



**CALIFORNIA CONTRACTORS
INSURANCE SERVICES** an ISC company



YOUR HOW-TO GUIDE:

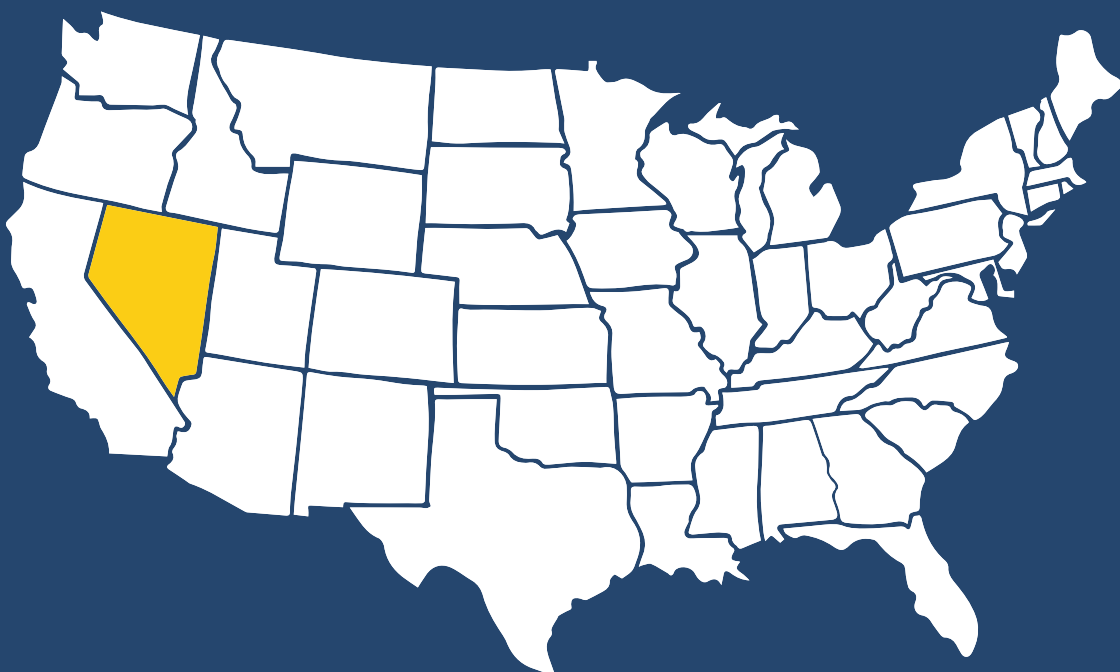
Becoming a Licensed Contractor in Nevada

More than \$8 billion in construction projects were completed in 2023 in Southern Nevada, with 4,687 new hotel rooms and 572,100 square feet of new convention space built. While 2024 is expected to see a slowdown in new builds, the Las Vegas Convention and Visitors Authority's Current and Future Projects Construction Bulletin predicts that a huge number of projects are still slated for completion.

Northern Nevada has attracted a great deal of industrial construction over the last several years due to the state's business-friendly climate, available infrastructure, and central location, which make it ideal for distributing products, manufacturing goods, and housing data centers.

On the residential side, Southern Nevada has seen a massive growth in new builds. What was once an empty landscape on Nevada's mountainsides is now busy with home construction. In addition, a lot of tri-level homes are being built around the inner parts of the city. According to Market Watch Guides, the Silver State issued 1,368 construction permits between 2023-2024, a 128% increase from the previous year.

Individuals considering a career in construction in Nevada and looking to fill the gap in a tight labor market are poised to find good-paying work. This guide provides the licensing information you need to start your path to becoming a contractor in Nevada.



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Overview

There are several reasons why you should obtain a contractor's license. First, you will enhance your credibility as a contractor with customers. When potential consumers know you are licensed, they are more likely to hire you for the job and put their trust in you.

As a licensed contractor, you will be able to take on more lucrative projects. You can also work on your schedule and choose which jobs to take. In addition, because you are licensed, you can have subcontractors work for you, allowing you to take on more tasks for greater profit.

Most importantly, working in the state of Nevada as a contractor mandates that you are licensed. The type of license you require and the costs associated with your licensing application vary depending on several criteria, including the type of projects you work on and the size of your business.

To obtain your Nevada contractor's license, you must apply to the Nevada State Contractors Board (NSCB). License requirements are fairly extensive and include providing professional experience and financial statements, passing scores on two exams, and obtaining a Surety Bond for your business.



Know the Contractor Licensing Requirements in Nevada

The NSCB requires “all businesses or individuals who construct or alter any building, highway, road, parking facility, railroad, excavation, or other structure” to obtain a license. This includes subcontractors and specialty contractors. If you’re found working without a contractor’s license in Nevada, you can be charged with a crime punishable by fines and jail time.

