

2026 Regular Session

HOUSE BILL NO. 924

BY REPRESENTATIVE GLORIOSO

CONTRACTORS: Provides with respect to the conduct of contractors

1 AN ACT

2 To amend and reenact R.S. 37:2164(A) and to enact R.S. 9:2784.1(B)(4), R.S.
3 37:2158(A)(8)(c), and R.S. 37:2159.2, relative to contractors; to prohibit certain
4 direct solicitations of residential property owners during a declared disaster or
5 emergency; to prohibit certain inducements and misrepresentations related to
6 property insurance claims; to provide relative to license lending or renting; to require
7 certain disclosures and contract notices; to provide for rescission and contract
8 voidability; to provide for administrative penalties and enforcement; and to provide
9 for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 9:2784.1(B)(4) is hereby enacted to read as follows:

12 §2784.1. Repair contracts entered into during a state of emergency; venue;
13 rescission

14 * * *

15 B.

16 * * *

17 (4) Each disaster repair contract shall include, in at least fourteen point bold
18 type, a notice of the owner's right to cancel under this Subsection and a simple
19 cancellation form that the owner may sign and deliver or mail. Failure to include the

1 notice and cancellation form provided in this Paragraph shall extend the cancellation
2 period provided in this Subsection to thirty days from the date of execution.

3 * * *

4 Section 2. R.S. 37:2164(A) is hereby amended and reenacted and R.S.
5 37:2158(A)(8)(c) and 2159.2 is hereby enacted to read as follows:

6 §2158. Revocation and suspension of licenses; issuance of cease and desist orders;
7 debarment; violations; penalty; criminal penalty

8 A. No person may engage in the business of contracting, or act as a contractor
9 as defined in this Chapter, unless he holds an active license as a contractor in
10 accordance with the provisions of this Chapter. The board and residential
11 subcommittee may revoke, suspend, or refuse to renew a license; issue cease and
12 desist orders to stop work; issue fines and penalties; or debar any person licensed
13 pursuant to the provisions of this Chapter for any of the following violations:

14 * * *

15 (8)

16 * * *

17 (c) Soliciting, receiving, or agreeing to receive, directly or indirectly, any
18 money, fee, commission, thing of value, or other compensation in exchange for
19 permitting a license, license number, classification, registration, or the name of a
20 licensee or registrant to be used by any other person.

21 * * *

22 §2159.2. Disaster-period direct solicitation; insurance-claim inducements; required
23 disclosures; contract remedies; license renting

24 A. For the purposes of this Section, the following terms have the following
25 meanings:

26 (1) "Catastrophe response period" means the six month period following the
27 initial declaration of a gubernatorially-declared disaster or emergency following a

1 natural disaster for residential property located in the emergency area and affected
2 by the natural disaster.

3 (2) "Direct solicitation" means a contact initiated by or on behalf of a person
4 offering to perform disaster-related residential contracting services directed to a
5 specific residential property owner or occupant, including any of the following:

6 (a) In-person contact at a residence with a residential property owner or
7 occupant that is not initiated at the request of the owner or occupant.

8 (b) The delivery or placement of written or printed materials at a residence
9 that encourage, induce, or invite the owner or occupant to make a property insurance
10 claim or to permit an inspection for the purpose of making a property insurance
11 claim.

12 (c) A telephone call, text message, electronic mail message, or other
13 electronic communication directed to a residential property owner or occupant, that
14 is not initiated at the request of the owner or occupant.

15 (3) "Disaster-related residential contracting services" means residential
16 roofing, tarping, water mitigation, remediation, or repairs, exterior repairs, home
17 improvement, or any other repair, reconstruction, or mitigation work to a residential
18 structure where the work is represented to relate to damage caused by a natural
19 disaster or peril that may be covered under a first-party property insurance policy.

20 (4) "Prohibited inducement" means any rebate, discount, waiver, promise to
21 pay or offset a deductible, gift, prize, cash, gift card, coupon, referral fee, or any
22 other thing of value offered, directly or indirectly, to a residential property owner or
23 occupant in connection with any of the following:

24 (a) Permitting an inspection of the residential property.

