



# NEVADA STATE CONTRACTORS' BOARD

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## **FREQUENTLY ASKED QUESTIONS ABOUT NEVADA'S RESIDENTIAL RECOVERY FUND**

### **WHAT IS THE RECOVERY FUND?**

*The Recovery Fund was established by law during the 1999 session of the Nevada Legislature to offer protection for Nevada homeowners who contract with licensed contractors and, under certain conditions are harmed by the failure of that contractor to properly perform qualified services.*

### **WHO ADMINISTERS THE FUND?**

*The Nevada State Contractors' Board has been charged with the responsibility of administering the fund.*

### **WHO IS ELIGIBLE TO RECEIVE HELP FROM THE RECOVERY FUND?**

*Owners of single-family residences who contract with residential contractors for the performance of any construction, remodeling, repair or improvement. The owner must occupy the residence. The claimant must be able to show the Board that he/she has suffered a reimbursable loss which resulted from the dishonest or incompetent conduct of a licensed contractor. The loss must not have been paid in any amount by or on behalf of general contractor, or be covered by a bond, surety agreement, or an insurance contract. Claimants must exhaust all other remedies for recovery prior to being eligible for assistance from the Recovery Fund.*

*The claimant may have sued the general contractor in civil court and obtained a judgment which has not been paid by the contractor and remains unsatisfied. If the contractor filed bankruptcy during construction or during the civil action, the claimant must exhaust all remedies in the bankruptcy proceeding.*

### **CAN I GET HELP FROM THE RECOVERY FUND?**

*If the Board finds that you suffered actual damages as a result of an act or omission of a residential contractor that is in violation of the law or you have obtained a judgment in a court of law for recovery of damages, you may apply to the board to receive payment from the account.*

### **IS THERE A TIME LIMIT FOR FILING CLAIMS?**

*Yes, you must file a complaint with the board within four years after the completion of the work. If you have obtained a judgment from a Nevada court, you may apply to the board for payment within two years provided certain conditions are met.*

## **WHAT HAPPENS AFTER I FILE A CLAIM?**

*Once a claim has been received, the Board staff will open a file. The contractor will be provided with copies of the documents that you have provided to the Board. The contractor will have thirty days to respond to the allegations. The staff will conduct an investigation to determine if the claimant meets the requirements for reimbursement set forth in Nevada Revised Statutes. The Board will then conduct a hearing. You will be given at least 30 days' notice before the hearing.*

## **HOW LONG WILL IT TAKE FOR MY CLAIM TO BE PROCESSED AND HEARD?**

*The law requires that the Board act upon a complaint within six (6) months after it is filed with the Board.*

## **IS THERE A LIMIT ON THE AMOUNT OF MONEY PAID OUT?**

*Yes. The law provides that the maximum amount paid for a claim against the Recovery Fund cannot exceed \$30,000. In addition, claims against a single contractor must not exceed \$200,000.*

## **SHOULD I BE REPRESENTED BY AN ATTORNEY AT THE BOARD HEARING?**

*This is a decision that only you can make. It is not necessary to be represented by an attorney in order to file a claim. Some claimants choose to be represented by an attorney. In the event you choose to be represented by an attorney, the Board will contact your attorney with regard to the claim. Attorney's fees are not recoverable from the Recovery Fund.*

## **OTHER HELPFUL INFORMATION.**

*The Recovery Fund is designed to be a last resort for homeowners seeking to recuperate losses incurred as a result of dishonest or incompetent contractors. Claimants should pursue every other avenue for recovery prior to seeking assistance from the Recovery Fund. When considering offers of settlement by or on behalf of the contractor, claimants should keep in mind that recovery of their entire loss from the Recovery Fund is not guaranteed.*

**For more information regarding the Recovery Fund please contact the Board offices at (702) 486-1100 or (775) 688-1141.**