HLS 13RS-1131 ORIGINAL

Regular Session, 2013

HOUSE BILL NO. 594

BY REPRESENTATIVE GIROD JACKSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CONTRACTORS: Allows the transfer of qualified parties from one licensed contractor to another

1 AN ACT

To amend and reenact R.S. 37:2156.1(D)(1) and 2156.2(B), relative to the licensure of

3 contractors; to provide for qualifying party; to provide for transfer of employment;

4 and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 37:2156.1(D)(1) and 2156.2(B) are hereby enacted to read as

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§2156.1. Requirements for issuance of a license

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D.(1) The applicant for licensure shall designate a qualifying party who shall be the legal representative for the contractor relative to the provisions of this Chapter. The designated qualifying party shall complete an application supplied by the board. The board may deny approval of the qualifying party for good cause, which may include the ability of the proposed principal owner or owners, principal shareholder or shareholders, or qualifying party to engage in the business of contracting as demonstrated by his prior contracting business experience. Evidence which may be considered by the board shall be limited to any legal proceedings against the qualifying party or businesses where the qualifying party was in a position of control at the time a problem arose and the ultimate disposition of such proceedings, any financial history of bankruptcies, unpaid judgments, insolvencies,

Page 1 of 3

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examination.

or any similar evidence. When the qualifying party terminates employment with the
licensee, the board shall be notified in writing within thirty days of the disassociation
and another qualifying party must qualify within sixty days. The qualifying party,
who has successfully completed the required examination and is in good standing
with the board, and who is transferring association from one licensed contractor to
another licensed contractor shall be entitled to transfer his association without having
to retake the examination required by R.S. 37:2156.1(B) upon written notification
to the board within thirty days of the original disassociation. The qualifying party
or parties are:
(a) Any individual contractor or copartner.
(b) Any employee of said applicant who has been in full-time employment
for one hundred twenty consecutive days immediately preceding the application.
Such employee shall not be allowed to be the qualifying party for more than one
company and two subsidiaries.
(c) Any stockholder of a corporation who was an original incorporator or
original stockholder as shown in the articles of incorporation.
* * *
§2156.2. Major categories; subclassifications; specialty classifications; requirements
for contractors holding major classification to perform mechanical, electric,
or plumbing work
* * *
B.(1) Any contractor who holds a major classification which permits that
contractor to bid mechanical or electrical work, prior to the performance of such
work under his license, shall designate a qualifying party to successfully pass the
standardized nationally recognized test administered by the board for the work to be

performed. All time limitations shall be waived and any designated qualifying party

who has successfully completed the examination shall not be required to retake the

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(2) A qualifying party, who has successfully completed the required examination and is in good standing with the board, and who is transferring his 3 association from one licensed contractor to another licensed contractor shall be entitled to transfer his association without having to retake the examination required by this Subsection upon written notification to the board within thirty days of the original disassociation.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

Girod Jackson HB No. 594

Abstract: Allows a qualifying party who is transferring employment from one licensed contractor to another to do so without having to retake the required examination.

Present law defines a "qualifying party" with respect to the licensure of contractors as a person designated by the contractor to represent him for the purpose of complying with the provisions regulating contractors, including meeting the requirements for initial licensure and renewals. Provides that parties are:

- (1) Any individual contractor or copartner.
- (2) Any employee of said applicant who has been in full-time employment for one hundred twenty consecutive days immediately preceding the application. Such employee shall not be allowed to be the qualifying party for more than one company and two subsidiaries.
- Any stockholder of a corporation who was an original incorporator or original (3) stockholder as shown in the articles of incorporation.

<u>Present law</u> requires an applicant for licensure as a contractor to designate a qualifying party to be his legal representative relative to the provisions regulation contractors. Requires any contractor who bids on mechanical or electrical work to designate a qualified party to successfully pass the standardized nationally recognized test administered by the board for the work to be performed. Further waives time limitations and allows any designated qualifying party to not be required to retake the examination. Requires that the board must be notified within 30 days of the disassociation when a qualifying party terminates employment with a licensed contractor and requires another qualifying party to be qualified within 60 days. Allows the board to waive the required examination for any person.

Proposed law retains present law and allows a qualifying party who has successfully completed the required exam and is in good standing with the board to transfer association from one licensed contractor to another, without having to retake the exam, upon written notification to the board within 30 days of the original disassociation.

(Amends R.S. 37:2156.1(D)(1) and 2156.2(B))

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