

2026 Regular Session

SENATE BILL NO. 326

BY SENATOR ABRAHAM

CONTRACTORS. Provides relative to the State Licensing Board for Contractors. (8/1/26)

1 AN ACT

2 To amend and reenact R.S. 37:2150.1(3) through (24), 2152(A)(2), 2155(G)(3), 2156(K)(3),

3 (M), and (N), 2156.1(B)(1) and (D) through (J), 2156.2(B)(2), 2157(A)(15)(b), (17),

4 and (18), 2158(C) and (E), 2159.1, and 2164 (A), (B), and (I), to enact R.S.

5 37:21(B)(12) and(13), 2150.1(25) through (28), 2152(A)(3), 2155 (G)(6) and (7),

6 2156(A)(3), 2156.1(K), 2156.4(D), 2158(A)(24) through (27) and (G), 2163.1, and

7 2164(L), and to repeal R.S. 37:2157(A)(19), relative to the State Licensing Board for

8 Contractors; to provide relative to domicile of the board; to provide for powers and

9 duties of the board; to provide relative to administrative fees retained by the board;

10 to provide relative to license requirements; to provide relative to residential roofing

11 requirements; to provide for unfair or deceptive trade practices; to provide for

12 exemptions; to provide for violations, prohibited acts, and civil penalties; to provide

13 for definitions, terms, and conditions; and to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 37:2150.1(3) through (24), 2152(A)(2), 2155(G)(3), 2156(K)(3), (M),

16 and (N), 2156.1(B)(1) and (D) through (J), 2156.2(B)(2), 2157(A)(15)(b), (17), and (18),

17 2158(C) and (E), 2159.1, and 2164(A), (B), and (I) are hereby amended and reenacted and

1 R.S. 37:21(B)(12) and(13), 2150.1(25) through (28), 2152(A)(3), 2155(G)(6) and (7),  
2 2156(A)(3), 2156.1(K), 2156.4(D), 2158(A)(24) through (27) and (G), 2163.1, and 2164(L)  
3 are hereby enacted to read as follows:

4 §21. Limitations on disciplinary proceedings by professional or occupational boards  
5 and commissions

6 \* \* \*

7 B. The provisions of this Section shall not apply to the following:

8 \* \* \*

9 **(12) Louisiana State Licensing Board for Contractors.**

10 **(13) Louisiana State Uniform Construction Code Commission.**

11 \* \* \*

12 §2150.1. Definitions

13 As used in this Chapter, the following terms have the following meanings:

14 \* \* \*

15 (3) **"Commercial construction" means the construction of commercial**  
16 **projects or commercial projects or structures intended for commercial or public**  
17 **use.**

18 (4) "Contract" means an agreement to perform a scope of work that is  
19 regulated by this Chapter. The project value includes the entire cost of the labor,  
20 materials, rentals, and all direct and indirect project expenses. The cost of materials,  
21 rentals, and direct and indirect expenses shall be included regardless of who pays the  
22 costs or if they are donated. The "principal contract" is the agreement to perform the  
23 entire scope of work for a construction project.

24 ~~(4)~~(5)(a) "Contractor" means any person who undertakes to, attempts to, or  
25 submits a price or bid or offers to construct, supervise, superintend, oversee, direct,  
26 perform, or in any manner assume charge of the construction, alteration, repair,  
27 improvement, movement, demolition, putting up, tearing down, furnishing labor, or  
28 furnishing labor together with material or equipment, or installing material or  
29 equipment for any of the following:

1 (i) Any building, highway, road, railroad, sewer, grading, excavation,  
2 pipeline, public utility structure, project development, housing, or housing  
3 development, improvement, or any other construction undertaking for which the  
4 project value is fifty thousand dollars or more when the property is to be used for  
5 commercial purposes.

6 (ii) Any new residential structure for which the project value is fifty thousand  
7 dollars or more when the property is used for residential purposes.

8 (iii) Any improvements or repairs to an existing residential structure for  
9 which the project value is seven thousand five hundred dollars or more.

10 (iv) Any mold remediation for which the project value is seven thousand five  
11 hundred dollars or more.

12 (b) The term "contractor" includes persons who receive an additional fee for  
13 the employment or direction of labor, or any other work beyond the normal  
14 architectural or engineering services.

15 (c) A contractor holding a license in the major classification of hazardous  
16 materials, or any subclassifications thereunder, is defined in terms of work  
17 performed for which the project value is one dollar or more.

18 (d) "Contractor" does not mean any person, supplier, manufacturer, or  
19 employee of such person who assembles, repairs, maintains, moves, puts up, tears  
20 down, or disassembles any patented or proprietary equipment supplied by such  
21 person to a contractor to be used solely by the contractor for a construction  
22 undertaking. "Proprietary" means specific and specialized equipment installation,  
23 manufacturing processes, used, or components that are protected from disclosure to  
24 third parties by the owner or manufacturer of the equipment.

25 ~~(5)~~(6) "Controlled access" means the complete building or facility area under  
26 direct physical control within which an unauthorized person is denied access.

27 **(7) "Dwelling unit" means a single residential unit that provides**  
28 **complete, independent residential living facilities for one or more persons,**  
29 **where occupancy is primarily permanent in nature, including permanent**

1            **provisions for separate living.**

2            ~~(6)~~**(8)** "Electrical contractor" means any person who undertakes to, attempts  
3            to, or submits a price or bid or offers to construct, supervise, superintend, oversee,  
4            direct, perform, or in any manner assume charge of the construction, alteration,  
5            repair, improvement, movement, demolition, putting up, tearing down, or furnishing  
6            labor together with material and equipment, or installing the same for the wiring,  
7            fixtures, or appliances for the supply of electricity to any residential, commercial, or  
8            other project, for which the project value is ten thousand dollars or more. This  
9            Paragraph is not deemed or construed to limit the authority of a contractor, general  
10           contractor, or residential contractor, as those terms are defined in this Section, nor  
11           to require such individuals to become an electrical contractor.

