

2024 Regular Session

SENATE BILL NO. 392

BY SENATOR ABRAHAM

CONTRACTORS. Provides relative to the Louisiana State Licensing Board for Contractors.
(8/1/24)

1 AN ACT

2 To amend and reenact R.S. 37:2150.1(4)(a)(ii), (8), and (15), the introductory paragraph of
3 2159(A), and 2161(A) and to enact R.S. 37:2157(A)(18) and (19), relative to
4 contractors; to provide for types of contracting services; to provide for costs
5 thresholds for licensure associated with new residential structures and improvements
6 and repairs of residential structures; to provide relative to terms, conditions, and
7 procedures; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 37:2150.1(4)(a)(ii), (8), and (15), the introductory paragraph of
10 2159(A), and 2161(A) are hereby amended and reenacted and R.S. 37:2157 (A)(18) and (19)
11 are hereby enacted to read as follows:

12 §2150.1. Definitions

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

14 * * *

15 (4)(a) "Contractor" means any person who undertakes to, attempts to, or
16 submits a price or bid or offers to construct, supervise, superintend, oversee, direct,
17 or in any manner assume charge of the construction, alteration, repair, improvement,

1 movement, demolition, putting up, tearing down, furnishing labor, or furnishing
2 labor together with material or equipment, or installing material or equipment for any
3 of the following:

4 * * *

5 (ii) Any new residential structure where the entire cost is ~~seventy-five~~ **fifty**
6 thousand dollars or more when the property is used for residential purposes.

7 * * *

8 (8) "Home improvement contracting" means the reconstruction, alteration,
9 renovation, repair, modernization, conversion, improvement, removal, or demolition,
10 or the construction of an addition to any preexisting residential structure which
11 building is used or designed to be used as a residence or dwelling unit, or to
12 structures which are adjacent to such residence or building where the project value
13 ~~exceeds is~~ seven thousand five hundred dollars ~~but is not greater than~~ **or more but**
14 **is less than** ~~seventy-five~~ **fifty** thousand dollars. **"Home improvement contracting"**
15 **shall not include the performance of any structural work that is integral to the**
16 **structural integrity of any new or existing structure including but not limited**
17 **to footings, foundation, outside walls, skeleton, bearing columns and interior**
18 **load bearing walls, and floor slabs.** "Home improvement contracting" shall not
19 include services rendered gratuitously.

20 * * *

21 (15) "Residential contractor" means any person who constructs a fixed
22 building or structure for sale or use by another as a residence or who, for a price,
23 commission, fee, wage, or other compensation, undertakes or offers to undertake the
24 construction or superintending of the construction of any residential structure which
25 is not more than three floors in height, to be used by another as a residence, when the
26 cost of the undertaking ~~exceeds is~~ ~~seventy-five~~ **fifty** thousand dollars **or greater**. The
27 term "residential contractor" includes all persons who receive an additional fee for
28 the employment or direction of labor, or any other work beyond the normal
29 architectural or engineering services. "Residential contractor" also means any person

1 performing home improvement contracting as provided for in this Section when the
2 cost of the undertaking ~~exceeds seventy-five thousand dollars~~ **is seven thousand five**
3 **hundred dollars or more.** It shall not include the manufactured housing industry or
4 those persons engaged in building residential structures that are mounted on metal
5 chassis and wheels.

6 * * *

7 §2157. Exemptions

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

9 * * *

10 **(18) Any person performing work as a subcontractor for a residential**
11 **construction license holder, except for electrical, mechanical, plumbing, mold**
12 **remediation, asbestos, or hazardous materials scopes of work.**

13 **(19) Any person performing home improvement work for a building**
14 **construction license holder, except for electrical, mechanical, plumbing, mold**
15 **remediation, asbestos, or hazardous material scopes of work.**

16 * * *

17 §2159. Home improvement contracting; written contract required; claims of
18 unlicensed persons

19 A. Every agreement for any licensee to perform home improvement
20 contracting services, as defined by this Chapter, in an amount in ~~excess~~ of seven
21 thousand five hundred dollars, but ~~not in excess of~~ **less than** ~~seventy-five~~ **fifty**
22 thousand dollars, shall be in writing and shall include the following documents and
23 information:

24 * * *

25 §2161. Construction management

26 A. Any person who performs, attempts to perform, or submits a price, bid,
27 or offer to perform work in construction management whose scope of authority and
28 responsibility include supervision, oversight, direction, or in any manner assumes
29 charge for the construction services provided to an owner by a contractor or

1 contractors, in which the value of the construction project is:

2 (1) ~~In excess of fifty~~ **Fifty** thousand dollars **or more** for a commercial
3 construction project, shall possess a license from the board in the major classification
4 applicable to the type of work being performed on the construction project.

