## 2019 Regular Session

# **ACT No. 371**

HOUSE BILL NO. 273

### BY REPRESENTATIVE CARMODY

1	AN ACT
2	To amend and reenact R.S. 37:2150.1(2), (4)(a), (8), (10), and (11), 2151, 2152, 2154, 2155,
3	2156(A), (C)(1) and (2), (D), and (G), 2156.1(A)(introductory paragraph), (B)
4	through (M), 2156.2(A)(I)(29) and (II)(1), 2157, 2158(A)(introductory paragraph),
5	(1) through (5), (9), and (11), (B), (D), and (E), 2159(A) through (C), 2162(A)
6	through (E) and (I) through (L), 2163(C) and (D), 2167(A), (B)(3), (C), and (D), and
7	2186(B)(3) and (C), to enact R.S. 37:2158(A)(12), and to repeal R.S.37:2156.1(N),
8	2156.2(A)(IX), 2162(M), 2163(E), and 2167(E), relative to contractors; to provide
9	for the State Licensing Board for Contractors; to provide for members and officers
10	of the board; to provide for meeting notice; to provide with respect to licensing
11	requirements; to remove obsolete provisions and antiquated language; to make
12	technical changes; to provide definitions; and to provide for related matters.
13	Be it enacted by the Legislature of Louisiana:
14	Section 1. R.S. 37:2150.1(2), (4)(a), (8), (10), and (11), 2151, 2152, 2154, 2155,
15	2156(A), (C)(1) and (2), (D), and (G), 2156.1(A)(introductory paragraph), (B) through (M),
16	2156.2(A)(I)(29) and (II)(1), 2157, 2158(A)(introductory paragraph), (1) through (5), (9),
17	and (11), (B), (D), and (E), 2159(A) through (C), 2162(A) through (E) and (I) through (L),
18	2163(C) and (D), 2167(A), (B)(3), (C), and (D), and 2186(B)(3) and (C) are hereby amended
19	and reenacted and R.S. 37:2158(A)(12) is hereby enacted to read as follows:

§2150.1.	Definitions

As used in this Chapter	the following wo	ords and phrases sha	ll be defined as
follows:			

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(2) "Commercial purposes" means any construction project other than residential homes, a single residential duplex, a single residential triplex, or a single residential fourplex. A construction project consisting of residential homes where the contractor has a single contract for the construction of more than two homes within the same subdivision shall be deemed a commercial undertaking except residential structures with no more than four incorporated or attached dwelling units.

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(4)(a) "Contractor" means any person who undertakes to, attempts to, or submits a price or bid or offers to construct, supervise, superintend, oversee, direct, or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down, or furnishing labor, or furnishing labor together with material or equipment, or installing the same for any building, highway, road, railroad, sewer, grading, excavation, pipeline, public utility structure, project development, housing, or housing development, improvement, or any other construction undertaking for which the entire cost of same is fifty thousand dollars or more when such the property is to be used for commercial purposes other than a single residential duplex, a single residential triplex, or a single residential fourplex. A construction project which consists of construction of more than two single residential homes, or more than one single residential duplex, triplex, or fourplex, shall be deemed to be a commercial undertaking.

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(8) "Home improvement contractor" means any person, including a contractor or subcontractor, who undertakes or attempts to <u>undertake</u> or submits a price or bid on any home improvement contracting project.

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(10) "Qualifying party" means a natural person designated by the contractor to represent the contractor for the purpose of complying with the provisions of this Chapter including without limitation meeting the requirements for the initial license and/or and any continuation thereof.

(11) "Residential building contractor" means any corporation, partnership, or individual who constructs a fixed building or structure for sale for use by another as a residence or who, for a price, commission, fee, wage, or other compensation, undertakes or offers to undertake the construction or superintending of the construction of any building or structure, with no more than four incorporated or attached dwelling units, which is not more than three floors in height, to be used by another as a residence, when the cost of the undertaking exceeds seventy-five thousand dollars. The term "residential building contractor" includes all contractors, subcontractors, architects, and engineers who receive an additional fee for the employment or direction of labor, or any other work beyond the normal architectural or engineering services. "Residential building contractor" also means any person performing home improvement contracting as provided for in Paragraph (7) (9) of this Section when the cost of the undertaking exceeds seventy-five thousand dollars. It shall not include the manufactured housing industry or those persons engaged in building residential structures that are mounted on metal chassis and wheels.

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§2151. State licensing board for contractors; membership; qualifications; tenure; vacancies

A. There is hereby created the State Licensing Board for Contractors within the office of the governor that shall consist of nineteen members appointed by the governor as hereinafter set forth and who shall serve without compensation and shall possess the following qualifications governor. The members shall serve without compensation.

(1) Each member shall be of full age of majority and shall have been a resident of the state of Louisiana for the last five successive years.

1	(2) All members (2) Each member shall have been actively engaged as a
2	responsible contractor in the construction classification that they represent he
3	represents for the five-year period prior to their his appointment as a board member,
4	except for any member appointed pursuant to Paragraph (8) of this Subsection
5	Paragraph (B)(6) of this Section if he represents the public at large.
6	(3) There shall be at least one board member from each congressional district
7	in the state of Louisiana.
8	B. The members shall be selected and appointed as follows:
9	(3)(1) At least four members shall have had the greater part of their
10	experience as a licensed contractor in the field of highway and street construction.
11	Three members shall be appointed from a list of six names submitted by the
12	Louisiana Associated General Contractors. One member shall be appointed from a
13	list of three names submitted by the Louisiana Asphalt Pavement Association.
14	(4)(2) At least six members shall have had the greater part of their
15	experience as a licensed contractor in the fields of building or industrial construction,
16	or both fields. Two members shall be appointed from a list of four names submitted
17	by the Louisiana Associated General Contractors. Four members shall be appointed
18	from a list of eight names submitted by the Associated Builders and Contractors of
19	Louisiana.
20	(5)(3) At least one member shall have had the greater part of his experience
21	as a licensed contractor in the field of mechanical construction, and shall be
22	appointed from a list of three names submitted by the Mechanical Contractors
23	Association of Louisiana.
24	(6)(4) At least one member shall have had the greater part of his experience
25	as a licensed contractor in the field of electrical construction, and shall be appointed
26	from a list of three names submitted by the Louisiana Council of the National
27	Electrical Contractors Association.
28	(7)(5) At least two members shall have had the greater part of their

