

Regular Session, 2003

ACT No. 1146

HOUSE BILL NO. 1863

BY REPRESENTATIVES BRUCE, PINAC, AND SCHNEIDER

AN ACT

To amend and reenact R.S. 37:2167(B)(1) and to enact R.S. 37:2150.1(12) and (13), and 2157(A)(9) and Part I of Chapter 24 of Title 37 of the Revised Statutes of 1950, to be comprised of R.S. 37:2175.1 through 2175.5, relative to residential building contractors; to authorize the submission of a certificate evidencing liability protection provided by a liability trust fund in lieu of liability insurance; to provide for the registration of home improvement contractors; to provide for requirements for certain home improvement contracts; to provide fees for registration and renewal; to provide for administrative penalties; to provide for exemptions from registration; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 37:2167(B)(1) is hereby amended and reenacted to read as follows:

§2167. Licensure required; qualifications; examination; waivers

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B. In order to obtain a license as a residential building contractor an applicant shall demonstrate to the subcommittee that he:

(1) Has submitted ~~insurance~~ certificates evidencing workers' compensation ~~insurance~~ coverage in compliance with Title 23 of the Louisiana Revised Statutes of 1950, and liability insurance in a

minimum amount of one hundred thousand dollars or liability protection provided by a liability trust fund as authorized by R.S. 22:5(9)(d) in a minimum amount of one hundred thousand dollars.

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Section 2. R.S. 37:2150.1(12) and (13), and 2157(A)(9) and Part I of Chapter 24 of Title 37 of the Revised Statutes of 1950, comprised of R.S. 37:2175.1 through 2175.5, are hereby enacted to read as follows:

§2150.1. Definitions

As used in this Chapter, the following words and phrases shall be defined as follows:

* * *

(12) "Home improvement contracting" means the reconstruction, alteration, renovation, repair, modernization, conversion, improvement, removal, or demolition, or the construction of an addition to any pre-existing owner occupied building 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. "Home improvement contracting" shall not include services rendered gratuitously.

(13) "Home improvement contractor" means any person, including a contractor or subcontractor, who undertakes or attempts to, or submits a price or bid on any home improvement contracting project.

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§2157. Exemptions

A. There are excepted from the provisions of this Chapter:

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(9) The manufactured housing industry or those persons engaged in any type of service, warranty, repair, or home improvement work on factory-built, residential dwellings that are mounted on chassis and wheels.

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PART I. HOME IMPROVEMENT CONTRACTING

§2175.1. Home improvement contracting; written contract required

A. Every agreement to perform home improvement contracting services, as defined by this Part, in an amount in excess of seventy-five hundred dollars shall be in writing and shall include the following documents and information:

(1) The complete agreement between the owner and the contractor and a clear description of any other documents which are or shall be incorporated into the agreement.

(2) The full names, addresses, and the registration number of the home improvement contractor.

(3) A detailed description of the work to be done and the materials to be used in the performance of the contract.

(4)(a) The total amount agreed to be paid for the work to be performed under the contract including all change orders and work orders.

(b) An approximation of the cost expected to be borne by the owner under a cost-plus contract or a time-and-materials contract.

(5) The signature of all parties.

B. At the time of signing, the owner shall be furnished with a copy of the contract signed by both the home improvement contractor

and the owner. No work shall begin prior to the signing of the contract and transmittal to the owner of a copy of the contract.

C. Contracts which fail to comply with the requirements of this Section shall not be invalid solely because of noncompliance.

§2175.2. Home improvement contracting; registration required

A. No person shall undertake, offer to undertake, or agree to perform home improvement contracting services unless registered with and approved by the Residential Building Contractors Subcommittee of the State Licensing Board for Contractors as a home improvement contractor.

B. In order to be registered as a home improvement contractor, an applicant must make a written application under oath to the subcommittee. The application shall set forth information that includes the following:

(1) The applicant's name, home address, business address, and social security number.

(2) The names and addresses of any and all owners, partners, or trustees of the applicant including, in case of corporate entities, the names and addresses of any and all officers, directors, and principal shareholders. The Section shall not apply to publicly traded companies.