12           ~~(7)~~**(9)** "Employee" means a ~~worker whose employer~~ **person whose employer**  
13           **is required by law to** deducts taxes from his wages and reports his annual earnings  
14           to the Internal Revenue Service using a W-2 form.

15           ~~(8)~~**(10)** "Executive director" means the person appointed by the board to  
16           serve as the chief operating officer in connection with the day-to-day operation of  
17           the board's business. The executive director is the appointing authority for all  
18           employees of the board.

19           ~~(9)~~**(11)**(a) "General contractor" means a person who contracts directly with  
20           the owner. The term "general contractor" includes the term "primary contractor" and  
21           wherever used in this Chapter or in regulations promulgated thereunder "primary  
22           contractor" means "general contractor".

23           (b) "General contractor" does not mean any person, supplier, manufacturer,  
24           or employee of such person who assembles, repairs, maintains, moves, puts up, tears  
25           down, or disassembles any patented or proprietary equipment supplied by such  
26           person to a contractor to be used solely by the contractor for a construction  
27           undertaking.

28           ~~(10)~~**(12)** "Home improvement" means the reconstruction, alteration,  
29           renovation, repair, modernization, conversion, improvement, removal, or demolition,

1 or the construction of an addition to any preexisting residential structure which  
2 building is used or designed to be used as a residence or dwelling unit, or to  
3 structures which are adjacent to such residence or building for which the project  
4 value is seven thousand five hundred dollars or more. "Home improvement " does  
5 not include services rendered gratuitously.

6 ~~(11)~~(13) "Home improvement contractor" means any person who undertakes  
7 or attempts to undertake or submits a price or bid or offers to construct, supervise,  
8 superintend, oversee, direct, perform, or in any manner assume charge of a home  
9 improvement project for which the project value is at least seven thousand five  
10 hundred dollars but less than fifty thousand dollars. A home improvement contractor  
11 shall not perform any structural work that is integral to the structural integrity of any  
12 new or existing structure, including but not limited to footings, foundations, outside  
13 walls, skeleton, bearing columns and interior load bearing walls, floor slabs, or  
14 roofing systems to any type.

15 ~~(12)~~(14) "License" means any form of license or registration the board is  
16 authorized to issue in accordance with this Chapter.

17 (15) "Manufactured home" and "manufactured housing" means a  
18 factory-built residential dwelling unit constructed to standards and codes, as  
19 promulgated by the United States Department of Housing and Urban  
20 Development (HUD), under the National Manufactured Housing Construction  
21 and Safety Standards Act of 1974, 42 U.S.C. 5401 et seq., as amended. The  
22 terms "manufactured home" and "manufactured housing" may be used  
23 interchangeably and apply to structures bearing the permanently affixed seal  
24 of the United States Department of Housing and Urban Development.

25 ~~(13)~~(16) "Mechanical contractor" means any person who undertakes to,  
26 attempts to, or submits a price or bid or offers to construct, supervise, superintend,  
27 oversee, direct, perform, or in any manner assume charge of the construction,  
28 alteration, repair, improvement, movement, demolition, putting up, tearing down, or  
29 furnishing labor, or furnishing labor together with material and equipment, or

1 installing the same for the construction, installation, maintenance, testing, and repair  
2 of air conditioning, refrigeration, heating systems, and plumbing for all residential,  
3 commercial, and industrial applications as well as ventilation systems, mechanical  
4 work controls, boilers and other pressure vessels, steam and hot water systems and  
5 piping, gas piping and fuel storage, and chilled water and condensing water systems  
6 and piping, including but not limited to any type of industrial process piping and  
7 related valves, fittings, and components, for which the project value is ten thousand  
8 dollars or more. **A mechanical contractor who performs plumbing work for**  
9 **which the project value is ten thousand dollars or more shall possess a master**  
10 **plumber license issued by the State Plumbing Board of Louisiana.** This  
11 Paragraph is not deemed or construed to limit the authority of a contractor, general  
12 contractor, or residential contractor, as those terms are defined in this Section, nor  
13 to require such individuals to become a mechanical contractor.

14 **(17) "Modular home" and "modular housing" means a factory-built**  
15 **residential dwelling unit built to the International Residential Code as adopted**  
16 **by the Louisiana State Uniform Construction Code Council.**

17 ~~(14)~~**(18)** "Mold remediation contractor" means any person who engages in  
18 removal, cleaning, sanitizing, demolition, or other treatment, including preventative  
19 activities, of mold or mold-contaminated matter that was not purposely grown at that  
20 location for which the project value is seven thousand five hundred dollars or more.  
21 Mold remediation applies only to the regulation of mold-related activities that affect  
22 indoor air quality and does not apply to routine cleaning when not conducted for the  
23 purpose of mold-related activities intended to affect indoor air quality.

24 ~~(15)~~**(19)** "Person" means any individual, firm, partnership, association,  
25 cooperative, corporation, limited liability company, limited liability partnership, or  
26 any other entity recognized by Louisiana law; and whether or not acting as a  
27 principal, trustee, fiduciary, receiver, or as any other kind of legal or personal  
28 representative, or as a successor in interest, assignee, agent, factor, servant,  
29 employee, director, officer, or any other representative of such person; or any state

1 or local governing authority or political subdivision.

