Summary –

This bill revises the construction defect laws as set forth in Chapter 40 of the Nevada Revised Statutes. This measure amends the definition of “constructional defect”. The bill provides that a contract is considered void and unenforceable if the contract requires a subcontractor to indemnify, defend, or hold harmless the controlling party for the negligence or omissions of the controlling party. Further, the bill enacts provisions governing the manner in which the controlling party may pursue indemnification from a subcontractor. The bill provides provisions that govern wrap-up insurance policies and consolidated insurance programs. Procedures are established for notice of a constructional defect and prohibits awarding costs or attorney fees to parties in certain circumstances. The bill revises provisions regarding notices being sent to similarly situated owners of residences within a single development. In addition, the bill amends the requirements for the notice of constructional defects that claimant is required to send to a contractor. The measure revises the statutes of limitation and repose. The provisions relating to the damages the claimant may recover in a construction defect action are also revised. Lastly, the bill revises the statute of repose retroactively, but establishes a one-year grace period.

Pros –
Prior to this bill, construction defect statute was too vague and open ended wherein builders / contractors thereof could be responsible for defects that would not otherwise be considered a general building or contractor defect. The bill provide mores clarity to the terms within construction defect law, Specifically, section 6 revises the definition of construction defect under Nevada law to be more exact. This bill also provides builders with the confidence that the general union and bulk power of associations will be less likely to form a unified claim without proper cause.

Cons –
Builders and the contractors used may be more incline to cut corners when possible now that additional action is required to take action toward construction defect law.

What Nevada Statute(s) or Code(s) will be modified by this bill –
• NRS 40
  o This bill will specifically modify section of NRS 40