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experience as a subcontractor in the construction industry in fields other than

1 electrical or mechanical construction, and shall be appointed from a list of four 2 names submitted by the American Subcontractors Association of Louisiana. 3 (8)(6) At least three members shall be from and represent the public at large 4 and shall not earn their livelihood in a construction-related industry. 5 (9)(7) At least one member shall have had the greater experience as a 6 licensed contractor in the field of oil field construction, and shall be appointed from 7 a list of three names submitted by the Louisiana Oilfield Contractors Association. 8 (10) There shall be at least one board member from each congressional 9 district in the state of Louisiana. 10 (11)(8) There shall be one member from the National Association for the 11 Advancement of Colored People. 12 B.C. All vacancies that shall occur shall be filled within ninety days of the 13 vacancy, by appointment of the governor within the classification of area and 14 qualification where the vacancy shall occur. 15 C.D. On and after January 1, 1996, the members Members shall serve terms 16 of six years; however, initially four members shall serve terms of two years, four 17 members shall serve terms of four years, and four members shall serve terms of six 18 years. 19 §2152. Initial appointments; oaths; panel of names; domicile; officer; Domicile; 20 officers; bond 21 A. Each member of the board shall serve at the pleasure of the governor. 22 Each appointment by the governor shall be submitted to the Senate for confirmation. 23 Each member shall take and file with the secretary of state the constitutional oath of 24 office before entering upon the discharge of his duties. Any member appointed to 25 fill a vacancy occurring prior to the expiration of the term of his predecessor shall 26 be appointed for the remainder of the unexpired term from among residents of the same congressional district as that of the member whose office was vacated. 27 28 However, if there are no qualified applicants from the congressional district of the member whose office was vacated, the governor shall appoint a qualified applicant 29

from any congressional district to fill the vacancy. In making the appointments

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provided for in this Section, the governor shall appoint at least one person who is nominated by the National Association for the Advancement of Colored People, and at least one person who is nominated by the Louisiana Business League.

- (1) Original appointments to the board and appointments to fill vacancies by reason of the expiration of the term for which appointed or by reason of death, resignation, or otherwise, to fill that qualification of board membership who is experienced in the field of highway and street construction, shall be made by the governor as follows:
- (a) The board of directors of the Louisiana Associated General Contractors, Inc. shall submit a list of not less than ten names, by certification of its president and secretary, to the secretary of state at the state capitol within fifteen days from the effective date of this Section. Annually between June first and June thirtieth, the organization shall be authorized to make a new certification to the secretary of state; however, after one certificate is made, the list originally submitted shall be included on the panel hereinafter established by the secretary of state until changed by the group submitting the same. It shall be the duty of the secretary of state to compile a panel of names so submitted and to keep same on file in his office as a public record for use as contemplated herein.
- (b) From this list of names, the governor shall appoint the board member or board members to fill that class of board members who are experienced in the field of highway and street construction.
- (2) Original appointments to the board and appointment to fill any vacancies that may occur to fill that qualification of board membership who is experienced in the field of building construction shall be made by the governor as follows:
- (a)(I) The Board of Directors of the Louisiana A.G.C., Inc., shall submit a list of not less than ten names by certification of its president and secretary to the secretary of state at the state capitol within fifteen days from September 9, 1988.
- (ii) Annually between June first and June thirtieth, the organization shall be authorized to make new certification to the secretary of state; provided that after one certification is made, the list originally submitted shall be included on the panel

hereinafter established by the secretary of state until changed by the group

submitting the same.

iii) It shall be the duty of the secretary of state to compile a panel of names

so submitted and to keep same on file in his office as a public record for use as

contemplated herein.

- (b)(i) The board of directors of the Louisiana Associated General Contractors Inc., shall submit a list of not less than ten names by certification of its president and secretary to the secretary of state at the state capitol within fifteen days from September 9, 1988.
- (ii) Annually between June first and June thirtieth, the organization shall be authorized to make new certification to the secretary of state; provided that after one certification is made, the list originally submitted shall be included on the panel hereinafter established by the secretary of state until changed by the group submitting the same.
- (iii) It shall be the duty of the secretary of state to compile a panel of names so submitted and to keep same on file in his office as public record for use as contemplated herein.
- (c)(i) The board of directors of the Louisiana Associated Builders and Contractors, Inc., shall submit a list of no less than ten names certified by its president and secretary to the secretary of state at the state capitol within fifteen days from September 9, 1988.
- (ii) Annually between June first and June thirtieth, the organization shall be authorized to make new certification to the secretary of state; provided that after one certification is made, the list originally submitted shall be included on the panel hereinafter established by the secretary of state until changed by the group submitting the same.
- (iii) It shall be the duty of the secretary of state to compile a panel of names so submitted and to keep same on file in his office as public record for use as contemplated herein.