5 (2) ~~In excess of seventy-five~~ **Fifty** thousand dollars **or more** for a residential
6 construction project, shall possess a license from the board in the classification of
7 residential construction.

8 (3) ~~In excess of seven thousand five hundred~~ **Seven thousand five hundred**
9 dollars **or more** for a home improvement project, shall possess a license from the
10 board in the classification of home improvement ~~construction~~ **contracting**.

11 * * *

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Xavier I. Alexander.

DIGEST

SB 392 Engrossed

2024 Regular Session

Abraham

Present law provides for functions and duties of the State Licensing Board for Contractors (board), including licensure of persons performing contracting services.

Present law 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 any new residential structure where the entire cost is \$75,000 or more when the property is used for residential or any improvements or repairs where the entire cost exceeds \$7,500 to an existing residential structure.

Proposed law retains present law except changes the entire cost for a new residential structure from \$75,000 to \$50,000.

Present law 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.

Proposed law retains present law except provides that the project value for home improvement contracting is \$7,500 but less than \$50,000. Further provides that "home improvement contracting" shall not include the performance of any structural work that is integral to the structural integrity of any new or existing structure, including but not limited to footings, foundation, outside walls, skeleton, bearing columns and interior load bearing walls, and floor slabs.

Present law defines a "residential contractor" as any person who constructs a fixed building

or structure for sale or 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 residential structure which is not more than three floors in height, to be used by another as residence, when the cost of the undertaking exceeds \$75,000. Further provides that a "residential contractor" means any person performing home improvements when the cost of the undertaking exceeds \$75,000.

Proposed law retains present law except changes the cost of the undertaking for constructing an residential structure from \$75,000 to \$50,000 or greater. Further changes the cost of the undertaking for home improvements exceeds \$7,500.

Present law provides for exemptions to present law.

Proposed law add to present law exemptions to include any person performing work as a subcontractor for a residential construction license holder or building construction license holder, except for electrical, mechanical, plumbing, mold remediation, asbestos, or hazardous materials scopes of work.

Present law provides that every home improvement work performed by a licensee for home improvement contracting services in an amount in excess of \$7,500 but not in excess of \$75,000 shall be in writing.

Proposed law provides that every home improvement work performed by a licensee for home improvement contracting services in an amount of \$7,500 but not less than \$50,000 shall be in writing.

Present law provides that any licensee performing construction management work in which the value of the construction project is in excess of \$50,000, for commercial construction projects, shall possess a license from the board in the major classification applicable to the type of work being performed on the construction project.

Proposed law retains present law except changes the value of it in the construction project to \$50,000 or more.

Present law provides that any licensee performing construction management work in which the value of the construction project is in excess of \$75,000, for residential construction, shall for a residential construction project, possess a residential construction license.

Proposed law retains present law except changes the value of it in the construction project from \$75,000 to \$50,000 or more.

Present law provides that any licensee performing construction management work in which the value of the home improvement project is in excess of \$7,500, for home improvement projects, shall possess a home improvement license.

Proposed law retains present law except changes the value of the home improvement project to \$7,500 or more.

Effective August 1, 2024.

(Amends R.S. 37:2150.1(4)(a)(ii), (8), (15), 2159(A)(intro para), and 2161(A); adds R.S. 37:2157(A)(18) and (19))

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

1. Restores language that requires a person to have a contractors license for any improvements or repairs where the entire cost of work performed exceeds \$7,500 for an existing residential structure.
2. Provides that the project value for "home improvement contracting" shall be \$7,500 or more but less than \$50,000.
3. Defines a residential contractor as any person who constructs a fixed building or structure for sale or by use of another when the cost of the undertaking is \$50,000 or greater. Further provides that a "residential contractor" means any person performing home improvements when the cost of the undertaking exceeds \$7,500.
4. Removes the definition "structural".
5. Provides exemptions for any person performing certain work for either a residential construction license holder or building construction license holder.
6. Requires all home improvement work performed by a licensee for home improvements contracting services in the amount of \$7,500 or more but less than \$50,000 be in writing.
7. Provides that a residential construction license is required to perform construction management work in which the construction project is \$50,000 or more.
8. Provides that a home improvement license is required to perform home improvement projects in which the home improvement work is \$7,500 or more.
9. Restores present law to provide that any person who performs, attempts to perform work in construction management whose scope of authority includes certain work assumes charge for the construction service provided by an owner by a contractor or contractors, if the value of the project is \$50,000 or more for a commercial project.
10. Make technical changes.

Restores present law value of construction project to \$7,500 for a home improvement project.