

## RÉSUMÉ DIGEST

ACT 632 (HB 703)

2022 Regular Session

Gregory Miller

New law provides that any provision, clause, covenant, or agreement contained in, collateral to, or affecting a disaster repair contract following a natural disaster which purports to require any proceeding involving a dispute over the contract to be brought in a venue other than a venue provided by existing law is contrary to the public policy of this state and is null, void, and unenforceable.

New law provides that the owner of residential property who enters into a disaster repair contract may cancel the contract or subcontract within 10 days of entering into the contract or subcontract.

New law further provides that if a homeowner elects to cancel a contract or subcontract, he may do so by hand-delivering notice thereof to the contractor or by mailing notice by U.S. mail to the contractor at his last known address, or to his agent for service of process.

New law provides that cancellation made pursuant to new law shall be without penalty and all payments made by the homeowner before cancellation shall be refunded promptly. Further provides that the contractor shall be entitled to payment for the cost of work performed and materials ordered or delivered prior to cancellation, along with reasonable overhead.

New law shall not apply to material suppliers or materialmen for sales to the owner of the affected residential property or deliveries to the affected residential property of materials ordered by a contractor or subcontractor even if the repair contract is cancelled.

New law shall not affect proper venue for an action on an open account, promissory note, or contract for sales of materials by a material supplier or materialman to the owner of the residential property.

New law shall not affect the rights of any party provided in the existing law Private Works Act and provisions regarding claims on open accounts.

New law defines "disaster repair contract" as a contract or subcontract entered into during the six-month period following the initial declaration of a gubernatorially declared disaster or emergency following a natural disaster for repairs to a residential property located in the emergency area and affected by the natural disaster.

Effective August 1, 2022.

(Adds R.S. 9:2784.1)