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(d) The governor shall appoint one board member from the list submitted pursuant to Subparagraph (a) of this Paragraph, one board member from the list submitted pursuant to Subparagraph (b) of this Paragraph, and four board members from the list submitted pursuant to Subparagraph (c) of this Paragraph, to fill that class of board members who are experienced in the fields of building or industrial construction, or both. (3) Original appointments to the board and appointments to fill any vacancies that may occur by reason of expiration of the term for which appointed or by reason of death, resignation, or otherwise in the office of the member required to

- be experienced in the field of mechanical construction shall be made by the governor as follows:
- (a) The president and secretary of the Mechanical Contractors Association of Louisiana, Inc. shall submit a list of not less than three names by certification to the secretary of state at the state capitol annually between June first and June thirtieth. It shall be the duty of the secretary of state to compile a panel of the names so submitted and to keep same on file in his office as a public record for use as contemplated herein.
- (b) From this list of names the governor shall appoint the board member to fill that class of board member who is required to be experienced in the field of mechanical construction.
- (4) Original appointments to the board and appointments to fill any vacancies that may occur by reason of expiration of term for which appointed or reason of death, resignation, or otherwise in the office of the member required to be experienced in the field of the electrical construction shall be made by the governor as follows:
- (a) The board of directors of the Louisiana Council of the National Electrical Contractors Association, Inc., acting through that organization's duly elected president, shall submit a list of not less than three names by certification to the secretary of state at the state capitol annually between June first and June thirtieth. It shall be the duty of the secretary of state to compile a panel of names so submitted

and to keep same on file in his office as a public record for use as contemplated herein.

(b) From this list of names the governor shall appoint the board member to fill that class of board member who is required to be experienced in the field of electrical construction.

- (5) Original appointments to the board and appointments to fill any vacancies that may occur by reason of expiration of the term for which appointed or by reason of death, resignation, or otherwise in the office of the members the greater part of whose experience is required to be as a licensed subcontractor in a field other than electrical or mechanical construction shall be made by the governor as follows:
- (a) The presidents and secretaries of the chartered American Subcontractors Associations of the state of Louisiana shall submit a list of not less than three names by certification to the secretary of state at the State Capitol within fifteen days from July 26, 1976. Annually thereafter, between June 1 and June 30, that organization shall certify a new list to the secretary of state provided, however, that after one certification is made, the list originally submitted shall be included on the panel hereinafter required to be established by the secretary until changed by the associations submitting the same. It shall be the duty of the secretary of state to compile a panel of the names so submitted and to keep same on file in his office as a public record for use as contemplated herein.
- (b) From this list of names the governor shall appoint the two board members who are required to be experienced as licensed subcontractors in a field other than electrical or mechanical construction.
- (6) Original appointments to the board and appointments to fill any vacancies that may occur by reason of expiration of the term for which appointed or by reason of death, resignation, or otherwise in the office of the member the greater part of whose experience is required to be a licensed contractor in the field of oil field construction shall be made by the governor as follows:
- (a) The board of directors of the Louisiana Oil Field Contractors

  Association, Inc. shall submit a list of not less than ten names by certification to the

Annually thereafter, between June 1st and June 30th, that organization shall certify a new list to the secretary of state provided, however, after one certificate is made, the list originally submitted shall be included on the panel hereinafter established by the secretary of state until changed by the group submitting the same. It shall be the duty of the secretary of state to compile a panel of names so submitted and to keep same on file in his office as a public record for use as contemplated herein.

- (b) From the list of names, the governor shall appoint the board member to fill that class of board members who is required to be experienced as a licensed contractor in the field of oil field construction.
- (7) Original appointments to the board and appointments to fill any vacancy that may occur by reason of expiration of the term for which appointed or by reason of death, resignation, or otherwise in the office of the member the greater part of whose experience is required to be a licensed contractor in the field of highway and street construction and whose experience is in the field of asphalt pavement shall be made by the governor as follows:
- (a) The Board of Directors of the Louisiana Asphalt Pavement Association, Inc. shall submit a list of not less than three names for certification to the secretary of state at the capitol within fifteen days from January 1, 1992. Annually thereafter, between June first and June thirtieth, that organization shall certify two new lists to the secretary of state provided, however, after the certification is made, the list originally submitted shall be included in the panel hereinafter established by the secretary of state until changed by the group submitting the same. It shall be the duty of the secretary of state to compile a panel of names so submitting the same. It shall be the duty of the secretary of state to compile a panel of names so submitted and to keep same on file in his office as a public record for use as contemplated herein.
- (b) From the list of names, the governor shall appoint the board member to fill that class of board member who is required to be experienced as a licensed contractor in the field of highway and street construction.

1	(8) Appointments to the board, both original and to fill any vacancy which
2	may occur, in the offices of the members whose qualifications are provided for in
3	R.S. 37:2151(A)(8) shall be made by the governor at his discretion.
4	B.(1)(a) If at any time appointment is to be made to fill a vacancy and the
5	panel of names kept by the secretary of state does not contain names of qualified and
6	recommended persons from which the appointment is to be made, the appointment
7	shall be delayed for a period of fifteen days.
8	(b) The secretary of state shall contact the organization concerned which
9	shall submit, within ten days after such notice, the names of qualified and
10	recommended persons to be included on the list from which the governor shall select
11	the board members to be appointed.
12	(2) A person shall be eligible for appointment as a member of the board only
13	if he holds an unexpired license as a contractor under the provisions of this Chapter;
14	however, this provision shall not apply to the person pursuant to R.S. 37:2151(A)(8)
15	if he represents the public at large.
16	(3) After the board shall have qualified, it A.(1) The board shall meet in the
17	city of Baton Rouge which place is hereby fixed as the domicile of the board.
18	(2) Meetings of the board shall be subject to the Open Meetings Law. The
19	board may hold regular or special meetings outside of Baton Rouge at a location
20	within the state after proper notice has been provided to the public. Meetings outside
21	of Baton Rouge shall be held at a meeting space located in a public building and
22	open to the public for the purposes of the meeting. At least a majority of the regular
23	monthly meetings of the board each year shall be held in Baton Rouge.
24	(4)(a) B.(1) The governor shall designate one member of the board to serve
25	as chairman.
26	(b)(2) The members shall, by a majority vote, designate a member to serve
27	as vice chairman, a member to serve as secretary, and a member to serve as
28	secretary-treasurer treasurer.
29	(c)C. The secretary-treasurer treasurer and any administrative employee who
30	shall handle the funds of the board shall furnish bond, in such amount as is fixed by

the board, of a surety company qualified to do and doing business in the state of Louisiana. The bond shall be conditioned upon the faithful performance of the duties of office and of the proper accounting of funds coming into his possession.

