

2023 Regular Session

HOUSE BILL NO. 199

BY REPRESENTATIVES ROMERO AND DAVIS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CONTRACTORS: Provides relative to the State Licensing Board for Contractors

1 AN ACT

2 To amend and reenact R.S. 37:2150.1(4)(a)(ii) and (15), 2151(B)(5), 2155(G)(1), 2156.1(E),
3 2158(A)(15), and 2161(A)(2) and to repeal R.S. 37:2150.1(4)(a)(iii), (8), and (9),
4 2156(C)(5), 2157(A)(16), 2159, 2159.1, and 2161(A)(3), relative to the State
5 Licensing Board for Contractors; to provide for certain definitions; to provide for
6 board membership; to provide for the powers and duties of the residential contractors
7 subcommittee; to repeal definitions and the fee relative to home improvement; to
8 repeal certain home improvement contracting and construction licensure
9 requirements; to provide for the construction management licensure threshold for
10 residential construction projects; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 37:2150.1(4)(a)(ii) and (15), 2151(B)(5), 2155(G)(1), 2156.1(E),
13 2158(A)(15), and 2161(A)(2) are hereby amended and reenacted to read as follows:

14 §2150.1. Definitions

15 * * *

16 (4)(a) "Contractor" means any person who undertakes to, attempts to, or
17 submits a price or bid or offers to construct, supervise, superintend, oversee, direct,
18 or in any manner assume charge of the construction, alteration, repair, improvement,
19 movement, demolition, putting up, tearing down, furnishing labor, or furnishing

1 labor together with material or equipment, or installing material or equipment for any
2 of the following:

3 * * *

4 (ii) Any new residential structure, or renovation, repair, and maintenance of
5 an existing structure, where the entire cost is ~~seventy-five~~ fifty thousand dollars or
6 more when the property is used for residential purposes.

7 * * *

8 (15) "Residential contractor" means any person who constructs a fixed
9 building or structure for sale or use by another as a residence, constructs an
10 accessory building or out building adjacent to a structure intended to be used as a
11 residence, or who; performs renovation, repair, or maintenance of an existing
12 structure intended to be used for residential purposes for a price, commission, fee,
13 wage, or other compensation, undertakes or offers to undertake the construction or
14 superintending of the construction of any residential structure which is not more than
15 three floors in height, to be used by another as a residence, when the cost of the
16 undertaking equals or exceeds ~~seventy-five~~ fifty thousand dollars. The term
17 "residential contractor" includes all persons who receive an additional fee for the
18 employment or direction of labor, or any other work beyond the normal architectural
19 or engineering services. ~~"Residential contractor" also means any person performing~~
20 ~~home improvement contracting as provided for in this Section when the cost of the~~
21 ~~undertaking exceeds seventy-five thousand dollars.~~ It Residential contractor shall
22 not include the manufactured housing industry or those persons engaged in building
23 residential structures that are mounted on metal chassis and wheels.

24 * * *

25 §2151. State licensing board for contractors; membership; qualifications; tenure;
26 vacancies

27 * * *

28 B. The members shall be selected and appointed as follows:

29 * * *

1 in accordance with the provisions of this Chapter. The board and residential
2 subcommittee may revoke, suspend, or refuse to renew a license; issue cease and
3 desist orders to stop work; issue fines and penalties; or debar any person or licensee
4 licensed pursuant to the provisions of this Chapter for any of the following
5 violations:

6 * * *

7 (15) Failure of a contractor performing residential ~~or home improvement~~
8 construction in accordance with this Chapter to provide, in writing to the party with
9 whom he has contracted to perform contracting services, his name, contracting
10 license number, classification, and current insurance certificates evidencing the
11 amount of liability insurance maintained and proof of workers' compensation
12 coverage when requested by the contracting party for whom the work is to be
13 performed.

14 * * *

15 §2161. Construction management

16 A. Any person who performs, attempts to perform, or submits a price, bid,
17 or offer to perform work in construction management whose scope of authority and
18 responsibility include supervision, oversight, direction, or in any manner assumes
19 charge for the construction services provided to an owner by a contractor or
20 contractors, in which the value of the construction project is:

21 * * *

22 (2) In excess of ~~seventy-five~~ fifty thousand dollars for a residential
23 construction project, shall possess a license from the board in the classification of
24 residential construction.

25 * * *

26 Section 2. R.S. 37:2150.1(4)(a)(iii), (8), and (9), 2156(C)(5), 2157(A)(16), 2159,
27 2159.1, and 2161(A)(3) are hereby repealed in their entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 199 Original

2023 Regular Session

Romero

Abstract: Provides for certain residential contractor, construction, and construction management licenses and repeals certain home improvement provisions.

Present law (R.S. 37: 2150.1(4)(a)) defines "contractor" as 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, furnishing labor, or furnishing labor together with material or equipment, or installing material or equipment for:

- (1) 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 is \$50,000 or more when the property is to be used for commercial purposes.
- (2) Any new residential structure where the entire cost is \$75,000 or more when the property is used for residential purposes.
- (3) Any improvements or repairs where the entire cost exceeds \$7,500 to an existing residential structure.
- (4) Any mold remediation where the entire cost exceeds \$7,500.

Proposed law expands a contractor's installation of material or equipment from any new residential structure to also include the renovation, repair, and maintenance of an existing residential structure.

