
 DIGEST

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SB 398 Reengrossed

2026 Regular Session

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Present law provides relative to manufactured, modular housing, new manufactured, and modular home warranties.

Present law provides for terms and definitions.

Proposed law adds definitions for "extraordinary circumstances", "factory-built housing dealer", "factory-built housing developer", "manufactured home" or "manufactured housing", "manufactured housing code", "manufacturer", "mobile home", "modular home" or "modular housing", "modular housing code", "residential subcommittee", "salesman", "seal" or "label", and "transporter" and otherwise retains present law.

Present law establishes the Residential Contractors Subcommittee (residential subcommittee), within the State Licensing Bd. for Contractors (board), consisting of five members. Three members appointed by the governor from a list of names submitted by the La. Homebuilders Association, one member from the 1st congressional district, one member from the 2nd congressional district, one member from the 3rd congressional district, one member representing the 4th and 5th congressional districts, and one member representing the 6th congressional district.

Proposed law increases the membership of the residential subcommittee from five members to nine members, provides that members may have been actively engaged in the manufactured and modular housing industry, and provides that the membership shall consist of three members appointed by the governor from a list of names submitted by the La. Homebuilders Association, three members appointed by the governor from a list of names submitted by the La. Manufactured Housing Association, one member appointed by the governor to represent each congressional district and two at-large members appointed by the governor.

Present law provides relative to the La. Manufactured Housing Commission (commission).

Proposed law removes present law provisions relative to the commission and transfers the commission's powers and duties to the Residential Contractors Subcommittee (residential subcommittee) of the State Licensing Bd. for Contractors (board).

Proposed law provides for the issuance of manufacturer, factory-built housing dealer, and factory-built housing developer licenses by the residential subcommittee and certain requirements and restrictions on those licenses, an application process, background checks, expiration and renewal of a license, continuing education, and insurance requirements.

Proposed law provides that the residential subcommittee shall impose and collect the following schedule of fees:

(1)	Original manufacturer's license	\$250.00
(2)	Manufacturer's renewal license	\$250.00
(3)	Original retailer's license	\$150.00
(4)	Factory-built housing dealer's renewal license	\$150.00
(5)	Original salesman's license	\$50.00
(6)	Salesman's renewal license	\$50.00

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| (7) | Transfer of salesman's license | \$5.00 |
| (8) | Factory-built housing dealer's branch office license | \$75.00 |
| (9) | Factory-built housing developer's original or renewal license | \$150.00 |

Proposed law establishes the Residential Subcommittee Manufactured Housing Dedicated Fund Account within the state treasury. Requires the fees imposed and collected by the residential subcommittee to be deposited into the account. Provides for the appropriation of the monies in the account to the office of the governor for the activities of the residential subcommittee in the implementation and enforcement of proposed law.

Proposed law provides relative to enforcement powers of the residential subcommittee, designation by out-of-state licensees of agents for service of process, venue for suit by the residential subcommittee, suspension or revocation of licenses, and penalties for violations.

Present law provides that the provisions of the State Uniform Construction Code shall not conflict with federal standards by the United States Department of Housing and Urban Development (HUD) governing manufactured housing construction, or with state law governing manufactured housing installation and that services, renovation, repair, or warranty work performed on manufactured housing are also governed by federal HUD standards under the jurisdiction of the commission.

Proposed law defines "builder", "building standards", "home", "initial purchaser", "major structural defect", and "owner".

Proposed law provides relative to warranties by builders of manufactured or modular housing to owners, and exclusions from those warranties.

Proposed law provides for written notice to the residential subcommittee regarding defective homes by the owner seeking relief.

Proposed law provides relative to minimum standards for installation of manufactured and modular homes, and defines "frame tie" or "tie down", "ground anchor", "ground level", "installation permit", "installation permit sticker", "over-roof tie", "setup" or "installation", "stabilizer device", and "transporter".

Proposed law provides for installation and setup standards and procedures and permitting requirements relative to manufactured or modular homes.