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§2154. Meetings; compensation; quorum; license application and issuance procedure

A.(1) The board shall have at least one regular meeting per month on dates and times designated by the chairman. Notice of such board meetings shall be posted on the board's official website and at the board office at least ten days prior to the date when the board is to meet. Further, any person desiring actual notice of the board meeting may request in writing that the board send notification through the United States mail at least ten days prior to the board meeting date.

the provisions of this Chapter at any time. Upon initial application, the license of a contractor domiciled in the state of Louisiana shall be issued after all requirements have been met and approved by the board at its next regularly scheduled meeting. Upon the initial application of a contractor domiciled outside of the state of Louisiana, except as provided herein, a period of at least sixty days must elapse between the date the application is filed and the license is issued unless waived by the board. The executive director shall compile a list of all applicants for licensure that are to be considered at a board meeting and mail such transmit the list to each board member at least ten days prior to the meeting. The executive director shall certify that the list contains only the names of applicants who have fulfilled all licensure requirements and the board shall only consider applications on such list:

- (a)(2) For purposes of this Paragraph Subsection a contractor shall be considered to be "domiciled in the state" if he is either of the following:
- (i)(a) An individual who has been a resident of the state of Louisiana for at least one year prior to his filing an application with the board of licensing.

(ii)(b) Any partnership, association, corporation, or other legal entity whose	e
majority interest is owned by and controlled by one or more residents of the state o	f
Louisiana.	

(b)(3) For purposes of this Paragraph Subsection "majority interest" shall be determined in either of the following ways:

(i)(a) In the case of corporations, on the basis of all stock, common and preferred, whether voting or nonvoting, and on the basis of all debentures, warrants, or other instruments convertible into common stock, preferred stock, or both.

(ii)(b) In the case of partnerships, on the basis of all capital accounts together with any and all capital advances, loans, and debentures, whether or not convertible into capital accounts.

#### (3) No application may be considered at special meetings of the board.

(4) No application may be considered from any state or local governmental body including, without limitation, any agency of any such state or local governmental body including any corporation or other entity owned, controlled, or owned and controlled by any such state or local governing body.

(5)C. All meetings of the board shall be held in the city of Baton Rouge, Louisiana, unless otherwise provided for in the bylaws of the board. Before a special meeting may be held, notice thereof stating the time, place, and purpose of said the meeting shall be sent by the chairman or vice chairman of the board by registered mail or telegram electronic means to the members thereof, addressed to their mailing addresses on file with of the board, at least three days before the date of the meeting. No board meeting shall be recessed from one calendar day to another.

B.D. Each member of the board shall be reimbursed when actually in attendance of a board meeting or when he is required to travel for the official authorized business of the board, not more than seventy-five dollars per day plus actual expenses and mileage to and from his domicile to the place of meeting at the same rate of reimbursement set by the division of administration for state employees under the provisions of R.S. 39:231.

C.E. Ten members of the board shall constitute a quorum, which shall be
sufficient for the board to conduct of business, regardless of the total number of
members appointed.

D:F. There shall be no voting by proxy. §2155. Books and records; evidence; reports

A. The secretary-treasurer treasurer shall be responsible for receiving and accounting for all money derived from the operation of this Chapter. He shall register all applicants for licenses, showing for each the date of application, the name, qualifications, place of business, place of residence, and whether license was granted or refused and the date on which such license was granted or refused.

B. The book and register of this board shall be prima facie evidence of all matters recorded therein; and a certified copy of such book or register, or any part thereof, attested by the secretary-treasurer, shall be received in evidence in all courts of this state in lieu of the original.

C. The secretary-treasurer thereof The board administrator shall keep a roster, showing the names and places of business of all licensed contractors, and shall file same with the secretary of state on or before the first day of March of each year. The roster shall be maintained and available on the board's official website.

D. The secretary-treasurer C. The secretary of the board shall keep full and complete minutes of each board meeting whether regular or special, including full information as to each application for license considered and the board's action thereon as well as all expenditures of the board that are approved. These board minutes shall be typed and attested to by the secretary-treasurer secretary and copies thereof shall be made available to each board member and to the public within a period of twenty-one days after the adjournment of said meeting upon adoption of the minutes at the next scheduled meeting of the board.

E.D. Within one hundred fifty days of the last day of each calendar year, a certified public accounting firm approved by the state official charged with the auditing of public records and accounts shall audit the financial records of the board

and submit the report of his audit to the legislative auditor and shall file a copy of his audit with the secretary of state to be attached to the report of the board on file.

§2156. Unexpired licenses; fees; renewals

A. Licenses and renewals issued <u>under pursuant to</u> the provisions of this Chapter shall expire on the anniversary of the date on which the license was originally issued. Licensees shall elect upon renewal one-, two-, or three-year license renewal terms, and licenses may be issued by the board on a multiple-year basis, not to exceed a three-year renewal term for any license. The license becomes invalid on the last day of the term for which it was issued unless renewed; however, after a license has expired, the person to whom <u>such the</u> license was issued shall have fifteen days following the expiration date to file an application for the renewal of <u>such the</u> license without the payment of a penalty and without further <u>examination</u>, and any <u>examination</u>. Any person who makes an application for the renewal of a license after fifteen days following the expiration date of the license may, at the discretion of the board, have his license renewed after paying the required license fees and <u>such a penalty</u>, not exceeding the sum of fifty dollars, that the board may impose. New applicants for licensing may elect upon application the renewal term of their license.

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- C.(1) To defray the cost of issuing licenses and of administering the provisions of this Chapter, the board shall fix reasonable fees to be assessed under pursuant to the provisions of this Chapter, and reasonable penalties to be assessed for late applications for renewal of licenses and other administrative infractions; however, the basic license fee shall be the sum of not more than one hundred dollars and the fee for additional classifications shall be such a lesser amount as set by the board.
- (2) The board shall have the authority to may assess an additional surcharge of no more than four hundred dollars in connection with the application for and issuance of a contractor's license to a contractor not domiciled in the state of Louisiana, to be utilized to defray the additional cost of the investigation of the

application of the non-Louisiana contractor, including references supplied by the contractor, work history supplied by the work contractor, and other pertinent information required by the board in connection with an application for a contractor's license.

