

2024 Regular Session

SENATE BILL NO. 392

BY SENATOR ABRAHAM

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

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AN ACT

To amend and reenact R.S. 37:2150.1(4)(a)(ii) and (iii), (8), (15), (17) and (18), the introductory paragraph of 2159(A) and 2161(A)(2) and (3) and to enact R.S. 37:2150.1(19), relative to contractors; to provide for types of contracting services; to provide for costs thresholds for licensure associated with new residential structures and improvements and repairs of residential structures; to provide relative to terms, conditions, and procedures; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 37:2150.1(4)(a)(ii) and (iii), (8), (15), (17) and (18), the introductory paragraph of 2159(A), and 2161(A)(2) and (3) are hereby amended and reenacted and R.S. 37:2150.1(19) is hereby enacted to read as follows:

§2150.1. Definitions

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

* * *

(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,

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 (iii) Any improvements or repairs where the entire cost exceeds ~~seven~~
8 ~~thousand five hundred~~ **ten thousand** dollars to an existing residential structure.

9 * * *

10 (8) "Home improvement contracting" means the reconstruction, alteration,
11 renovation, repair, modernization, conversion, improvement, removal, or demolition,
12 or the construction of an addition to any preexisting residential structure which
13 building is used or designed to be used as a residence or dwelling unit, or to
14 structures which are adjacent to such residence or building where the project value
15 exceeds ~~seven thousand five hundred~~ **ten thousand** dollars but is not greater than
16 ~~seventy-five~~ **fifty** thousand dollars. **"Home improvement contracting" shall not**
17 **include any structural work defined as any portion of a building that is integral**
18 **to the integrity of the building as an existing enclosed unit and shall include**
19 **footings, foundation, outside walls, skeleton, bearing columns and interior load**
20 **bearing walls, floor slabs, roof and roofing system. Any person licensed as a**
21 **residential contractor or performing home improvement work as a building**
22 **construction license holder shall not be restricted from performing structural**
23 **work.** "Home improvement contracting" shall not include services rendered
24 gratuitously.

25 * * *

26 (15) "Residential contractor" means any person who constructs a fixed
27 building or structure for sale or use by another as a residence or who, for a price,
28 commission, fee, wage, or other compensation, undertakes or offers to undertake the
29 construction or superintending of the construction of any residential structure which

1 is not more than three floors in height, to be used by another as a residence, when the
 2 cost of the undertaking exceeds ~~seventy-five~~ **fifty** thousand dollars. The term
 3 "residential contractor" includes all persons who receive an additional fee for the
 4 employment or direction of labor, or any other work beyond the normal architectural
 5 or engineering services. "Residential contractor" also means any person performing
 6 home improvement contracting as provided for in this Section when the cost of the
 7 undertaking exceeds ~~seventy-five~~ **ten** thousand dollars. It shall not include the
 8 manufactured housing industry or those persons engaged in building residential
 9 structures that are mounted on metal chassis and wheels.

10 * * *

11 (17) **"Structural" means that portion of the building that is integral to**
 12 **the integrity of the building as an existing enclosed unit and shall include**
 13 **footings, foundation, outside walls, skeleton, bearing columns and interior**
 14 **bearing walls, floor slabs, roof and roofing system.**

15 (18) "Subcontract" means an agreement to perform a portion of the scope of
 16 work contained in the principal contract including the entire cost of labor and
 17 materials of that part of the principal contract which is performed by the
 18 subcontractor.

19 ~~(18)(a)~~ (19)(a) "Subcontractor" means a person who contracts to perform a
 20 scope of work that is a part of the scope of work contained in the principal contract.

21 (b) "Subcontractor" shall not include any person, supplier, or manufacturer
 22 who assembles, repairs, maintains, moves, puts up, tears down, or disassembles any
 23 patented or proprietary equipment supplied by such person to a contractor to be used
 24 solely by the contractor for a construction undertaking.

25 * * *

26 §2159. Home improvement contracting; written contract required; claims of
 27 unlicensed persons

28 A. Every agreement for any licensee to perform home improvement
 29 contracting services, as defined by this Chapter, in an amount in excess of ~~seven~~

1 ~~thousand five hundred~~ **ten thousand** dollars, but not in excess of ~~seventy-five~~ **fifty**
2 thousand dollars, shall be in writing and shall include the following documents and
3 information:

4 * * *

5 §2161. Construction management

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

11 * * *

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

15 (3) In excess of ~~seven thousand five hundred~~ **ten thousand** dollars for a
16 home improvement project, shall possess a license from the board in the
17 classification of home improvement construction.

18 * * *

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

DIGEST

SB 392 Original

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 and changes the cost for any improvements or repairs for a residential structure from \$7,500 to \$10,000.

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 exceeds \$10,000 but is not greater than \$50,000. Further prohibits home improvement contracting from performing any structural work defined as any portion of a building that is integral to the integrity of the building as an existing enclosed unit and shall include footings, foundation, outside walls, skeleton, bearing columns and interior load bearing walls, floor slabs, roof and roofing system, except by a licensed residential contractor or person performing home improvement work as a building construction license.

Proposed 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. Further changes the cost of the undertaking for home improvements from \$75,000 to \$50,000.

Proposed law defines the term "structural".

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 in excess of \$10,000 but not in excess of \$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 \$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.

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 from \$7,500 to \$10,000.

Effective August 1, 2024.

(Amends R.S. 37:2150.1(4)(a)(ii) and (iii), (8), (15), (17) and (18), 2159(A)(intro para), and 2161(A)(2) and (3); adds R.S. 37:2150.1(19))