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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

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SB 398 Engrossed

DIGEST  
2026 Regular Session

Foil

Present law establishes the Residential Contractors Subcommittee (residential subcommittee), within the State Licensing Board 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 district, and one member representing the 6th congressional district.

Proposed law increases the membership of the residential subcommittee from five members to nine members 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 manufactured and modular housing and new manufactured and modular home warranties.

Proposed law redesignates present law provisions from Title 51 of the La. Revised Statutes of 1950 relative to manufactured and modular homes and new manufactured and modular home warranties, to Title 37 of the La Revised Statutes of 1950, relative to the State Licensing Board for Contractors.

Present law provides for terms and definitions.

Proposed law retains present law terms and definitions except changes the term "developer" to "factory-built housing developer", "retailer" to "factory-built housing developer" and "factory-built housing residential contractor" to "factory built housing dealer".

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 Board for Contractors (board).

Present law provides that the provisions of the State Uniform Construction Code shall not conflict with federal HUD standards 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 commission.

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 type 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 accessories 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 912-912.53)

### 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 salesmen 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.