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D. The licenses issued under <u>pursuant to</u> the provisions of this Chapter are not transferable.

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G. No license shall be issued for the subclassification of asbestos removal and abatement under the major classification of hazardous materials as provided in R.S. 37:2156.2(VIII) R.S. 37:2156.2(A)(VII) until the applicant furnishes satisfactory evidence that he or his qualifying party has received certification from the Department of Environmental Quality to perform asbestos removal and abatement work.

#### §2156.1. Requirements for issuance of a license

A. All persons who desire to To become licensed as a contractor, an applicant shall make application to the board on a form adopted by the board and shall state the classification of work the applicant desires to perform from a list of major classifications as follows:

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B. The board shall classify contractors according to the type or types of work or contracts which they may perform.

C.(1) The applicant shall furnish the board with a financial statement, current to within twelve months of the date of filing, prepared by an independent auditor accountant, bookkeeper, or certified public accountant and signed by the applicant and auditor before a notary public, stating that the statement of applicant's assets of the applicant, to be used by the board to determine the financial responsibility of the applicant to perform work on a construction undertaking, the entire cost of which is fifty thousand dollars or more. Such and financial condition is true and correct. The assets shall include a net worth of at least ten thousand dollars. An applicant without

the net worth required herein may furnish the board a bond, letter of credit, or other security acceptable to the board in the amount of such the net worth requirement plus the amount of the applicant's negative net worth if any, and the furnishing of such the bond, letter of credit, or other security shall be deemed satisfaction of such the net worth requirement for all purposes. The financial statement and any information contained therein, as well as any other financial information required to be submitted by a contractor, shall be confidential and not subject to the provisions of R.S. 44:1 through 37, inclusive. Nothing contained in this Subsection shall be construed to require a licensed contractor to provide a financial statement in connection with the renewal of an existing license 57.

#### (2) No financial statement is required for a license renewal.

D.(1) The applicant for licensure shall designate a qualifying party who shall be the legal representative for the contractor relative to the provisions of this Chapter. The designated qualifying party shall complete an application supplied by the board and pass any examination required by the board. The board may deny approval of the qualifying party for good cause, which may include the ability of the proposed principal owner or owners, principal shareholder or shareholders, or qualifying party to engage in the business of contracting as demonstrated by his prior contracting business experience. Evidence which may be considered by the board shall be limited to any legal proceedings against the qualifying party or businesses where the qualifying party was in a position of control at the time a problem arose and the ultimate disposition of such the proceedings, any financial history of bankruptcies, unpaid judgments, insolvencies, or any similar evidence. When the qualifying party terminates employment with the licensee, the board shall be notified in writing within thirty days of the disassociation and another qualifying party must qualify within sixty days. The qualifying party or parties are:

# (a) Any individual contractor or copartner Sole proprietor or spouse of a sole proprietor.

(b) Any employee of said an applicant who has been in full-time employment for one hundred twenty consecutive days immediately preceding the

application. Such <u>The</u> employee shall not <u>may</u> be allowed to be the qualifying party for more than one company and two subsidiaries the licensed company and related entities.

- (c) Any stockholder, officer, or incorporator of a corporation who was an original incorporator or original stockholder as shown in the articles of incorporation.
  - (d) Any partner of a partnership.

- (e) Any member or manager of a limited liability company.
- (2) Upon good showing, the board may waive the required examinations for any person exempt any qualifying party from the required examinations.
- (3) Upon the determination that a person has engaged in deceptive practices when taking or attempting to take any board examination, such the person shall be ineligible to serve as a qualifying party for a licensee for a period of one year.
- E. Notwithstanding any other law of this state to the contrary, a mechanical, plumbing, or electrical contractor may obtain a license to bid and perform work statewide provided such the contractor has successfully passed a standardized, nationally recognized, written examination which is administered or approved by the State Licensing Board for Contractors, which examination shall be a standardized, nationally recognized test.
- F.(1) Upon completion of the above, requirements for licensure and issuance of a state license for the classification of work for which the contractor desires to perform and contract, has applied; mechanical, plumbing, or electrical contractors licensed under pursuant to the provisions of this Section are excluded from local, municipal, or parish regulatory authority examination procedures and may bid and perform work within any local jurisdiction upon paying all appropriate fees.
- (2) The purpose of this Subsection is preemption of to preempt local, municipal, or parish regulatory examination authority for statewide-licensed mechanical, plumbing, or electrical contractors bidding and performing work in multiple jurisdictions. Furthermore, this This preemption shall further exclude the employees of statewide-licensed electrical and mechanical contractors from local,

municipal, or parish regulatory examination or certification authority as a condition to performing work for the statewide-licensed electrical or mechanical contractor.

G. The board shall prepare and maintain a list of local equivalent examinations. Each such local equivalent examination shall be a standardized, nationally recognized test similar to the Block test, which is administered by a local regulatory authority.

H: Any mechanical or electrical contractor who has, prior to July 1, 1985, successfully passed both a state licensing examination administered or approved by the board and a local licensing examination in the same license classification, and who has continuously held such state and local licenses since July 1, 1985, shall be exempted from any requirement herein for passage of an additional test in that license classification. A mechanical or electrical contractor shall make application to the board for such exemptions an exemption on a form prepared by the board. The board shall provide for a date by which application for exemption forms must be filed.

<u>H.H.</u> Any plumbing contractor who currently holds a state license shall be exempt from any requirement herein for passage of an additional examination in that license classification and may bid and perform plumbing work statewide after making application applying to the board for such an exemption on a form prepared by the board.

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

K.J. Each applicant shall pay all fees required for issuance of the license as provided for in this Chapter.