Proposed law lowers the licensing threshold for residential structures from \$75,000 to \$50,000.

Proposed law repeals the contractor classification for any improvements to an existing residential structure where the entire cost exceeds \$7,500.

Present law (R.S. 37:2150.1(8)) defines "home improvement contracting" as the reconstruction, alteration, renovation, repair, modernization, conversion, improvement, removal, or demolition, or the construction of an addition to any preexisting residential structure which building is used or designed to be used as a residence or dwelling unit, or to structures which are adjacent to such residence or building where the project value exceeds \$7,500 but is not greater than \$75,000. Present law further provides that home improvement contracting shall not include services rendered gratuitously.

Proposed law repeals present law.

Present law (R.S. 37: 2150.1(9)) defines "home improvement contractor" as any person who undertakes or attempts to undertake or submits a price or bid on any home improvement contracting project. Proposed law repeals present law.

Present law (R.S. 37:2150.1(15)) defines "residential contractor" as any person who constructs a fixed building or structure for sale or use by another as a residence. Present law also provides that "residential contractor" includes all persons who receive an additional fee

for the employment or direction of labor, or any other work beyond the normal architectural or engineering services.

Proposed law retains present law and adds that a residential contractor is a person who:

- (1) Constructs an accessory building or an out building adjacent to a structure intended to be used as residence.
- (2) Performs renovation, repair, or maintenance of an existing structure intended to be used for residential purposes.

Proposed law lowers the threshold for licensure of a residential contractor from a cost that exceeds \$75,000 to a cost that equals or exceeds \$50,000.

Present law further defines "residential contractor" as any person performing home improvement contracting when the cost exceeds \$75,000. Proposed law repeals present law.

Present law (R.S. 37:2151(B)(5)) provides that at least 2 members of the board shall be appointed from a list of 4 names submitted by the American Subcontractors Association of La., and the greater part of their subcontractor experience should be in fields other than electrical or mechanical construction.

Proposed law provides that 2 members shall instead be the House Commerce and Senate Commerce chairpersons or their designees.

Present law (R.S. 37:2155(G)(1)) provides that the residential subcommittee has the power and duty to regulate residential and home improvement contractors in the state.

Proposed law repeals the power and duty of the residential subcommittee to regulate home improvement in the state.

Present law (R.S. 37:2156(C)(5)) provides that the home improvement fee shall not exceed \$50.00 for the additional license classification. Proposed law repeals present law.

Present law (R.S. 37:2156.1(E)) provides the licensure of residential construction and home improvement construction. Proposed law repeals licensure for home improvement construction.

Present law (R.S. 37:2157(A)(16)) provides for certain home improvement contracting exemptions. Proposed law repeals present law.

Present law (R.S. 37:2158(A)(15)) provides that the board and residential subcommittee may revoke, suspend, or refuse to renew a license; issue cease and desist orders to stop work; issue fines and penalties; or debar any licensed person for failure of a contractor who performs residential or home improvement construction.

Proposed law retains present law with respect to residential construction but proposed law repeals present law with respect to home improvement construction.

Present law (R.S. 37:2159) provides that every agreement for any licensee to perform home improvement contracting services in an amount in excess of \$7,500, but no more than \$75,000, shall be in writing. Present law further provides that no work shall begin prior to the signing of the contract and transmittal to the owner of a copy of the contract.

Proposed law repeals present law.

Present law also provides that a home improvement contractor who fails to obtain a license shall not be entitled to file a statement of claim or a statement of lien or privilege with respect to monetary sums allegedly owed under any contract when the home improvement contractor is required to possess a home improvement license issued by the residential subcommittee.

Proposed law repeals present law.

Present law (R.S. 37:2159.1) prohibits persons performing home improvement contracting from engaging in the following:

- (1) Interpreting insurance policy provisions or advising an insured regarding coverage or duties under the insured's property insurance policy.
- (2) Adjusting a property insurance claim on behalf of an insured, unless the contractor holds a public adjuster license.
- (3) Providing an insured with an agreement authorizing repairs without providing a good faith estimate of the itemized and detailed cost of services and materials for repairs undertaken pursuant to a property damage claim.
- (4) Sharing in any legal fee earned by an attorney.
- (5) Requiring an insured to sign an attorney representation agreement on the attorney's behalf.
- (6) Accepting a fee, commission, or other valuable consideration in exchange for a referral to an attorney or law firm by the person.
- (7) Accepting an assignment of any rights, benefits, proceeds, or causes of action of an insured under a property insurance policy prior to completing the work described in the home improvement contract and prior to the property insurer conducting its initial examination of the damage caused by the covered peril.

Proposed law repeals present law.

Present law requires any person performing work in construction management in excess of \$75,000 for a residential construction project to possess a license.

Proposed law (R.S. 37:2161(A)(2)) lowers the residential construction licensure threshold from \$75,000 to \$50,000.

Present law (R.S. 37:2161(A)(3)) requires persons in construction management to possess a license when the construction project is in excess of \$7,500 for a home improvement project. Proposed law repeals present law.

(Amends R.S. 37:2150.1(4)(a)(ii) and (15), 2151(B)(5), 2155(G)(1), 2156.1(E), 2158(A)(15), and 2161(A)(2); Repeals R.S. 37:2150.1(4)(a)(iii), (8), and (9), 2156(C)(5), 2157(A)(16), 2159, 2159.1, and 2161(A)(3))