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DIGEST

SB 122 Reengrossed

2025 Regular Session

Abraham

Present law provides for definitions and terms.

Proposed law retains present law and adds definitions for "controlled access", "employee", "license", "principal", "residential contractor", "residential roofing", and "residential roofing contractor".

Present law creates the State Licensing Board for Contractors (board), within the office of the governor. Provides for board membership, qualifications, tenure, vacancies, and provides that four members shall serve terms of two years, four members shall serve terms of four years, and four members shall serve terms of six years.

Proposed law retains present law in part except removes staggered terms. Allows the governor to remove a member for cause or at the request of the chairman for failure to attend meetings.

Present law allows the board to waive the trade portion of the examination if an applicant holds a license in good standing or holds in a comparable classification in another state.

Proposed law retains present law except allows for the waiver if the applicant passed the exam for comparable classification in another state and is in good standing. Provides that if the board knows of a possible violation, the board may correct the violation or act without formal complaints.

Present law provides for the membership, terms, powers, and duties of the residential contractors subcommittee. Provides that all members shall be appointed for three-year terms and that no person shall be appointed for more than two consecutive terms.

Proposed law retains present law in part but provides that all members shall be appointed for six-year terms. Further provides that no member appointed after August 1, 2025, shall serve more than three consecutive terms and allows the governor to remove a member for cause or at the request of the chairman for failure to attend meetings.

Present law provides for the application process to receive a license from the board and the fees and renewal process associated with licensing.

Proposed law retains present law and requires a license holder to bid, contract, conduct all business transactions, and perform work in the name as it appears on the current license or registration. Provides that a license dependent on insurance requirements or certifications shall not be eligible for multiple-year renewal.

Proposed law requires all licenses or classifications issued by the board that are based on the applicants holding a specific certification or credential to expire upon the expiration date of the credential or certification.

Present law provides for nine major classifications to be licensed by the board.

Proposed law retains present law and adds "mold remediation" and "home improvement" as a major classification for licensure.

Present law provides for procedures for commercial, residential, and mold remediation applicants to submit financial statements. Provides that no financial statement is required for a license renewal.

Proposed law retains present law in part except requires a financial statement for license renewal. Further allows an applicant to submit a separately prepared financial statement by a certified public accountant in lieu of an accountant signing a form presented by the board.

Proposed law provides that residential and commercial licenses, their subclassifications, and all specialty classifications except labor-only specialties shall have a net worth of \$50,000 or more and home improvement, mold remediation, and labor-only specialties shall have a net worth of \$25,000 or more. Provides that an applicant without the net worth may satisfy the net worth requirement by submitting an irrevocable letter of credit in the amount of the net worth requirement.

Proposed law provides that an applicant, its principals, and its designated qualifying party shall each complete an application and background investigation. Provides that the applicant shall provide all documentation requested by the board and provides that the background investigation will be related to fiduciary or monetary matters and any criminal offense.

Present law provides that any person engaged in deceptive practices when taking or attempting to take any board exam to be ineligible to serve as a qualifying person for licensure for a period of one year.

Proposed law retains present law except makes the person ineligible to serve as a qualifying person for licensure for a period of three years.

Present law requires that residential construction and home improvement construction applicants for licensure to submit certificates evidencing workers' compensation coverage and minimum liability insurance coverage.

Proposed law retains present law and adds the requirement to subclassifications of residential construction.

Present law provides for procedures and requirements for a licensee who would like to apply to transfer their license to inactive status.

Proposed law retains present law and provides that an inactive licensee shall follow the same renewal

requirements as an active licensee, except the submission of current insurance certificates.

Proposed law requires a licensee to maintain and provide, within five business days after requested by the board, all unredacted records, documents, and other information that may be required for licensure and to maintain those records for five years. Requires a continued duty of the licensee, within 30 days of the board's request for documents, to provide any change in the original application and any criminal, civil, or administrative actions pending against the licensee.

Present law requires mold remediation license applicants to furnish certain information before a license is issued, including training and workers' compensation coverage and liability coverage.

Proposed law retains requirement to submit evidence of training and remove requirement to show insurance coverage.

Present law provides that no licensed contractor shall install solar energy equipment or solar energy systems on or after February 1, 2025, unless he is in compliance with present law.

Proposed law removes present law and requires a Solar Energy Equipment license to install solar energy equipment or solar energy systems valued at \$10,000 or more.

Proposed law requires a Residential Roofing or Residential Construction licensee to perform any work to any portion of a residential roofing system on and after January 1, 2026. Requires a residential roofing contractor to pass the residential roofing trade exam and meet all other licensure requirements of a residential contractor.