(3) A statement whether the applicant has ever been previously registered in the state as a home improvement contractor, under what other names he was previously registered, whether there have been previous judgments or arbitration awards against him, and whether his registration has ever been suspended or revoked.

C. The applicant shall furnish the board proof of workers' compensation insurance.

D. The subcommittee shall fix fees, in an amount not to exceed fifty dollars, in a manner established by its rules for the registration and renewal for home improvement contractors.

E. No application for registration or renewal conforming to the requirements of this Section may be denied or revoked except for a finding by the subcommittee that the applicant has done one or more of the following acts which are grounds for denial:

(1) Made material omissions or misrepresentations of fact on their application for registration or renewal.

(2) Failed to pay either the registration fee or renewal fee.

(3) Failed consistently to perform contracts or has performed contracts in an unworkmanlike manner or has failed to complete contracts with no good cause or has engaged in fraud or bad faith with respect to such contracts.

F. The subcommittee shall issue and deliver a certificate of registration to all applicants who have been approved for registration. Each certificate of registration issued by the subcommittee shall bear a number which shall be valid for one year from the date of its issuance and may be renewed upon approval of the subcommittee. The certificate shall not be transferable.

§2175.3. Home improvement contracting; prohibited acts; violations

A. The following acts are prohibited by persons performing home improvement contracting services:

(1) Operating without a certificate of registration issued by the subcommittee.

(2) Abandoning or failing to perform, without justification, any contract or project engaged in or undertaken by a registered home

improvement contractor, or deviating from or disregarding plans or specifications in any material respect without the consent of the owner.

(3) Failing to credit the owner any payment they have made to the home improvement contractor in connection with a home improvement contracting transaction.

(4) Making any material misrepresentation in the procurement of a contract or making any false promise likely to influence, persuade, or induce the procurement of a contract.

(5) Violation of the building code of the state or municipality.

(6) Failing to notify the subcommittee of any change of trade name or address, or conducting a home improvement contracting business in any name other than the one in which the home improvement contractor is registered.

(7) Failing to pay for materials or services rendered in connection with his operating as a home improvement contractor where he has received sufficient funds as payment for the particular construction work, project, or operation for which the services or material were rendered or purchased.

(8) Making a false representation that the person is a state licensed general contractor.

B. Violations of this Section shall subject the violator to the administrative sanctions as prescribed in this Part.

§2175.4. Home improvement contracting; administrative penalties

A. If the subcommittee determines that any registrant is liable for violation for any of the provisions contained in this Part, the subcommittee may suspend the registrant's certificate of registration for

such period of time as shall be determined by the subcommittee, revoke the registrant's certificate of registration, or reprimand the registrant.

B. The subcommittee may assess an administrative penalty not to exceed one hundred dollars or twenty-five percent of the total contract price, whichever is greater, payable within thirty days of their order, for each violation of any of the provisions of this Part, committed by the home improvement contractor who is registered or who is required to be registered, plus any administrative costs incurred by the subcommittee.

C. In determining whether to impose an administrative penalty, the administrator shall consider the seriousness of the violation, the effect of the violation on the complainant, any good faith on the part of the home improvement contractor, and the home improvement contractor's history of previous violations.

§2175.5. Home improvement contracting; exceptions

A. The following persons are excepted from the provisions of this Part:

(1) The state or any of its political subdivisions.

(2) A homeowner who physically performs the home improvement work on their personal residence.

(3) Persons licensed as a contractor, subcontractor, or residential building contractor pursuant to Chapter 24 of Title 37 of the Louisiana Revised Statutes of 1950.

(4) Electricians, plumbers, architects, or other persons who are required by law to attain standards of competency or experience as a prerequisite to licensure for and engaging in such profession who are

acting exclusively within the scope of the profession for which they are currently licensed pursuant to such other law.

(5) Any person who performs labor or services for a home improvement contractor for wages or salary and who does not act in the capacity as a home improvement contractor.

(6) Any person who works exclusively in any of the following home improvement areas:

(a) Landscaping.

(b) Interior painting or wall covering.

B. Nothing in this Section shall be construed to waive local and state health and life safety code requirements.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____