25 (b) Making, pursuing, or participating in a property insurance claim.

26 (5) "License renting" or "license lending" means any arrangement, whether
27 formal or informal, in which a licensee or registrant, directly or indirectly, for
28 compensation or other benefit, allows another person to use his license, license
29 number, classification, registration, or name of the licensee or registrant to advertise,

1 bid, contract, obtain permits, or perform work regulated by this Chapter, when that
2 other person is not the licensee or registrant.

3 B.(1) During a catastrophe response period, no person shall engage in direct
4 solicitation at a residence for disaster-related residential contracting services unless
5 that contact is initiated at the request of the residential property owner or occupant.

6 (2) A contractor violates this Subsection if any person working on behalf of
7 that contractor, including but not limited to a compensated employee or a non-
8 employee who is compensated by that contractor, violates this Subsection.

9 C. (1) No person offering disaster-related residential contracting services
10 shall do any of the following:

11 (a) Offer or provide a prohibited inducement.

12 (b) Represent, state, or imply that a residential property owner or occupant
13 will obtain insurance proceeds, will be approved for coverage, or is entitled to
14 coverage for a particular scope of work, except that this Subparagraph shall not
15 prohibit advising that owner to contact that owner's insurer or licensed insurance
16 professional.

17 (c) Represent, state, or imply that the person will handle, negotiate, present,
18 interpret, or adjust a property insurance claim on behalf of the insured, except as
19 otherwise permitted by law and licensure.

20 (2) This Subsection shall be construed in addition to, and not in limitation of,
21 R.S. 37:2159.1, R.S. 22:1275, and R.S. 51:451 et seq.

22 D.(1) Prior to obtaining any signature on a disaster repair contract, and prior
23 to accepting any deposit or consideration, a person offering disaster-related
24 residential contracting services during a catastrophe response period shall provide
25 the owner a written disclosure, in at least fourteen point bold type, containing all of
26 the following:

27 (a) The name of the contractor, the contractor's license number or registration
28 number, and any classifications.

1 (b) A statement that the contractor is not a public adjuster and cannot
2 interpret the insurance policy or advise the owner regarding coverage.

3 (c) A statement that the owner is responsible for payment of any applicable
4 deductible and that it may be unlawful for a contractor to waive, absorb, or offset a
5 deductible.

6 (d) A statement that the owner may cancel a disaster repair contract within
7 ten days in accordance with R.S. 9:2784.1 and instructions for how to cancel.

8 (e) Contact information for the State Licensing Board for Contractors for
9 license verification and complaint intake.

10 (2) Failure to provide the written disclosure required by this Subsection shall
11 constitute a violation of this Chapter and extend the owner's right to cancel the
12 contract to thirty days from execution in accordance with R.S. 9:2784.1.

13 E.(1) Any contract entered into in violation of Subsection B or Subsection C
14 of this Section is voidable by the residential property owner for a period of one year
15 from execution.

16 (2) A voiding or rescission pursuant to this Section shall result in all of the
17 following:

18 (a) Any payment made by the homeowner before cancellation shall be
19 refunded promptly.

20 (b) The contractor is entitled to payment only for documented emergency
21 mitigation work requested by the owner and actually performed prior to cancellation,
22 and for materials actually ordered or delivered prior to cancellation, along with
23 reasonable overhead, provided that such amounts are itemized and supported by
24 documentation.

25 (3) Any purported waiver of the rights provided by this Section is null, void,
26 and unenforceable as against public policy.

27 F.(1) License renting is prohibited and constitutes a violation of this Chapter
28 and is a basis for discipline in accordance with R.S. 37:2158, including but not
29 limited to suspension, revocation, debarment, and fines.

Abstract: Prohibits contractors from making directed communications to homeowners or occupants during a period following a declared emergency and promising or implying that a homeowner or occupant will receive insurance payouts, or offer certain inducements to homeowners or occupants. Contractors must provide certain written disclosures to homeowners before contracting for work during a period following a declared emergency. Prohibits contractors from lending their licenses to others or having others make such directed communications on their behalf.

Present law provides for when an owner of residential property who enters into a disaster repair contract may cancel the contract within 10 days of entering into it.

