RÉSUMÉ DIGEST

ACT 757 (SB 326) **2026 Regular Session** **Abraham**

Existing law provides relative to the State Licensing Bd. for Contractors (board) and the regulation of contractors.

Existing law establishes time limitations for professional and occupational boards and commissions to initiate disciplinary proceedings and exempts specified boards and professions from these provisions.

New law retains existing law and adds the board and the La. State Uniform Construction Code Commission to the list of entities exempt from the time limitations on disciplinary proceedings.

Existing law provides for definitions.

New law retains existing law and defines the terms "commercial construction", "dwelling unit", "manufactured home" and "manufactured housing", "mega project", and "modular home" and "modular housing".

Existing law provides that board meetings shall be subject to the Open Meetings Law and allows the board to hold meetings outside of Baton Rouge at a location within the state. Requires at least a majority of the regular monthly meetings of the board each year to be held in Baton Rouge.

New law retains existing law, except removes the ability to have meetings outside of Baton Rouge and provides that all meetings of the board shall be conducted in accordance with Robert's Rules of Order.

Existing law provides for powers and duties of the residential subcommittee, approving any continuing education courses or written training programs for use by licensees that are provided by a member of the residential subcommittee or legal entity in which the member has a controlling interest.

New law retains existing law and prohibits approving any continuing education courses or written training programs for use by licensees that are provided by a board member.

New law establishes a five-year limitation period for disciplinary proceedings based on a license or rule violation, authorizes emergency action and summary suspension when necessary to protect public health, safety, or welfare, and requires the board to utilize a special counsel and, at its discretion, special hearing officers to conduct and prosecute disciplinary proceedings in accordance with the Administrative Procedure Act, while prohibiting the board’s general counsel from prosecuting cases.

Existing law requires licenses to be issued by the board upon application and satisfaction of all requirements, and prohibits applications from any state or local governmental entity or any entity owned or controlled by any state or local governing body.

New law retains existing law and provides that a failure to meet licensure requirements results in denial of the application and establishes an appeal process that requires the applicant to first appeal to the board at its next regular meeting, and thereafter permits appeal of the board's final decision, within 30 days of receiving final notice or order from the board, to the 19th Judicial District Court.

Existing law requires that certain funds collected from license renewal fees be distributed annually to accredited public university or community college construction management or construction technology programs after completion of the board's annual audit.

New law retains existing law, except allows the board to retain 2% of the funds as an administrative fee.

Existing law prohibits a contractor from paying any additional fees or obtaining any additional license to engage in the contracting business, except for licenses, fees, assessments, occupational license taxes, local inspection permit fees, and certain parish or municipal competency licenses for mechanical or plumbing contractors.

New law retains existing law and adds electrical contractors to the exception.

Existing law requires an applicant for a contractor's license or registration to submit a financial statement on a form supplied by the board, dated within 12 months of the application, prepared and signed by an accountant, bookkeeper, or certified public accountant, or, in lieu thereof, a current financial statement prepared by a certified accountant and signed by the applicant attesting to its accuracy.

New law retains existing law and provides that a qualified party submit a financial statement and requires the applicant and qualified party to be a citizen or legal resident of the U.S.

New law provides that criminal background information held by the board is confidential and not subject to disclosure, except as necessary for application review. Provides that the records may be disclosed in administrative proceedings and that final licensing determinations and their legal basis are considered public records. Further provides that confidentiality provisions in new law shall not limit the jurisdiction or oversight of the legislative auditor or the state inspector general.

Existing law requires an applicant for licensure to designate a qualifying party for each classification and for the business law requirement.

New law retains existing law and further requires the board to be notified within 30 days of the disassociation from the qualifying party designated in the application. Provides for the designation of a new qualifying party within 60 days.

Existing law requires applicants for residential construction, related subclassifications, mold remediation, and home improvement licenses to prove proof of workers' compensation coverage and at least $100,000 in liability insurance or equivalent liability protection through an authorized liability trust fund.

New law retains existing law except increases the amount of liability insurance from $100,000 to $500,000.

New law requires that proof of insurance containing certain information be submitted by the applicant's insurance agent, broker, or insurer. Provides that the coverage be for a minimum of six months and include all scopes of work for which the applicant is licensed and requires the policy to list the board as a certificate holder.

Existing law requires a licensee to provide written notification to the board within 30 days of any criminal, civil, or administrative actions instituted or pending in any jurisdiction against or involving the licensee or any principal of the license.

New law retains existing law and further requires any qualifying party to provide written notification to the board within 30 days of any criminal, civil, or administrative actions.

New law provides that either a licensee engaged as a general contractor on a mega project, or an owner acting on an exemption as a general contractor on a mega project, shall annually submit a detailed listing of subcontractors engaged to work on the mega project. Further provides that a licensee engaged as a general contractor or an owner acting as a general contractor on a broadband project administered by BEAD Program issued by the National Telecommunications and Information Administration of the U.S. Dept. of Commerce shall not be required to submit the listing but shall notify the board when a contract has been let.

New law provides that, for purposes of residential roofing, a structure containing no more than four dwelling units is classified as a residential roofing project and is subject to applicable licensure requirements.