2 ~~(16)~~(20) "Plumbing contractor" means any person who installs, maintains,  
3 and repairs potable and nonpotable tap water or sewer systems ~~within~~ **for** a building  
4 structure or residential structure, **including service lines**, for which the project value  
5 is ten thousand dollars or more.

6 ~~(17)~~(21) "Principal" means an owner, shareholder, or an officer or director  
7 of a corporation; a member or manager of a limited liability company; a general  
8 partner of a partnership; a sole proprietor; a trustee; or a full-time employee with  
9 similar operational control or significant influence with respect to any person as  
10 determined by the board.

11 ~~(18)~~(22) "Qualifying party" means a natural person designated by the  
12 contractor to represent the contractor for the purpose of complying with the  
13 provisions of this Chapter including but not limited to meeting the requirements for  
14 the initial license and any continuation thereof.

15 ~~(19)~~(23)(a) "Residential contractor" means any person who constructs a fixed  
16 building or structure for sale or use by another as a residence or who, for a price,  
17 commission, fee, wage, or other compensation, undertakes or offers to undertake the  
18 construction or superintending of the construction of any residential structure which  
19 is not more than three floors in height, to be used by another as a residence, for  
20 which the project value is fifty thousand dollars or more. The term "residential  
21 contractor" includes all persons who receive an additional fee for the employment  
22 or direction of labor, or any other work beyond the normal architectural or  
23 engineering services.

24 (b) "Residential contractor" includes both of the following:

25 (i) Any person bidding or performing home improvement for which the  
26 project value is seven thousand five hundred dollars or more.

27 (ii) Any person performing the installation of a modular home with a value  
28 equal to or greater than fifty thousand dollars for which the total project value shall  
29 not include the cost of the component parts of the modular home in the condition

1 each part leaves the factory pursuant to R.S. 40:1730.71.

2 (c) "Residential contractor" does not include any person engaged in building  
3 residential structures that are built to the United States Department of Housing and  
4 Urban Development's construction standards for manufactured housing as outlined  
5 at 42 U.S.C. 5401 et seq., or mounted on a metal chassis and wheels.

6 ~~(20)~~**(24)** "Residential roofing" means the construction, alteration, repair,  
7 improvement, demolition, putting up, tearing down, furnishing labor, or furnishing  
8 labor together with materials or equipment, or the installation of materials or  
9 equipment for any phase of roofing specific to a residential structure for which the  
10 project value is seven thousand five hundred dollars or more. **For the purposes of**  
11 **residential roofing only, any structure or building that is primarily used as a**  
12 **residence with no more than four separate dwellings incorporated into one**  
13 **structure shall be considered a residential roofing project and subject to the**  
14 **same licensure requirements.**

15 ~~(21)~~**(25)** "Residential roofing contractor" means any person who undertakes  
16 to, attempts to, or submits a price or bid, or offers to construct, supervise,  
17 superintend, oversee, direct, perform, or in any manner assume charge of a  
18 residential roofing project for which the project value is seven thousand five hundred  
19 dollars or more.

20 ~~(22)~~**(26)** "Residential structure" means a building or structure that is used  
21 primarily for occupancy by a person as a residence. Such structures or buildings  
22 include but are not limited to single family dwellings and duplexes which are not  
23 more than three floors in height and structures that are part of or adjacent to the  
24 building or structures to be used as a residence. A residential structure more than  
25 three floors in height may be built by a person holding a building construction and  
26 residential construction license.

27 ~~(23)~~**(27)** "Subcontract" means an agreement to perform a portion of the scope  
28 of work contained in the principal contract including the entire cost of labor and  
29 materials of that part of the principal contract which is performed by the

1 subcontractor.

2 ~~(24)~~(28)(a) "Subcontractor" means a person who contracts to perform a scope  
3 of work that is a part of the scope of work contained in the principal contract.

4 (b) "Subcontractor" does not include any person, supplier, or manufacturer  
5 who assembles, repairs, maintains, moves, puts up, tears down, or disassembles any  
6 patented or proprietary equipment supplied by such person to a contractor to be used  
7 solely by the contractor for a construction undertaking.

8 \* \* \*

9 §2152. Domicile; officers

10 A. \* \* \*

11 (2) Meetings of the board shall be subject to the Open Meetings Law. ~~The~~  
12 ~~board may hold regular or special meetings outside of Baton Rouge at a location~~  
13 ~~within the state after proper notice has been provided to the public. Meetings outside~~  
14 ~~of Baton Rouge shall be held at a meeting space located in a public building and~~  
15 ~~open to the public for the purposes of the meeting. At least a majority of the regular~~  
16 ~~monthly meetings of the board each year shall be held in Baton Rouge.~~

17 **(3) Except as otherwise provided by law, all meetings of the board shall**  
18 **be conducted in accordance with Robert's Rules of Order.**

19 \* \* \*

20 §2155. Residential Contractors Subcommittee; membership; terms; powers; duties

21 \* \* \*

22 G. Subject to the approval of the board, the residential subcommittee has all  
23 of the following powers and duties:

24 \* \* \*

25 (3) To prescribe and adopt regulations and policies for continuing education.  
26 However, notwithstanding any other law to the contrary, the residential  
27 subcommittee shall not approve for use by licensees any continuing education  
28 courses or written training programs provided by **a member of the board or** a  
29 member of the residential subcommittee or legal entity in which he has a controlling

1 interest.

