
DIGEST

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SB 326 Reengrossed

2026 Regular Session

Abraham

Present law provides relative to the State Licensing Bd. 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 Bd. for Contractors and the La. 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", "mega project", 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 requires 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 permits appeal of the board's final decision, within 30 days of receiving final notice or order from the board, 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 board's 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 to 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 either a licensee engaged as a general contractor on a mega project, or an owner acting on an exemption as a general contractor on a mega project, shall notify the State Licensing Bd. for Contractors in accordance with all of the following:

- (1) Within 60 days of signing a contract with a property owner for a mega project, submit to the board a copy of the contract and a tentative listing of subcontractors or subcontractor opportunities anticipated on the project.
- (2) Annually submit a detailed listing of subcontractors engaged to work on the mega project.

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 30 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 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 board's 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.

(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)-(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)-(29), 2152(A)(3), 2155(G)(6) and (7), 2156(A)(3), 2156.1(K), 2156.2(C), 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. Excludes the State Licensing Board for Contractors (board) and the State Uniform Construction Code Commission from limitations on disciplinary proceedings.
2. Expands the definition of "mechanical contractor", "residential contractor", and "residential roofing".
3. Requires all board meetings be conducted in accordance with Robert's Rules of Order.
4. Establishes a five-year limitation period for initiating disciplinary actions based on license or rule violations.
5. Authorizes emergency suspensions under certain circumstances.
6. Requires the board use a special counsel for disciplinary proceedings.
7. Establishes an appeal process directly to the board and then to the 19th Judicial District Court.
8. Makes criminal background information confidential and preserve oversight by the La. Legislative Auditor and the La. Inspector General.
9. Requires 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. Provides that residential roofing includes structures used primarily as residences with up to four dwelling units.
11. Reduces the administration fee the board retains for license renewals from 4% to 2%.
12. Exempts 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. Adds violations subject to disciplinary action.
14. Establishes a 30-day appeal to the 19th Judicial District Court.
15. Prohibits assignment of benefits by persons performing contracting services.
16. Provides for unfair trade practice subject to penalties for soliciting or accepting an assignment agreement.
17. Makes investigative records confidential and limit subpoenas during pending investigation.
18. Adds a \$10,000 maximum fine when the violation value cannot be determined.
19. Makes technical changes.

Senate Floor Amendments to engrossed bill

1. Establishes a 30-day appeal to the 19th Judicial District Court for the denial of an application.

2. Makes technical changes.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the reengrossed bill:

1. Make technical changes.
2. Add definition for "mega project".
3. Provide that a licensee engaged as a general contractor on a mega project, or an owner acting on an exemption as a general contractor on a mega project, shall notify the La. State Licensing Board for Contractors as follows:
 - (a) Within 60 days of signing a contract with a property owner for a mega project, submit to the board a copy of the contract and a tentative listing of subcontractors or subcontractor opportunities anticipated on the project.
 - (b) Annually submit a detailed listing of subcontractors engaged to work on the mega project.
4. Amend the provision regarding what is considered a residential roofing project, from any structure or building used as a residence and containing no more than 4 separate dwelling units with a single structure to any structure or building used as a residence and containing no more than 4 units within a single structure.
5. Amend provision regarding a method for determining administrative penalties, from providing relative to administrative penalties to providing relative to administrative costs.