Existing law exempts persons performing home improvement work and persons licensed as a building construction contractor or residential contractor from home improvement licensure.

New law retains existing law exemption for residential contractors and removes exemption for building construction contractors from home improvement licensure.

Existing law provides that persons performing work as subcontractors for a residential construction license holder are subject to licensure requirements, except for those performing electrical, mechanical, plumbing, mold remediation, asbestos, or hazardous materials work.

New law retains existing law and adds water well work to the list of subcontractor activities exempt from licensure requirements and requires that subcontractors contract directly with the residential license holder.

Existing law allows the board and residential subcommittee to revoke, suspend, or refuse to renew a license, issue cease and desist orders to stop work, issue fines and penalties, or debar any person licensed pursuant to the provision of existing law for specific reasons.

New law retains existing law and authorizes the board and residential subcommittee to revoke, suspend, or refuse to renew a license, issue cease and desist orders to stop work, issue fines and penalties, or debar any person licensed for failing to comply with underground utility damage prevention laws, intentional property damage to induce a contract, failure to pay for materials or services after receiving sufficient funds, and material misrepresentations in permit applications.

Existing law provides that a licensee or qualifying party applying for a license or status after the three years shall be ineligible to apply for a license or qualifying party status for three years following a revocation of a license or a qualifying party status.

Existing law provides that any aggrieved party may appeal a decision of the board in accordance with the Administrative Procedure Act.

New law provides that any aggrieved party may appeal a final decision or order of the board by filing a petition in the 19th Judicial District Court within 30 days and establishes procedures for requesting and obtaining a stay of the board's decision pending judicial review.

New law requires a licensee or qualifying party to appear before the board for approval of the issuance of a license or status.

New law exempts all documents, records, and investigative material of any applicant or licensee regarding an alleged violation or violations from production under the Public Records Law, except for evidence in an administrative hearing.

Existing law prohibits a contractor from entering into an agreement to perform repairs or construction without providing a good faith estimate of itemized and detailed costs of services and materials for repairs undertaken to a property damage claim. Provides that contractors are responsible for violations committed by employees or other persons working on the contractor's behalf. Provides that a contractor is not in violation of existing law if the final repair costs differ from the initial estimate due to the insurer's adjustment of the claim.

New law retains existing law except prohibits a contractor from entering into an agreement to perform remediation prior to and without first providing a good faith estimate of itemized and detailed costs of services and materials for repairs undertaken to a property damage claim.

Existing law prohibits contractors from engaging in certain activities related to property insurance claims, including interpreting insurance policies, acting as or soliciting as public adjusters, failing to provide good faith estimates, sharing legal fees, requiring attorney representation agreements, accepting referral compensation for attorneys, and advertising or soliciting insurance-related claim services.

New law retains existing law and adds assignment of benefits as a prohibited act and defines "assignment agreement".

New law provides that investigative records, documents, and evidence of the board are confidential and not subject to disclosure or subpoena until the investigation is complete and adjudicated, restricts testimony of board personnel regarding ongoing investigations, and clarifies that such provisions do not limit oversight by the legislative auditor or inspector general.

Existing law provides that any person who violates existing law is subject to a fine of up to 10% of the total contract amount or the value of the work involved in the violation. Allows the board to assess administrative costs and attorney fees for each offense. Provides that in determining the costs, the board or residential subcommittee must consider the seriousness of the violation, the contractor's cooperation, and the contractor's prior violation history.

New law retains existing law and requires the board or residential subcommittee to consider the staff's investigative and enforcement efforts in determining the penalty and costs. Provides that for violations where a value cannot be determined, the board may impose a fine of up to $10,000 per violation and may assess administrative costs and attorney fees.

New law provides the penalty provisions of new law shall not apply to a licensee engaged as a general contractor or an owner acting as a general contractor on a mega project.

Existing law provides that monetary penalties assessed by the board or residential subcommittee shall be paid within 90 days. Provides that failure to pay may result in denial of issuance or renewal of a license or registration and may be subject to lawful collection efforts.

New law retains existing law and adds that failure to pay may result in suspension of license.

Existing law requires all fines and penalties collected by the board for violations of existing law be transferred annually, following the board's audit, to the Construction Educational Trust Fund.

New law retains existing law, except allows the board to retain four percent of the fines and penalties collected as an administrative fee.

New law requires licensees to maintain a current email address with the board and provides that board correspondence is considered received upon email delivery confirmation.

Effective August 1, 2026.

(Amends R.S. 37:2150.1(3)-(24), 2152(A)(2), 2155(G)(3), 2156(K)(3), (M), and (N), 2156.1(B)(1) and (D)-(J), 2156.2(B)(2), 2157(A)(15)(b), (17), and (18), 2158(C) and (E), 2159.1, and 2164(A), (B), and (I); adds R.S. 37:21(B)(12) and (13), 2150.1(25)-(29), 2152(A)(3), 2155(G)(6) and (7), 2156(A)(3), 2156.1(K), 2156.2(C), 2156.4(D), 2158(A)(24)-(27) and (G), 2163.1, and 2164(L); repeals R.S. 37:2157(A)(19))