Proposed law classifies residential roofing as a subclassification of residential construction.

Present law provides for exemptions.

Proposed law retains present law exceptions in part except removes the state or any of its political subdivisions from any exemptions under present law.

Proposed law requires an affidavit of exemption from an owner of property that is seeking to build more than one single-family dwelling in a one-year period.

Proposed law adds an exception for electrical, mechanical, and plumbing licensees who are acting exclusively within the scope of their classification.

Present law allows the board to revoke and suspend a license, issue a cease and desist order, issue fines and penalties to any person violating present law.

Proposed law retains present law and provides that any publishing, transmitting, distributing, or otherwise publicly circulating a misleading or false claim related to a person's license status in any medium including digital form is a violation of present law. Further provides that the fraudulent use of a license for any purpose by any person other than the person to whom the license is issued is a

violation of present law.

Proposed law provides that failure to obtain a permit to perform work before the issuance of a permit, misrepresenting the value or scope of work, failure to obtain inspections, failure to have a written contract, failure to bid, contract, or perform work in the name as it appears on the current license, and failure to maintain and provide to the board requested records, documents, and other such information within five days of request is a violation of present law.

Proposed law provides that every agreement to perform contracting services that requires licensure or registration shall include current certificates of insurance providing proof of workers' compensation coverage and the amount of liability coverage maintained for any licensee for which insurance is a requirement.

Present law prohibits persons or companies performing home improvement contracting services from interpreting insurance policy provisions regarding coverage or duties under an insured's property insurance policy and adjusting a property insurance claim on behalf of an insured as an adjuster.

Proposed law retains present law except further prohibits a person performing contracting services from advertising or soliciting services prohibited in present law.

Present law provides that any person in violation of present law, after notice and a hearing, shall be liable to the board for a fine of up to 10% of the total contract or the value of a work bid.

Proposed law retains present law and provides that a monetary penalty assessed by the board or the residential subcommittee is payable within 90 days and failure to pay an outstanding penalty may be cause to deny issuance or renewal of a license or registration and may be subject to collection efforts.

Present law provides for bid procedures and penalties.

Proposed law retains present law and provides that any person required to be licensed by the board that bids a project that requires a bid bond or certificate of insurance evidencing mandated coverage and fails to provide valid bonds or coverage is in violation of present law.

Proposed law requires a licensee to maintain insurance coverage or bonding after being awarded a bid. Provides that any violation of present law may result in disciplinary action by the board.

Proposed law provides that no proposal forms or specifications shall be issued to anyone except a licensed contractor who holds an active license, or his authorized representative.

Effective August 1, 2025.

(Amends R.S. 37:2150.1, 2151(A)(2), (B)(5), (6), (7), and (8), and (D), 2153(F)(1) and (5) and (G), 2155(B) and (G)(2) and (4), 2156(A)(1), (B)(1), (E)-(M), 2156.1, 2156.2, 2156.3, 2157(A), 2158(A)(intro para), 2158(A)(2), (8), (10), (11), (13), (15)-(19), and (C), 2159(A)(intro para), 2159(A)(1), (B), and (D), 2159.1(intro para), 2159.1(1) and (2), 2160(B) and (C), 2161(A) and (C),

2163(A)(2) and (C)(3), 2164, and 2165(B) and (C); adds R.S. 37:2151(B)(9), 2153(H), 2155(G)(5), 2156(N), 2156.4, 2158(A)(20)-(23), 2159(A)(6), and 2165(A)(6)-(8))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Provide that residential construction and its subclassification shall be required to submit certificates evidencing workers' compensation coverage.
2. Restore current law requiring mold remediation applicants to furnish evidence of satisfactory completion of at least 24 hours of mold remediation and assessment training.
3. Change the date that requires a residential roofing license or residential construction license to perform certain work from January 1, 2025, to September 1, 2025.
4. Prohibit persons performing contracting services from interpreting insurance policy provisions regarding coverage or duties under an insured's property insurance policy, adjusting a property insurance claim on behalf of an insured as an adjuster, or advertising or soliciting such services.
5. Make technical changes.

Senate Floor Amendments to engrossed bill

1. Increase the threshold for defining a "residential contractor" involved in a modular home installation from \$37,500 to \$50,000.
2. Clarify that individuals constructing structures built in the U.S. Dept. of Housing and Urban Development standards for manufactured housing are excluded from the definition of "residential contractor".
3. Allow applicants to submit a separately prepared financial statement by a certified public accountant instead of requiring an accountant to sign the board's specific form.
4. Change the date that requires a residential roofing license or residential construction license to perform certain work from September 1, 2026 to January 1, 2026.
5. Make technical changes.