Proposed law adds that each disaster repair contract shall include a notice of the owner's right to cancel under this Subsection, and that failure to include that notice shall extend the cancellation period to 30 days.

Present law provides for violations for which the Louisiana State Licensing Board for Contractors may revoke or suspend a license, issue cease and desist orders to stop work, issue fines and penalties, or debar any licensed person.

Proposed law adds the soliciting, receiving, or agreeing to receive, directly or indirectly, any money, fee, commission, thing of value, or other compensation in exchange for permitting a license, license number, classification, registration, or the name of a licensee or registrant to be used by any other person to the list of violations.

Proposed law provides definitions for "catastrophe response period", "direct solicitation", "disaster-related residential contracting services", "prohibited inducement", "license renting", and "license lending".

Proposed law provides that during the catastrophe response period, no person shall engage in direct solicitation at a residence for disaster-related residential contracting services unless that contact is initiated at the request of the residential property owner or occupant.

Proposed law provides that a contractor violates this provision of proposed law if any person working on behalf of the contractor, including but not limited to a compensated employee or a non-employee who is compensated by the contractor, violates this provision of proposed law.

Proposed law provides that no person offering disaster-related residential contracting services shall do any of the following:

- (1) Offer or provide a prohibited inducement.
- (2) Represent, state, or imply that a residential property owner or occupant will obtain insurance proceeds, will be approved for coverage, or is entitled to coverage for a particular scope of work, except that this Paragraph shall not prohibit advising the owner to contact the owner's insurer or licensed insurance professional.
- (3) Represent, state, or imply that the person will handle, negotiate, present, interpret, or adjust a property insurance claim on behalf of the insured, except as otherwise permitted by law and licensure.

Proposed law provides that prior to obtaining any signature on a disaster repair contract, and prior to accepting any deposit or consideration, a person offering disaster-related residential contracting services during the catastrophe response period shall provide the owner a written disclosure, in at least fourteen-point bold type, containing all of the following:

- (1) The name of the contractor, the contractor's license number or registration number, and any classifications.

- (2) A statement that the contractor is not a public adjuster and cannot interpret the insurance policy or advise the owner regarding coverage.
- (3) A statement that the owner is responsible for payment of any applicable deductible and that it may be unlawful for a contractor to waive, absorb, or offset a deductible.
- (4) A statement that the owner may cancel a disaster repair contract within ten days in accordance with R.S. 9:2784.1 and instructions for how to cancel.
- (5) Contact information for the Louisiana State Licensing Board for Contractors for license verification and complaint intake.

Proposed law provides that any contract entered into in violation of proposed law shall be voidable at the election of the residential property owner for a period of one year from execution.

Proposed law provides that rescission or voiding pursuant to proposed law shall result in all of the following:

- (1) Any payment made by the homeowner before cancellation shall be refunded promptly.
- (2) The contractor shall be entitled to payment only for documented emergency mitigation work requested by the owner and actually performed prior to cancellation, and for materials actually ordered or delivered prior to cancellation, along with reasonable overhead, provided that such amounts are itemized and supported by documentation.

Proposed law provides that any purported waiver of the rights provided by proposed law shall be null, void, and unenforceable as against public policy.

Proposed law provides that in any disciplinary action alleging license renting, evidence that the licensee or registrant accepted compensation from another person in connection with that other person advertising, contracting, bidding, obtaining permits, or performing work using the licensee's or registrant's license number, classification, registration, or name shall create a rebuttable presumption of a violation of this Subsection.

Proposed law provides for rulemaking authority.

Proposed law provides that nothing in proposed law shall prohibit any of the following:

- (1) General advertising not directed to a specific residence or person.
- (2) Emergency mitigation work requested by a residential property owner or occupant.

Proposed law provides that for a violation of proposed law the Louisiana State Licensing Board for Contractors may impose a fine up to 10% of the total contract or value of the work, or \$5000 per violation, whichever is greater.

(Amends R.S. 37:2164(A); Adds R.S. 9:2784.1(B)(4), R.S. 37:2158(A)(8)(c), and R.S. 37:2159.2.)