2 \* \* \*

3 (6)(a) If the board receives a complaint that is based on a license or rule  
4 violation, no proceeding may be instituted after five years from the date of the  
5 act or omission. This period may be interrupted by the filing of procedural  
6 motions or suspended as provided in this Paragraph.

7 (b) The time period provided in this Paragraph shall be suspended  
8 during the pendency of a legal action involving the licensee as a party or witness  
9 if the complaint arises from the same facts giving rise to the legal action or  
10 arises from the licensee's activities in the legal action.

11 (c) Notwithstanding the provisions of this Paragraph, in the event the  
12 board finds that the public health, safety, or welfare imperatively requires  
13 emergency action, the board may take emergency action and issue a summary  
14 suspension in accordance with R.S. 49:977.3(C). For the purposes of this  
15 Paragraph, "legal action" includes litigation, arbitration, mediation, an  
16 administrative proceeding, or any other disciplinary proceeding.

17 (7) The board shall use special counsel to conduct disciplinary  
18 proceedings and prosecute violations at regular or special meetings whenever  
19 deemed necessary and shall also use special hearing officers at the board's  
20 discretion. These proceedings shall be in accordance with R.S. 49:975 et seq.  
21 The provisions of this Paragraph shall not limit the special counsel to only  
22 matters of a disciplinary proceeding provided the board's general counsel shall  
23 not prosecute cases.

24 §2156. Applications; licenses; fees; renewals

25 A. \* \* \*

26 (3) Failure to meet all requirements of licensure shall result in denial of  
27 the application of an applicant or any principal. An applicant may appeal the  
28 denial in the following order:

29 (a) An applicant shall first appeal the denial to the board upon request

1 at the next regular meeting of the board.

2 (b) Following the final decision of the board pursuant to Subparagraph  
3 (a) of this Paragraph, an applicant may appeal the final decision of the board  
4 to the Nineteenth Judicial District Court.

5 \* \* \*

6 K. \* \* \*

7 (3) Any and all funds collected pursuant to this Subsection shall be disbursed  
8 to the accredited public university or community college schools of construction  
9 management or construction technology by October first of each year upon  
10 completion of the annual audit of the board, less a two percent administrative fee  
11 to be retained by the board. The funds shall be used by the accredited public  
12 university or community college schools of construction management or construction  
13 technology solely for the benefit of their program and the expenditure of such funds  
14 shall be approved by the industry advisory council or board for the program. The  
15 funds collected pursuant to this Subsection shall be in addition to any other monies  
16 received by such schools and are intended to supplement and not replace, displace,  
17 or supplant any other funds received from the state or from any other source. Any  
18 school of construction management or construction technology that experiences a  
19 decrease in the funding appropriated to them by the accredited public university or  
20 community college as determined by the industry advisory council or board for the  
21 program shall be ineligible for participation under the provisions of this Subsection,  
22 and the monies from the fund for such school of construction management or  
23 construction technology shall be redistributed on a pro rata basis to all other  
24 accredited and eligible schools.

25 \* \* \*

26 M. No license shall be issued to any domestic or foreign entity required to be  
27 registered with the secretary of state which does not hold a certificate of authority  
28 to do business in this state and is in good standing.

29 N. Except for the licenses, fees, and assessments authorized by this Chapter,

1 and except for the occupational license taxes authorized by the constitution and laws  
 2 of this state, and except for permit fees charged by parishes and municipalities for  
 3 inspection purposes, and except for licenses required by parishes and municipalities  
 4 for the purpose of determining the competency of mechanical, electrical, or  
 5 plumbing contractors, ~~or both, and electrical contractors~~, no contractor shall be liable  
 6 for any fee or license as a condition of engaging in the contracting business.

7 §2156.1. Requirements for issuance of a license

8 \* \* \*

9 B.(1) An applicant and a qualifying party for a license or registration shall  
 10 be a United States citizen or legal resident of the United States. An applicant  
 11 shall submit a financial statement on a form supplied by the board, current to within  
 12 twelve months of the date of filing the application, prepared and signed by an  
 13 accountant, bookkeeper, or certified public accountant and signed by the applicant,  
 14 attesting the statement is true and correct. In lieu of a signature by a certified public  
 15 accountant on the board's form, a current financial statement prepared by a certified  
 16 public accountant may be attached.

17 \* \* \*

18 D. Notwithstanding any other provision of law to the contrary, criminal  
 19 background information in the possession of the State Licensing Board for  
 20 Contractors shall be confidential and shall not be disclosed to any person  
 21 outside of the agency, except as necessary for action on the application of the  
 22 applicant. However, any such record may be released to the public in an  
 23 administrative proceeding before the board, and any final determination made  
 24 by the board relative to the fitness of any person to receive or to continue to  
 25 hold a license issued by the board and any legal ground upon which such  
 26 determination is based shall be a public record as provided by R.S. 44:4(51).  
 27 The provisions of this Subsection shall not to be construed to interfere or limit  
 28 the jurisdiction and oversight of the Louisiana Legislative Auditor or the  
 29 Louisiana State Inspector General.



1 (2) An inactive licensee shall follow the same renewal requirements as an  
2 active licensee as provided in this Chapter, including the payment of fees, with the  
3 exception of the submission of current insurance certificates.

4 (3) An inactive licensee shall be required to fulfill all prescribed continuing  
5 education requirements established for active licensees.

6 (4) A licensee may request transfer from inactive status to active status at any  
7 time, if:

8 (a) The inactive license has been renewed as provided for in this Section.

9 (b) The inactive license is current at the time the request is received by the  
10 board.

11 (c) The licensee submits the required insurance certificates as provided in  
12 Subsection E of this Section.

13 ~~G.H.~~ Before a license is issued, a mold remediation license applicant shall  
14 be required to furnish evidence to the board that he has satisfactorily completed at  
15 least twenty-four hours of training in mold remediation and basic mold assessment.

16 ~~H.(1)~~**I.(1)** Mechanical, plumbing, and electrical contractors licensed pursuant  
17 to the provisions of this Section are excluded from local, municipal, or parish  
18 regulatory authority examination procedures and may bid and perform work within  
19 any local jurisdiction upon paying all appropriate fees.

20 (2) The purpose of this Subsection is to preempt local, municipal, or parish  
21 regulatory examination authority for statewide-licensed mechanical, plumbing, or  
22 electrical contractors bidding and performing work in multiple jurisdictions. The  
23 preemption shall further exclude the employees of statewide-licensed electrical and  
24 mechanical contractors from local, municipal, or parish regulatory examination or  
25 certification authority as a condition to performing work for the statewide-licensed  
26 electrical or mechanical contractor.

27 ~~I.(1)~~**J.(1)** Any plumbing contractor who currently holds a Master Plumber  
28 License from the State Plumbing Board of Louisiana shall be exempt from any trade  
29 examination requirement.

1 (2) Nothing in this Section shall be construed to permit plumbing contractors  
2 to perform plumbing work without first complying with the licensure provisions of  
3 Chapter 16 of this Title, R.S. 37:1361 et seq.

4 ~~J.K.~~ The board may consolidate, add, or remove subclassifications or  
5 specialties by rule as it deems appropriate.

6 §2156.2. Requirements of a licensee; record keeping; duty to report

7 \* \* \*

8 B. A licensee shall have a continuing duty to provide written notification to  
9 the board within thirty calendar days of both of the following:

10 \* \* \*

11 (2) Any criminal, civil, or administrative actions instituted or pending in any  
12 jurisdiction against or involving the licensee, **qualifying party**, or any principal of  
13 the licensee.

14 \* \* \*

15 §2156.4. Residential roofing

16 \* \* \*

17 **D. For purposes of residential roofing only, any structure or building**  
18 **used as a residence and containing no more than four separate dwelling units**  
19 **with a single structure shall be considered a residential roofing project and shall**  
20 **be subject to the same licensure requirements.**

21 \* \* \*

22 §2157. Exemptions

23 A. The provisions of this Part shall not apply to any of the following:

24 \* \* \*

25 (15) The following persons are exempt from home improvement licensure:

26 \* \* \*

27 (b) Persons licensed as a ~~building construction contractor~~ or residential  
28 contractor.

29 \* \* \*

1 (17) Any person performing work as a subcontractor for a residential  
2 construction license holder, except for electrical, mechanical, plumbing, mold  
3 remediation, **water wells**, asbestos, or hazardous materials scopes of work. **The**  
4 **subcontractor shall contract directly with the residential license holder.**

5 ~~(18) Any person performing home improvement work for a building~~  
6 ~~construction license holder, except for electrical, mechanical, plumbing, mold~~  
7 ~~remediation, asbestos, or hazardous material scopes of work.~~

8 ~~(19) Electrical, mechanical, and plumbing licensees who are acting~~  
9 ~~exclusively within the scope of their classification.~~

10 \* \* \*

11 §2158. Revocation and suspension of licenses; issuance of cease and desist orders;  
12 debarment; violations; penalty; criminal penalty

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

19 \* \* \*

20 **(24) Failure to comply with the provisions of the Louisiana Underground**  
21 **Utilities and Facilities Damage Prevention Law, R.S. 40:1749.11 et seq.**

22 **(25) Damaging or altering the property of any person with the intent to**  
23 **induce that person to enter into a contract.**

24 **(26) Failure to pay for materials or services rendered in connection with**  
25 **operating as a contractor when the contractor has received sufficient funds as**  
26 **payment for the construction work, project, or operation for which the services**  
27 **or materials were rendered or purchased.**

28 **(27) Making a material misrepresentation of fact in any application for**  
29 **a permit required by state, municipal, or parochial law.**

1 \* \* \*

2 C. In the event of a revocation of a license or a qualifying party status, the  
 3 person or qualifying party shall be ineligible to apply for a license or qualifying party  
 4 status for three years following the revocation. Any person applying for a license,  
 5 or qualifying party status after expiration of the three years following the  
 6 revocation, shall appear before the board for approval of the issuance of a  
 7 license or qualifying party status.

8 \* \* \*

9 E. ~~Any party to the proceeding who is aggrieved by the action of the board~~  
 10 ~~may appeal the decision in accordance with the Administrative Procedure Act, R.S.~~  
 11 ~~49:950 et seq.~~ Any party aggrieved by a final decision or order of the board in  
 12 an adjudication proceeding may appeal the action of the board by filing a  
 13 petition within thirty days of the final decision or order in the Nineteenth  
 14 Judicial District Court. Upon request by the aggrieved party for a stay of  
 15 enforcement or effect of the board's order pending review, the aggrieved party's  
 16 request for stay shall be set by the court for hearing with no less than ten days  
 17 prior written notice to the board or the attorney representing the board. After  
 18 hearing the request for stay, the court shall determine whether to stay the final  
 19 order or decision of the board pending review of the appeal. Upon making its  
 20 determination, the court shall then enter an order accordingly.

21 \* \* \*

22 G.(1) All documents and records of any applicant or licensee and all  
 23 investigative material regarding any alleged violations or violations of any  
 24 licensee shall be exempt from production under the Public Records Laws,  
 25 pursuant to R.S. 44:1 et seq., except when introduced as evidence in an  
 26 administrative hearing held by the board.

27 (2) The board's staff shall produce and publish the names, addresses,  
 28 contact information, and license information of all current licensees.

29 \* \* \*

1 §2159.1. Contracting; prohibited acts; property insurance

2 A. The following acts are prohibited by persons performing contracting  
3 services:

4 (1) Interpreting insurance policy provisions regarding coverage or duties  
5 under an insured's property insurance policy or advertising or soliciting such  
6 services. A contractor shall be considered to have violated the provisions of this  
7 Paragraph if a person working on behalf of the contractor including but not limited  
8 to a compensated employee or a nonemployee who is compensated by the contractor  
9 violates the provisions of this Paragraph.

10 (2) Adjusting a property insurance claim on behalf of an insured as a public  
11 adjuster, as defined in R.S. 22:1692, or advertising or soliciting such services. A  
12 contractor shall be considered to have violated the provisions of this Paragraph if a  
13 person working on behalf of the contractor, including but not limited to a  
14 compensated employee or a nonemployee who is compensated by the contractor,  
15 violates the provisions of this Paragraph.

16 (3) Providing an insured with an agreement authorizing **remediation**, repairs,  
17 or construction ~~without~~ **prior to and without first** providing a good faith estimate  
18 of the itemized and detailed costs of services and materials for **remediation**, repairs,  
19 **or construction to be** undertaken pursuant to ~~a~~ **an insured** property damage claim.

20 A contractor shall be considered to have violated the provisions of this Paragraph if  
21 a person working on behalf of the contractor including but not limited to a  
22 compensated employee or a nonemployee who is compensated by the contractor  
23 violates the provisions of this Paragraph. A contractor does not violate this Paragraph  
24 if, as a result of the insurer adjusting a claim, the actual cost of repairs differs from  
25 the initial estimate.

26 (4) Sharing in any legal fee earned by an attorney.

27 (5) Requiring an insured to sign an attorney representation agreement on  
28 behalf of an attorney.

29 (6) Accepting a fee, commission, or other valuable consideration, regardless

1 of form or amount, in exchange for a referral by the person or company to an  
2 attorney or law firm.

3 (7) Advertising or soliciting as insurance claims specialists.

4 (8) Advertising or soliciting as providing any insurance claim or policy  
5 interpretation related services to an insured.

6 (9) Assignment of benefits.

7 B. For the purposes of this Section, "assignment agreement" means any  
8 instrument by which post-loss benefits under a residential or commercial  
9 property insurance policy, including but not limited to any right of action  
10 against the insurer or any proceeds acquired from the insurer, are assigned,  
11 transferred, or otherwise acquired, in whole or in part, to or from a person  
12 providing services, including but not limited to inspecting, protecting, repairing,  
13 restoring, or replacing the property or mitigating against further damage to the  
14 property.

15 C.(1) No person shall solicit or accept an assignment, in whole or in part,  
16 of any post-loss insurance benefit under a residential or commercial property  
17 insurance policy. Any such assignment agreement shall be against public policy  
18 and void.

19 (2) The provisions of Paragraph (1) of this Subsection shall not apply to  
20 any of the following:

21 (a) An assignment, transfer, pledge, or conveyance granted to a federally  
22 insured financial institution, mortgagee, or subsequent purchaser of the  
23 property.

24 (b) Liability coverage under a residential or commercial property  
25 insurance policy.

26 D. Any violation of Subsection C of this Section shall constitute an unfair  
27 or deceptive trade practice and subject the violator to any action and penalty  
28 pursuant to R.S. 22:1969.

29 E. The provisions of Civil Code Article 2652 shall not apply to this



1 determining the amount of the administrative ~~penalty costs~~, the board or residential  
 2 subcommittee shall consider **the efforts expended by the board's staff in**  
 3 **investigating and prosecuting the violation**, the circumstances and seriousness of  
 4 the violation, cooperation on the part of the contractor, and the history of previous  
 5 violations.

6 B. A monetary penalty assessed by the board or the residential subcommittee  
 7 is payable within ninety days or as provided by law. Failure to pay an outstanding  
 8 penalty may be cause to deny issuance or renewal of a license or registration **or**  
 9 **suspension of license** and may be subject to collection efforts as provided by law.

10 \* \* \*

11 I. All fines or penalties, **except for a four percent administrative fee**,  
 12 collected by the board pursuant to the provisions of this Section for violations of any  
 13 provision of this Chapter shall, annually, at each audit of the board, be transferred  
 14 to a separate contractor's educational trust fund to be used for educational purposes  
 15 as determined by the trustees of the fund. The Construction Education Trust Fund  
 16 shall make an audited financial report to the board annually.

17 \* \* \*

18 **L. A licensee shall maintain a current email address on file with the**  
 19 **board for purposes of receiving all board correspondence, including but not**  
 20 **limited to notices, actions, and requests for information. Such correspondence**  
 21 **shall be considered received upon receipt of an email delivery confirmation by**  
 22 **the board.**

23 Section 2. R.S. 37:2157(A)(19) is hereby repealed.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Present law provides relative to the State Licensing Board for Contractors (board) and the regulation of contractors.

Present law establishes time limitations for professional and occupational boards and commissions to initiate disciplinary proceedings and exempts specified boards and professions from these provisions.