<u>L.K.</u> Upon completion of the above the requirements for licensure, the application shall be submitted to the board for review at its next regularly scheduled meeting.

M. The board shall waive the examination required and grant a mechanical contractor or an electrical contractor license to any person working in the electrical

1 or mechanical construction industry who meets at least one of the following 2 requirements: 3 (1) Holds either a mechanical or an electrical contractor's license which was 4 issued prior to July 1, 2008, by a local municipality after having passed an 5 examination administered or written by a national testing company approved by the 6 board. 7 (2) Submits five original building permits, issued within the last three years, 8 as proof that he has actually been engaged in either the mechanical or electrical 9 construction building industry prior to July 1, 2008. 10 (3) Has completed six mechanical or electrical construction projects within 11 the ten-year period prior to July 1, 2008, or has constructed one such project for 12 another person within the five-year period prior to July 1, 2008. 13 N.(1) Any L.(1) The examination requirement of this Chapter shall not apply 14 to any arborist who currently holds a valid state license issued pursuant to R.S. 15 3:3804 shall be exempt from any requirement herein for passage of an additional 16 examination in the landscaping, grading, and beautification subclassification and 17 subclassification. The arborist may bid and perform the arborist work described in 18 R.S. 3:3808(A)(1)(a), statewide, after making application applying to the board for 19 such an exemption on a form prepared by the board. 20 (2) Nothing in this Subsection shall be construed to permit arborists to 21 recommend or execute arborist work without first complying with the licensure 22 provisions of Chapter 24 of Title 3 of the Louisiana Revised Statutes of 1950, R.S. 23 3:3801 et seq. 24 M. The board may consolidate subclassifications or specialties by rule as it 25 deems appropriate. 26 §2156.2. Major categories; subclassifications; specialty classifications; requirements 27 for contractors holding major classification to perform mechanical, electric, 28 or plumbing work 29 A. Under each major category is a list of subclassifications that a specialty contractor may obtain, as follows: 30

1	I. Building construction
2	Subclassifications:
3	* * *
4	29. Driveways, parking areas, etc., asphalt and/or asphalt, and concrete,
5	exclusive of highway and street work
6	* * *
7	II. Highway, street, and bridge construction
8	Subclassifications:
9	1. Driveways, parking areas, etc., asphalt and/or asphalt, and concrete
10	* * *
11	§2157. Exemptions
12	A. There are excepted from the The provisions of this Chapter Part shall not
13	apply to any of the following:
14	(1) Any public utility providing gas, electric, or telephone service which is
15	subject to regulation by the Louisiana Public Service Commission or the council of
16	the city of New Orleans, or to any work performed by such the public utility in
17	furnishing its authorized service.
18	(2) Owners of property who supervise, superintend, oversee, direct, or in any
19	manner assume charge of the construction, alteration, repair, improvement,
20	movement, demolition, putting up, tearing down, or maintenance of any building,
21	railroad excavation, project, development, improvement, plan facility, or any other
22	construction undertaking, on such that property, for use by such the owner, and
23	which will not be for sale or rent, and the control of access to which shall be
24	controlled by the owner so that only employees and nonpublic invitees are allowed
25	access.
26	(3) Persons Any person donating labor and services for the supervision and
27	construction of or for the maintenance and repair of churches.
28	(4) Farmers Any farmer doing construction for agricultural purposes on
29	leased or owned land.

1	(5) Persons Any person bidding or performing work on any project totally
2	owned by the federal government.
3	(7) Persons (6) Any person engaged in the rail or pipeline industry with
4	respect to rail or pipeline construction activities performed on property owned or
5	<del>leased by such persons</del> he owns or leases.
6	(8) Citizens (7) Any citizen volunteering labor for the construction of a
7	project which is funded by the Louisiana Community Development Block Grant,
8	Louisiana Small Towns Environment Program.
9	(9) Persons, suppliers, manufacturers, or employees of such persons who
10	assemble, repair, maintain, move, put up, tear down, or disassemble (8) Any person,
1	supplier, or manufacturer, or the employee of the person, supplier, or manufacturer
12	who assembles, repairs, maintains, moves, puts up, tears down, or disassembles any
13	patented, proprietary, or patented and proprietary environmental equipment supplied
4	by such persons he supplies to a contractor to be used solely by the contractor for a
15	construction undertaking.
16	(10)(9) The manufactured housing industry or those persons any person
17	engaged in any type of service, warranty, repair, or home improvement work on
18	factory-built, residential dwellings that are mounted on chassis and wheels.
19	B. However, the provisions of this Chapter shall apply to any contractor
20	employed by persons exempted hereinabove. Further, nothing herein any party
21	exempted by this Section. The provisions of this Section shall not be construed to
22	waive local and state health and life safety code requirements.
23	§2158. Revocation, suspension, and renewal of licenses; issuance of cease and
24	desist orders; debarment; criminal penalty
25	A. The board may revoke any license issued hereunder, or suspend the right
26	of the licensee to use such license, or refuse to renew any such license, or revoke,
27	suspend, refuse to renew a license, issue cease and desist orders to stop work, or
28	debar any person or licensee, licensed pursuant to the provisions of this Chapter for
29	any of the following causes:

1	(1) Any dishonest or fraudulent act as a contractor which has caused
2	substantial damage to another, as adjudged by a court of competent jurisdiction.
3	(2) Willful misrepresentation of material fact by an applicant in obtaining
4	a license.
5	(3) Willful failure to comply with the provisions of this Chapter or the rules
6	and regulations promulgated pursuant thereto.
7	(4) Entering into a contract with an unlicensed contractor involving work or
8	activity for the performance of which a license is required under by this Chapter.
9	(5) Permitting the contractor's license to be used by another contractor when
10	the other contractor does not hold a license for the classification of work for which
11	the contract is entered.
12	* * *
13	(9) Problems relating to the ability of the contractor, its qualifying party, or
14	any of its principal owners or principal shareholders to engage in the business of
15	contracting, as demonstrated by their prior contracting business experience.
16	* * *
17	(11) Failing Failure to possess any insurance required by federal law.
18	(12) Failure to timely notify the board of any change in corporate name,
19	company name, address of the licensee, or any other contact information as required.
20	B.(1) In order to enforce the provisions of this Chapter, the board may
21	conduct hearings in accordance with the provisions of R.S. 49:951 et seq through
22	965.1. The board shall maintain and make available a record of all persons or
23	licensees who have been disqualified by any public entity pursuant to R.S.
24	38:2212(J) R.S. 39:1672. If any person or licensee has been disqualified more than
25	once in a twelve-month period, the board shall hold a debarment hearing.
26	(2) After the hearing, if the board rules that a person has violated any
27	provision of this Chapter, or that a person or licensee has been appropriately
28	disqualified more than once in a twelve-month period, in lieu of revoking or
29	suspending the license, the board may order said the person to immediately
30	discontinue immediately all work of every type and nature whatsoever on the

hearing, debar a person or licensee from bidding on projects for any public entity for up to three years, or both. Additionally, the board may require the licensee to pay the actual costs incurred by the board in connection with the investigation and conduction of to conduct the hearing. In accordance with R.S. 49:964, the board may grant a stay of the enforcement of its order for good cause.

(3) Any party to the proceeding who is aggrieved by the action of the board may appeal the decision in accordance with law R.S. 49:951 through 965.1.

\* \* \*

- D. Any contractor In accordance with the provisions of R.S. 49:951 through 965.1, any person who applies for and is denied a license by the board, or whose license has been revoked, rescinded, or suspended, may within six months after the action of the board denying, revoking, rescinding, or suspending the said license, apply to the Nineteenth Judicial District Court in and for the parish of East Baton Rouge, state of Louisiana, and there have determined to determine whether or not the board has abused its discretion and judgment in failing to abide by the intent of this Chapter, and have rendered such judgment as will do justice between the parties.
- E. In addition to actions taken by the board, it shall be unlawful for any person to engage in the business of contracting without authority as provided for in R.S. 37:2160.
- §2159. Classification; bidding and performing work within a classification
- A. The board before <u>Before</u> issuing a license to any contractor, <u>the board</u> shall state the contractor's classification on <u>such the</u> license, according to the classification requested by <u>said the</u> contractor and for which he has completed all of the requirements.
- B. After classification, the <u>The</u> licensee shall not be permitted to bid or perform any type or types of work not included in the classification under which his license was issued.
- C. After classification as above provided for, the <u>The</u> licensee may apply for and receive additions to or changes in his classification by making application

therefor applying, successfully completing the written examination, and paying the required fees. Additions or changes to an existing license shall become effective after completion of the above requirements; and upon board approval at the next regularly scheduled meeting.

\* \* \*

#### §2162. Violations; civil penalty

A. Any person who violates any provision of this Chapter shall, after notice and a hearing, be liable to the board for a fine of up to one thousand dollars plus ten percent of the total contract or the value of the work being performed for which there is a violation. In addition to the fine, the board may impose costs and attorney fees for each offense. If the board brings an action against a person pursuant to this Section and fails to prove its case, then it shall be liable to such the person for the payment of his reasonable litigation expenses as defined in R.S. 49:965.1(D)(1).

B. In addition to or in lieu of the criminal penalties and administrative sanctions provided in this Chapter, the board is empowered to may issue an order to cease and desist to any person or firm engaged in any activity, conduct, or practice constituting a violation of any provision of this Chapter, directing such person or firm to forthwith cease and desist from such activity, conduct, or practice. Such Chapter. The order shall be issued in the name of the state of Louisiana under the official seal of the board.

C. If the person or firm to whom the board directs a cease and desist order does not cease or desist the proscribed activity, conduct, or practice immediately, the board may cause to issue in any court of competent jurisdiction and proper venue, a writ of injunction enjoining such the person or firm from engaging in any activity, conduct, or practice prohibited by this Chapter.

D. Upon proper showing by the board that such a person or firm has engaged or is engaged in any activity, conduct, or practice prohibited by this Chapter, the courts shall issue a temporary restraining order restraining the person or firm from engaging in such the unlawful activity, conduct, or practice pending the hearing on a preliminary injunction, and in injunction. In due course, a permanent injunction

shall issue be issued after a hearing, commanding the cessation of the unlawful activity, conduct, or practice complained of, all without the necessity of the board having to give bond. A temporary restraining order, preliminary injunction, or permanent injunction issued hereunder pursuant to the provisions of this Section shall not be subject to being released upon bond.

E. In the suit for an injunction, the board may demand of the defendant a penalty as provided in Subsection A of this Section. A judgment for penalty, attorney fees, and costs may be rendered in the same judgment in which the injunction is made absolute. If the board brings an action against a person pursuant to the provisions of this Section and fails to prove its case, then it shall be liable to such the person for the payment of his attorney fees and costs.

\* \* \*

I. In addition to any other penalties provided for in this Chapter, the board may, after notice and hearing, issue an order directing the contractor to cease and desist all actions constituting a violation until such time as a contractor complies with the requirements of this Chapter, and to pay to the board a civil penalty of not more than ten percent of the total contract being performed.

J. All fines or penalties collected by the board pursuant to the provisions of this Section for violations of any provision of this Chapter shall, annually, at each audit of the board, be transferred to a separate contractor's educational trust fund to be used for educational purposes as determined by the board.

K.J. Upon the expiration of the delays set forth in the Administrative Procedure Act for an aggrieved party to appeal any fine or penalty assessed by the board, if such an appeal has not been so filed, the board may initiate civil proceedings against such the party seeking to obtain a judgment against that party in an amount equivalent to the amount of the fine so assessed, together with legal interest and all reasonable attorney fees incurred by the board in bringing such the action. Such The proceedings shall be conducted on a summary basis, with the only defenses that may be raised by the defendant being limited to any the defense of lack of notice having been afforded to him as to the meeting of the board during which

the fine was assessed. Venue for all proceedings brought pursuant to <u>the provisions</u>

<u>of</u> this Subsection shall lie in the Nineteenth Judicial District Court for the parish of

East Baton Rouge.