Proposed law provides relative to licensing requirements for installers of manufactured and modular housing.

Proposed law provides relative to violations by installers and penalties for violations.

Present law extends the exemption for manufactured housing to related accessory structures, including driveways, steps, decks, and similar work, but excludes additional living areas or other types of heated and cooled spaces outside the original footprint of the manufactured home.

Proposed law retains present law except deletes the reference to services, renovation, repair, or warranty work performed on manufactured housing being under the jurisdiction of the commission and removes the exemption for manufactured housing as it relates to accessory structures.

Proposed law requires municipalities and parishes to inspect the installation and setup of manufactured and modular homes within their jurisdiction.

Proposed law requires inspections to be conducted by a certified building code enforcement officer or certified third-party provider using federal HUD construction standards.

Proposed law requires all disputes regarding interpretation of federal or state construction standards be resolved by the residential subcommittee, whose decision is final and binding.

Proposed law requires the residential subcommittee to offer educational courses on federal HUD construction and installation standards for certification purposes.

Proposed law allows local governments to charge a reasonable inspection fee and permits licensees to hire a certified third-party provider to conduct installation inspections.

Effective January 1, 2027.

(Amends R.S. 37:2150.1 and 2155(A), and R.S. 40:1730.23(B); Adds R.S. 37:2176-2176.18, 2177.1-2177.10, 2177.21-2177.30; Repeals R.S. 51:911.21-911.47 and 912.1-912.53)

Summary of Amendments Adopted by Senate

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

1. Establishes mandatory background checks and expands the board's authority to deny a license for cause, lack of business location, or violations of law.
2. Establishes a one-year expiration deadline after which a license is no longer eligible for renewal and requires the applicant to reapply for a new license after the one year expiration deadline.
3. Removes the provision that allows an unlicensed salesman to operate under supervision of a licensed person while the salesman license application is pending.
4. Increases the required bond from \$50,000 to \$250,000 and adds that the bond requirement is for consumer protection.
5. Increases the required general liability insurance coverage for dealers, developers, transporters, and installers from \$100,000 to \$500,000.
6. Removes the authority of the residential subcommittee to inspect installations of manufactured and modular homes for compliance with state and federal standards.
7. Authorizes the use of an arbitration or mediation process prior to formal hearings and allows the residential subcommittee to defer its authority to third party arbitrators or mediators.
8. Requires out-of-state licensees to appoint a registered agent for service of process.
9. Removes provision authorizing a private right of action and limits venue for all proceedings to the 19th Judicial District Court.
10. Changes references to the terms "residential subcommittee" and "state fire marshal" with the terms "board" and "executive director of the board".
11. Provides for an effective date of January 1, 2027.
12. Makes technical changes.

Senate Floor Amendments to engrossed bill

1. Make 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. Amend definition of "factory-built housing developer" to include contractors and dealers as defined in proposed law.
3. Amend requirements for membership in the residential subcommittee to allow inclusion of members of the manufactured and modular home industry.
4. Amend retroactivity date regarding staggering of renewal of licenses and collection of licensing fees from January 1, 1992, to January 1, 2020.
5. Amend provisions relative to residential subcommittee hearings process to remove references to arbitration, and provide that the subcommittee may use third-party mediation to conduct such hearings.
6. Amend powers granted to residential subcommittee to provide that the subcommittee may take action against persons who violate proposed law and not only licensees in violation.
7. Amend provision relative to inspection fees to provide that those fees shall be set by rule promulgation.
8. Amend definition of "builder" to include both dealers and developers.
9. Add provision clarifying that any additional damage caused by actions of a homeowner or home occupant prohibiting timely repair work is the responsibility of that homeowner or that occupant.
10. Amend provision relative to inspection fees charged by local government entities to provide that these fees shall be based upon the formula or schedule used for site-built residential housing.

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

1. Establish the Residential Subcommittee Manufactured Housing Dedicated Fund Account and provide for the deposit, use, and investment of the monies in the account.
2. Make technical changes.