Proposed law retains present law and adds the State Licensing Board for Contractors and the State Uniform Construction Code Commission to the list of entities exempt from the time limitations on disciplinary proceedings.

Present law provides for definitions.

Proposed law retains present law and defines the terms "commercial construction", "dwelling unit", "manufactured home" and "manufactured housing", and "modular home" and "modular housing".

Present law provides that board meetings shall be subject to the Open Meetings Law and allows the board to hold meetings outside of Baton Rouge at a location within the state, in a public building and open to the public. At least a majority of the regular monthly meetings of the board each year shall be held in Baton Rouge.

Proposed law retains present law, except removes the ability to have meetings outside of Baton Rouge and provides that all meetings of the board shall be conducted in accordance with Robert's Rules of Order.

Present law provides for powers and duties of the residential subcommittee, approving any continuing education courses or written training programs for use by licensees that are provided by a member of the residential subcommittee or legal entity in which the member has a controlling interest.

Proposed law retains present law and further prohibits approving any continuing education courses or written training programs for use by licensees that are provided by a board member.

Proposed law establishes a five-year limitation period for disciplinary proceedings based on a license or rule violation, authorizes emergency action and summary suspension when necessary to protect public health, safety, or welfare, and requires the board to utilize a special counsel and, at its discretion, special hearing officers to conduct and prosecute disciplinary proceedings in accordance with the Administrative Procedure Act, while prohibiting the board's general counsel from prosecuting cases.

Present law require licenses to be issued by the board upon application and satisfaction of all requirements, and prohibits applications from any state or local governmental entity or any entity owned or controlled by any state or local governing body.

Proposed law retains present law and provides that a failure to meet licensure requirements results in denial of the application and establishes an appeal process that requires the applicant to first appeal to the board at its next regular meeting, and thereafter permitting appeal of the board's final decision to the 19th Judicial District Court.

Present law requires that certain funds collected from license renewal fees, be distributed annually to accredited public university or community college construction management or construction technology programs after completion of the boards annual audit.

Proposed law retains present law, except allows the board to retain 2% of the funds as an administrative fee.

Present law prohibits a contractor from paying any additional fees or obtaining any additional license, except for licenses, fees, assessments, occupational license taxes, local inspection permit fees, and certain parish or municipal competency licenses for mechanical

or plumbing contractors.

Proposed law retains present law and adds electrical contractors to the exemption.

Present law requires an applicant for a contractor's license or registration to submit a financial statement on a form supplied by the board, dated within 12 months of the application, prepared and signed by an accountant, bookkeeper, or certified public accountant, or in lieu thereof a current financial statement prepared by a certified accountant, and signed by the applicant attesting to its accuracy.

Proposed law retains present law and provides that a qualified party submit a financial statement and requires the applicant and qualified party be a citizen or legal resident of the U.S.

Proposed law provides that criminal background information held by the board is confidential and not subject to disclosure, except as necessary for application review. Provides that the records may be disclosed in administrative proceedings and that final licensing determinations and their legal basis are considered public records. Further provides that confidentiality provisions in proposed law shall not limit the jurisdiction or oversight of the Louisiana Legislative Auditor or the Louisiana State Inspector General.

Present law requires an applicant for licensure to designate a qualifying party for each classification and for the business law requirement.

Proposed law retains present law and further requires the board to be notified within 30 days of the disassociation from the qualifying party designated in the application. Provides for the designation of a new qualifying party within 60 days.

Present law requires applicants for residential construction, related subclassifications, mold remediation, and home improvement licenses to prove proof of workers' compensation coverage and at least \$100,000 in liability insurance or equivalent liability protection through an authorized liability trust fund.

Proposed law retains present law except increases the amount of liability insurance from \$100,000 to \$500,000.

Proposed law requires that proof of insurance containing certain information be submitted by the applicant's insurance agent, broker, or insurer. Provides that the coverage be for a minimum of six months and include all scopes of work for which the applicant is licensed and requires the policy to list the board as a certificate holder.

Present law requires a licensee to provide written notification to the board within 30 days of any criminal, civil, or administrative actions instituted or pending in any jurisdiction against or involving the licensee or any principal of the license.

Proposed law retains present law and further requires any qualifying party to provide written notification to the board within 30 days of any criminal, civil, or administrative actions.

Proposed law provides that, for purposes of residential roofing, a structure containing no more than four dwelling units is classified as a residential roofing project and is subject to applicable licensure requirements.

Present law exempts persons performing home improvement work and persons licensed as a building construction contractor or residential contractor from home improvement licensure.

Proposed law retains present law exemption for residential contractors and removes exemption for building construction contractors from home improvement licensure.

Present law provides that persons performing work as subcontractors for a residential construction license holder are subject to licensure requirements, except for those performing electrical, mechanical, plumbing, mold remediation, asbestos, or hazardous materials work.

Proposed law adds water well work to the list of subcontractor activities exempt from licensure requirements and requires that subcontractors contract directly with the residential license holder.

Present law allows the board and residential subcommittee to revoke, suspend, or refuse to renew a license, issue cease and desist orders to stop work, issue fines and penalties, or debar any person licensed pursuant to the provision of present law for specific reasons.

Proposed law retains present law and authorizes the board and residential subcommittee to revoke, suspend, or refuse to renew a license, issue cease and desist orders to stop work, issue fines and penalties, or debar any person licensed for failing to comply with underground utility damage prevention laws, intentional property damage to induce a contract, failure to pay for materials or services after receiving sufficient funds, and material misrepresentations in permit applications.