L.K. In addition to all other authority granted to the board under by the provisions of this Chapter, the board shall have the authority to cause to be issued to any person who is alleged to have violated any of the provisions of this Chapter a citation setting forth the nature of the alleged violation, and further providing which provides to that person the option of either pleading no contest to the charge and paying to the board a fine to the board prescribed by any provision of this Chapter or appearing at an administrative hearing to be conducted by the board as to regarding the alleged violation. Such The citations may be issued by any authorized employee of the board, and may be issued either in person or via the United States Postal Service, postage prepaid and properly addressed. This Subsection shall not be applicable to any criminal enforcement action brought under pursuant to the provisions of this Chapter.

M.L. Any person registered or licensed under <u>pursuant to</u> the provisions of this Chapter who is the subject of two or more complaints received by the board within a six month period shall have his name and the nature of each complaint received posted on the board's website.

§2163. Bid procedures; penalty

21 \* \* \*

C. Nothing in this Section shall be construed as prohibiting the issuance of plans and specifications to recognized plan rooms, or material suppliers, or both when said plans and specifications will be used only to prepare proposals which will be incorporated in the bid prepared by the contractor or the issuance of plans to the contractor except in connection with federal aid or other projects as set forth in R.S. 37:2157(A)(6).

D. It shall be the obligation of the <u>The</u> architect, engineer, or awarding authority to <u>shall</u> classify public projects. Once the project is classified, any interested person may object by sending a certified letter to both the board and to the

architect, engineer, or awarding authority. Said stating with particularity the reasons for the objection. The objection shall be received by the board and by the architect, engineer, or awarding authority at least ten working days prior to the date on which bids are to be opened. The objection shall state with particularity the reasons for the objection. The objection shall be and then submitted to a committee for determination. The chairman of the board shall appoint the committee which shall consist of board members. The committee shall have the power to may approve the project classification or add an additional classification by vote of a majority of the members of the committee. The matter shall be resolved and the board shall notify the architect, engineer, and awarding authority no less than five days prior to the time when bids are to be opened, unless all parties agree that a delay will not cause harm to others.

E.(1) D.(1) Any awarding authority or its agent who violates the provisions of this Section shall be deemed guilty of a misdemeanor and, upon conviction, be punished by a fine of not less than one hundred dollars or more than two hundred dollars or imprisonment in the parish jail for not less than thirty days nor more than sixty days, or both, such both. Any fine and imprisonment are at the discretion of the court.

(2) In addition, the board may, after notice and a hearing, impose a fine upon any awarding authority or its agent who intentionally violates the provisions of this Section. The board may not impose any fine as authorized by this Paragraph on the state, its agencies, boards, or commissions, or any political subdivision thereof.

\* \* \*

§2167. Licensure required; qualifications; examination; waivers

A. No person shall work as a residential building contractor, as defined in this Chapter, in this state unless he holds an active license in accordance with the provisions of this Chapter.

B. In order to obtain a license as a residential building contractor an applicant shall demonstrate to the subcommittee that he:

30 \* \* \*

1

(3) Has submitted a financial statement prepared by an independent auditor

2	accountant, bookkeeper, or certified public accountant and signed by the applican
3	and auditor before a notary public, indicating a net worth of at least ten thousand
4	dollars, and stating that the applicant has a net worth of at least ten thousand dollars
5	statement of the applicant's assets and financial condition is true and correct.
6	C. The State Licensing Board for Contractors shall set the time and location
7	and administer an examination for licensure of residential building contractors a
8	such times and places as it shall determine in accordance with the testing procedures
9	of the board. The examination shall test the applicant's knowledge of such subjects
10	as that the subcommittee may consider considers useful in determining to determine
11	the applicant's fitness to be a licensed residential building contractor. The
12	subcommittee shall determine the criteria for satisfactory performance.
13	D. The subcommittee shall waive the examination and grant a residential
14	building contractor's license to any person working in the residential building
15	industry who meets at least one of the following requirements:
16	(1) Holds holds a builder construction license that was issued by the State
17	Licensing Board for Contractors prior to February 1, 1996.
18	* * *
19	§2186. Qualifications for licensure; application; fees
20	* * *
21	B. An applicant for a license to perform mold remediation shall meet the
22	following requirements:
23	* * *
24	(3) Present evidence to the board that he has satisfactorily completed at leas
25	the following board-approved course work:
26	(a) Twenty-four twenty-four hours of training in mold remediation and basic
27	mold assessment.
28	(b) Four hours of instruction in Louisiana's "Unfair Trade Practices and
29	Consumer Protection Law".
30	* * *

1 C.(1) An applicant shall furnish the board with a financial statement, current 2 to within twelve months of the date of filing, prepared by an independent auditor 3 accountant, bookkeeper, or certified public accountant and signed by the applicant 4 and auditor before a notary public, stating the assets of the applicant, to be used by 5 the board to determine the financial responsibility of the applicant to perform mold 6 remediation services. Such that the statement of the applicant's assets and financial 7 condition is true and correct. 8 (2) The applicant's assets shall include a net worth of at least ten thousand 9 dollars. An applicant without the required net worth required herein may furnish the 10 board a bond, letter of credit, or other security acceptable to the board in the amount 11 of such the net worth requirement plus the amount of the applicant's negative net 12 worth, if any, and the furnishing of such any. The bond, letter of credit, or other 13 security shall be deemed satisfaction of such the net worth requirement for all 14 purposes. 15 16 Section 2. R.S. 37:2156.1(N), 2156.2(A)(IX), 2162(M), 2163(E), and 2167(E) are 17 hereby repealed in their entirety. SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE	
GOVERNOR OF THE STATE OF LOUISIANA	

APPROVED: