320](#)). The contractor should allege in its complaint that it is properly licensed, or the complaint may be subject to dismissal.

Special Requirements

There are no additional special requirements for public works projects or for private commercial or industrial projects. For private residential construction defect lawsuits, the claimant must first satisfy the notice requirements set out in [Section 40.645 of the Nevada Revised Statutes](#).

23. Does your state have a statute of repose? If so:

- *What is the applicable period of limitations?*
- *What types of claims fall under the statute?*
- *Are there any special notice requirements or conditions precedent to filing a lawsuit?*

Period of Limitations

No action may be commenced against the owner, occupier, or any person performing or furnishing the design, planning, supervision, or observation of construction, or the construction of an improvement to real property, more than six years after the substantial completion of the improvement ([NRS 11.202](#)). This statute came into effect on February 24, 2015.

Under the law that enacted the six-year statute of repose, this statute of repose applies retroactively to actions where the substantial completion of the improvement to the real property occurred before February 24, 2015. The statute includes a savings clause, so that if an action accrued before the February 24, 2015 effective date of the six-year statute of repose, a claimant could bring an action within one year of the effective date of the new law if the claimant was able to satisfy the prior, longer statute of repose.

Types of Claims Allowed

The statutes of repose generally apply to any claim based on the design, planning, supervision, or observation of construction, or the construction of an improvement to real property ([NRS 11.202\(1\)](#)).

[Section 11.202 of the Nevada Revised Statutes](#), however, does not apply to:

- Claims for indemnity or contribution.
- Actions brought against the owner or keeper of any Nevada hotel, inn, motel, motor court, boardinghouse, or lodging house on account of liability as an innkeeper.
- Actions brought against any person on account of a defect in a product.

([NRS 11.202\(2\)](#).)

Notice or Conditions Precedent

Prior to filing a lawsuit for a constructional defect on a residential project, the claimant must satisfy the notice and related requirements set out in [Sections 40.600 to 40.688 of the Nevada Revised Statutes](#).

24. Are the following contractual provisions enforceable in your state:

- *Liquidated damages?*
- *Limitations on liability?*
- *No-damages-for-delay clause?*
- *Choice of law or forum?*

Liquidated Damages

Generally, liquidated damages provisions are valid and enforceable under Nevada law. To successfully challenge a liquidated damages provision, a party must show that the liquidated damages are a penalty, disproportionate to the actual damages that the injured party sustained. (*Haromy v. Sawyer*, [654 P.2d 1022, 1023 \(Nev. 1982\)](#).)

Limitations of Liability

Contractual limitations of liability are generally enforced in Nevada.

No-Damages-for-Delay Clause

Under Nevada law, a contract or other agreement for the improvement of property, or for the construction, alteration, or repair of a work of improvement, may not require a contractor or subcontractor to waive, release, or extinguish a claim or right that she may otherwise possess as the result of any delay, acceleration, disruption, or impact event that:

- Was unreasonable under the circumstances
- Was not within the contemplation of the parties at the time the agreement was entered into.

- The contractor or subcontractor is not responsible for.

([NRS 108.2453](#), [624.622\(2\)](#), and [624.628\(3\)](#).)

Choice of Law

Under [Section 108.2453 of the Nevada Revised Statutes](#), any condition, stipulation, or provision in a construction contract that requires litigation, arbitration, or other process for dispute resolution on disputes arising out of the contract to occur in a state other than Nevada is void and unenforceable as against public policy ([NRS 108.2453\(2\)\(d\)](#)).

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