Present law provides that a licensee or qualifying party applying for a license or status after the three years shall be ineligible to apply for a license or qualifying party status for three years following a revocation of a license or a qualifying party status.

Present law provides that any aggrieved party may appeal a decision of the board in accordance with the Administrative Procedure Act.

Proposed law provides that any aggrieved party may appeal a final decision or order of the board by filing a petition in the 19th Judicial District Court within thirty days and establishes procedures for requesting and obtaining a stay of the board's decision pending judicial review.

Proposed law retains present law and requires a licensee or qualifying party to appear before the board for approval of the issuance of a license or status.

Proposed law exempts all documents, records, and investigative material of any applicant or licensee regarding an alleged violation or violations from production under the Public Records Law, except for evidence in an administrative hearing.

Present law prohibits a contractor from entering into an agreement to perform repairs or construction without providing a good faith estimate of itemized and detailed costs of services and materials for repairs undertaken to a property damage claim. Further provides that contractors are responsible for violations committed by employees or other persons working on the contractor's behalf. Provides that a contractor is not in violation of present law if the final repair costs differ from the initial estimate due to the insurer's adjustment of the claim.

Proposed law retains present law except prohibits a contractor from entering into an agreement to perform remediation prior to and without first providing a good faith estimate of itemized and detailed costs of services and materials for repairs undertaken to a property damage claim.

Present law prohibits contractors from engaging in certain activities related to property insurance claims, including interpreting insurance policies, acting as or soliciting as public adjusters, failing to provide good faith estimates, sharing legal fees, requiring attorney representation agreements, accepting referral compensation for attorneys, and advertising or soliciting insurance-related claim services.

Proposed law retains present law and adds assignment of benefits as a prohibited act and defines "assignment agreement".

Proposed law provides that investigative records, documents, and evidence of the board are confidential and not subject to disclosure or subpoena until the investigation is complete and adjudicated, restricts testimony of board personnel regarding ongoing investigations, and clarifies that such provisions do not limit oversight by the legislative auditor or inspector general.

Present law provides that any person who violates present law is subject to a fine of up to 10 percent of the total contract amount or the value of the work involved in the violation. Allows the board to assess administrative costs and attorney fees for each offense. Further, provides that in determining the penalty and costs, the board or residential subcommittee must consider the seriousness of the violation, the contractor's cooperation, and the contractor's prior violation history.

Proposed law retains present law and requires the board or residential subcommittee to consider the staff's investigative and enforcement efforts in determining the penalty and costs. Further provides that for violations where a value cannot be determined, the board may impose a fine of up to \$10,000 per violation and may assess administrative costs and attorney fees.

Present law provides that monetary penalties assessed by the board or residential subcommittee shall be paid within 90 days. Further provides that failure to pay may result in denial of issuance or renewal of a license or registration and may be subject to lawful collection efforts.

Proposed law retains present law and adds that failure to pay may result in suspension of license.

Present law requires all fines and penalties collected by the board for violations of present law be transferred annually, following the boards audit, to the Construction Educational Trust Fund.

Proposed law retains present law, except allows the board to retain four percent of the fines and penalties collected as an administrative fee.

Proposed law requires licensees to maintain a current email address with the board and provides that board correspondence is considered received upon email delivery confirmation.

Effective August 1, 2026.

(Amends R.S. 37:2150.1(3)-(24), 2152(A)(2), 2155(G)(3), 2156(K)(3), (M), and (N), 2156.1(B)(1) and (D) through (J), 2156.2(B)(2), 2157(A)(15)(b), (17), and (18), 2158(C) and (E), 2159.1, and 2164(A), (B), and (I); adds R.S. 37:21(B)(12) and (13), 2150.1(25)-(28), 2152(A)(3), 2155(G)(6) and (7), 2156(A)(3), 2156.1(K), 2156.4(D), 2158(A)(24)-(27) and (G), 2163.1, and 2164(L); repeals R.S. 37:2157(A)(19))

#### Summary of Amendments Adopted by Senate

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

1. Exclude the State Licensing Board for Contractors (board) and the State Uniform Construction Code Commission from limitations on disciplinary proceedings.
2. Expand the definition of "mechanical contractor", "residential contractor",

and "residential roofing".

3. Require all board meetings be conducted in accordance with Robert's Rules of Order.
4. Establish a five-year limitation period for initiating disciplinary actions based on license or rule violations.
5. Authorize emergency suspensions under certain circumstances.
6. Require the board use a special counsel for disciplinary proceedings.
7. Establish an appeal process directly to the board and then to the 19th Judicial District Court.
8. Make criminal background information confidential and preserve oversight by the La. Legislative Auditor and the La. Inspector General.
9. Require insurance policies to list the board as a certificate holder and clarifies that coverage shall last at least six months and include all licensed scope of work.
10. Provide that residential roofing includes structures used primarily as residences with up to four dwelling units.
11. Reduce the administration fee the board retains for license renewals from 4% to 2%.
12. Exempt water well scope of work from licensure under certain situations and clarifies that subcontractors are required to be in direct contract with a residential license holder.
13. Add violations subject to disciplinary action.
14. Establish a 30-day appeal to the 19th Judicial District Court.
15. Prohibit assignment of benefits by persons performing contracting services.
16. Provide for unfair trade practice subject to penalties for soliciting or accepting an assignment agreement.
17. Make investigative records confidential and limit subpoenas during pending investigation.
18. Add a \$10,000 maximum fine when the violation value cannot be determined.
19. Make technical changes.