Following are the key requirements for becoming a contractor in Nevada:

- ▶ Obtain a Nevada Business ID number issued by the Secretary of State. You can obtain one at [SilverFlume](#), Nevada’s business portal. Determine your business’s legal structure. You can register as an LLC, corporation, general partnership, or sole proprietor.
- ▶ Submit a [financial statement](#) based on which monetary limit you are requesting. The monetary limit is the maximum contract you can take on for a single client. Your financial statement must meet the following criteria:
 - Financial statements must be for the applying entity. Sole proprietorships and each general partner of a general partnership must submit their personal statements.
 - All statements must be in U.S. dollars.
 - Business statements must include a classified balance sheet.
 - Personal statements prepared by a CPA must include a supplemental schedule disclosing working capital and net worth.
 - Other specific requirements depending on the license’s monetary limits can be found [here](#).
- ▶ Undergo a background check and fingerprinting.
- ▶ Fulfill two “qualified individual” categories:
 - Management Qualified Individual: This person should be fit to oversee the day-to-day transactions of the business.

- o Trade Qualified Individual:
This is person will perform the actual contracting work for the business. He or she must show at least four years of work experience as a journeyman, foreman, supervising employee, or contractor in the specific trade category noted on the application. Training received in a program offered at an accredited college, university, or equivalent program accepted by the NSCB may be used to satisfy up to but no more than three years of experience. Proof of transferable military training may also be used to satisfy the work experience requirement.
- o One applicant is permitted to fulfill both of these roles, or you can apply with one person as the Management Qualified Individual and another as the Trade Qualified Individual.
- ▶ Pass a general business and law or “CMS” examination and a trade examination specific to the license classification for which you have applied. More information on the exams can be found below.
- ▶ Purchase a Surety bond, which vary in amount from \$1,000 to \$500,000 based on the type of license, monetary limit, present or future financial responsibility, experience, and character of the applicant.
 - o [Surety bonds](#) are available through a surety company or agent.
- ▶ Purchase Workers’ Compensation insurance if you plan to hire a crew and any subcontractors. A Workers’ Compensation policy covers employees injured on the job and will pay for medical expenses and lost wages up to the amount specified in the policy. Download and complete the [Contractor’s License Application](#).
- ▶ Submit a one-time non-refundable fee of \$300.00 along with the application.
- ▶ Upon approval of your application, a \$600 biennial license fee will be required.

Additional Information

The NSCB offers assistant programs specific to military families to expedite its licensing application process.

Residential contractors are also required to contribute to a Residential Recovery Fund for the state of Nevada. This fund reimburses homeowners when a licensed contractor fails to complete their contract appropriately. Costs range from \$200-\$1,000, depending on the monetary limit you select for your business.

All contractors must purchase General Liability insurance to protect against third-party bodily injury and property damage losses. CCIS can provide you with General Liability coverage in addition to your bond requirements.

Determine What Type of Contractor License Your Need

Before applying for a license, determine which suits your business best. According to the Nevada Administrative Code, there are three main classification categories for contractors:



Classification A

Covers general engineering and any projects with “fixed works” requiring specialized engineering knowledge and skills. Subclassifications are available for various work projects, including bridges, highways, residential pools, industrial piping, and more. If working on pools and spas, you must file a Residential Pool and Spa License Bond in addition to the Contractor’s License Bond.



Classification B

Covers general building, which primarily consists of the construction and remodeling of buildings. Subclassifications are available for areas like commercial remodeling, pre-manufactured housing, and prefabricated steel structures.



Classification C

Covers many specialty contracting categories, including plumbing, heating, electrical, carpentry, maintenance, minor repairs, masonry, roofing, and siding.

Complete the Contractor's License Application Form

When you've obtained the required paperwork, complete the [license application form](#). Be sure the following information is included:

- Nevada business ID number
- Your business name and contact information
- License classification based on the type of work you intend to perform
- Monetary limit or maximum contract value for a single client
- All persons who will be managers or members on license
- Experience qualifications: detailed resume
- Financial statements and bank verification form
- Background disclosure and fingerprinting
- Surety Bond
- Proof of Workers' Compensation if you have employees

Submit application with payment to one of NSCB's two offices. Applications cannot be accepted by email.



Southern Nevada Office

8400 W Sunset Rd.,
Suite 150,
Las Vegas, NV 89113



Northern Nevada Office

5390 Kietzke Lane,
Suite 102,
Reno, NV 89511

Avoid potential process delays due to the following reasons:

- Failure to provide all required documentation, including proof of experience, exam passing, accurately completed financial statements, etc.
- Incomplete application: all required information and/or signatures must be provided
- Financial statements do not meet the necessary requirements
- Failure to answer the background disclosure statement honestly may be grounds for denial of the application
- Discrepancies in information



Exam Requirements for Contractor Licensing in Nevada

The qualified individual for a contractor's license must pass the Business and Law (CMS) and trade examination specific to the classification requested, unless he or she meets the requirements for waiver.

Once the application is submitted and the experience requirement has been met, you will receive an Examination Eligibility form with their Candidate ID number to schedule an exam date.

The NSCB has contracted with PSI Licensure (PSI) to conduct the testing required for a contractor's license. Visit PSI's website for the Candidate Information Bulletins, examination content outlines, examination fee amounts, reference lists and additional information.

- [PSI Website](#)
- [PSI Candidate Information Bulletins and Exam Content Outlines](#)

There are three PSI testing centers in the State of Nevada from which to choose. The PSI examination sites are located at:



Las Vegas

3210 East Tropicana Avenue,
Las Vegas, Nevada 89121



Elko

225 Silver Street, Ste. 102,
Elko, Nevada 89801



Reno

Airport Plaza Office Building
1755 E Plumb Lane, Ste. 108
Reno, Nevada 89502

PSI will also allow applicants to take the Nevada-specific examinations at PSI-owned sites in other states. Please contact PSI at 800.733.9267 to see if there's a testing site near you.

You have three attempts to pass each exam. If you fail the test, you must wait two weeks before retaking the examination. If you fail the exam three times, the application becomes void pursuant to NAC 624.600(3). You may reapply with a new application and applicable fee after 30 days from the last examination date.

Nevada contractor exams cost \$140 if you schedule them together or \$95 each if you schedule them separately.

Penalties for Unlicensed Contractors in Nevada

The NCSB can impose a fine for each licensing requirement violation, depending on the situation. In addition, the board can impose investigation costs and any damages caused due to the violation.

For a first offense, you can be charged with a misdemeanor, which includes a fine that ranges from \$1,000 to \$4,000 and time in the county jail for up to six months. A second offense is considered a gross misdemeanor. If found guilty, you may be fined between \$4,000 to \$10,000 and serve as long as 364 days in county jail. A third offense is a category E felony, with jail time up to four years and fines from \$10,000 to \$20,000.

Advertising Your Construction Business

A contractor in Nevada must make sure his/her license number is on all business advertisements, including vehicles, business cards, letterhead, signage, directories, newspapers and other publications, website, and other digital marketing material.

Renewing Your Nevada State Contractor's License

As a contractor in Nevada, you'll need to renew your license every two years. The Nevada State Contractors Board allows contractors to [renew their licenses online](#). Simply make an account using the registration ID provided on the renewal form you receive from the Board. The renewal fee every two years is \$600.

[Some programs](#) can expedite licensing applications for members of the military, military spouses, and veterans. To participate, you'll need to submit additional documents with your application.



Helpful Tips for Your Contractor Business in Nevada

- ▶ Make sure your license number and monetary limit are always on all contracts or bids
- ▶ Keep your Surety Bond up to date.
- ▶ Ensure the amount of the bid or contract is within the monetary limit of the contractor.
- ▶ Make sure that the contract is within the scope of work/license classification.
- ▶ Know what you are contracting for, verify the terms of the contract, and comply with the terms of the contract.
- ▶ Make sure all change orders are in writing and signed by all parties.
- ▶ Include Residential Recovery Fund Disclosure on all residential contracts.
- ▶ Obtain building permits from local authorities. Schedule inspections to ensure compliance with codes and regulations.
- ▶ Hire the right people to get your projects done. Whether you hire own employees, work with independent contractors, or outsource work to various subcontractors, know the tax implications and legal formalities of hiring and paying your employees. Consult an attorney.
- ▶ Develop and define your brand. Create a logo representing your company and who you are as a business.
- ▶ Promote and market your brand with fliers and brochures, a website, email marketing, social media, and networking.

Resourceful Contact Information

Nevada Secretary of State

(775) 684-5708

www.nvsilverflume.gov/startBusiness

PSI Exam Center

(800) 733-9267

<https://candidate.psiexams.com>

Nevada Business Development Center

(800) 240-7094

<http://nsbdc.org>

NV Division of Industrial Relations

(702) 486-9020

dirweb.state.nv.us/

NSCB Business Assistance Program

(702) 486-1100 or (775) 688-1141

www.nscb.nv.gov

About CCIS

CCIS is a licensed construction bond and insurance agency, providing Nevada contractors with bonds and General Liability, Workers' Compensation, and Excess Liability insurance.

Our goal is to obtain license bonds, surety, and insurance for our contractor clientele with optimal premium rates and structure. CCIS writes with several insurance companies, allowing us the resources to find the best fit for our clients. We always deliver prompt, professional service so that contractors can quickly address their bonding and insurance requirements in a simple, hassle-free way and so they can focus their attention on their contracting business.

Call:

800-432-2641

Apply Online:

www.ccisbonds.com



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