IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)

There may be an effect on employment as a result of the proposed rule change.

Physicians must now be approved by the commission which may affect current participants and/or increase employment opportunities for others. Additionally, if it is determined additional security personnel will be needed at an event; the promoter will be required to hire security, which will lead to additional employment opportunities.

Addie L. Fields
Administrative Assistant
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Gregory V. Albrecht
Chief Economist
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NOTICE OF INTENT
Office of the Governor
State Licensing Board for Contractors

Contractors (LAC XXIX Chapters 1-7)

In accordance with the provisions of R.S. 49:950 et seq., which is the Administrative Procedure Act, and through the authority granted in R.S. 37:2150 - 2192, which is the Contractor Licensing Law, the Licensing Board for Contractors (LSLBC) hereby gives notice of its intent to update its rules and regulations regarding contracting matters under the jurisdiction of the LSLBC.

Title 46
PROFESSIONAL AND OCCUPATIONAL STANDARDS
Part XXIX. Contractors
Chapter 1. Applications and Licensing
§101. Authority
A. These rules and regulations are enacted under the authority of and in accordance with R.S. 37:2153 and 37:2184.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, State Licensing Board for Contractors, LR 44:

§103. Definitions
A. As used in these rules and regulations, words and phrases shall be defined as provided in R.S. 37:2150.1, in R.S. 37:2150-2192, and as otherwise defined in these Rules and Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, State Licensing Board for Contractors, LR 44:

§105. Requirements
[Formerly §301 and §1503]
A. Before a license or registration may be issued in accordance with the Contractors Licensing Law, all applications for a license or registration shall contain the information required on the forms which are available on the board’s website or at the offices of the Licensing Board for Contractors. Licensure or registration cannot be considered until the following minimum conditions are met:
1. the application is complete and all required information provided to the board;
2. all applicable fees, fines, or other sums due to the board are paid in full; and
3. all examination or other eligibility requirements have been successfully completed.

B. Any person holding a license or registration as a residential contractor, residential specialty contractor, home improvement contractor, and mold remediation contractor, including labor only, shall obtain and maintain workers’ compensation and general liability insurance, obtained from an insurer authorized to sell those forms of insurance coverage in the state. Insurance certificates evidencing current workers’ compensation and general liability insurance shall be submitted to the Licensing Board for Contractors with each new application and every renewal application. In the event of a lapse of insurance coverage, a cease and desist order may be issued and such lapse shall be grounds for suspension or revocation of the license at a disciplinary hearing by the board.

C. The issuance of any licenses or registrations will be approved by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150 - 2192.


§107. Report of Changes
[Formerly §105]
A. It shall be the responsibility of a person licensed or registered by the board to provide to the board all of the following information upon application for a license or registration and to notify the board in writing within 15 days of any change to the following information:
1. the licensee’s type of business structure (sole proprietorship, partnership, limited liability company, corporation, etc.);
2. the licensee’s business address (physical and U.S. postal service mailing address);
3. a telephone, cell phone and facsimile number;
4. the licensee’s email address;
5. the licensee’s name;
6. the identity and address of the licensee’s registered agent;
7. the identity of each officer and the office held;
8. the identity or address of each partner; and
9. the identity or address of each member.

B. The failure of a person licensed or registered by the board to notify the board of changes to any of the enumerated items in Paragraph A within 15 days of the change may result in disciplinary action by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2153.

HISTORICAL NOTE: Adopted by the Department of Commerce, Licensing Board for Contractors, November 1974, amended and promulgated LR 8:137 (March 1982), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:149 (January 2012), LR 44:

§109. Qualifying Party
[Formerly §501]

A. Any licensee may have more than one qualifying party. Nothing in the law is to be construed so as to prohibit a licensee from having more than one qualifying party per trade.

B. If a qualifying party for a particular trade terminates employment or ownership/membership with a licensee, the licensee’s license remains valid and the licensee may bid on new work in the licensed trade classification, but the licensee must submit and qualify a new qualifying party before commencing any new work.

C. A qualifying party shall be required to successfully complete any trade examinations, and complete the business and law course and any other eligibility requirements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§110. Reliance upon Exemption

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 38:149 (January 2012), repealed LR 44:

§111. Authorized to Take Examination
[Formerly §503]

A.1. The qualifying party or parties authorized to take the examination are:

a. a sole proprietor or spouse of a sole proprietor (individual);

b. any partner (partnership);

c. any original stockholder or incorporator (corporation);

d. any member (limited liability company); or

e. any employee of said applicant who has been in full-time employment for 120 consecutive days immediately preceding the examination.

2. The employee shall be required to complete a qualifying party application furnished by the board before examination attesting to his/her eligibility that he/she has been a full-time employee of the person for whom he/she is seeking to qualify working at least 32 hours per week for the preceding 120 consecutive days and that he/she meet the criteria to be classified as an employee as defined by the Internal Revenue Service. The qualifying party application will be signed and certified by both the employee/qualifying party and employer.

B. An employee who has not been in full-time employment for 120 consecutive days immediately preceding the application due to an absence resulting from deployment in active military service may be considered as a full-time employee if the employee has been re-employed in accordance with R.S. 29:410 and, considering the employee’s period of employment immediately preceding the absence resulting from deployment in active military service, the employee otherwise satisfies the requirement of full-time employment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2153(A).


§113. Disassociation of a Qualifying Party
[Formerly §103]

A. When a qualifying party’s employment or association with the licensee is terminated for any reason, the licensee shall notify the board in writing within 30 days of the termination. The licensee shall submit and qualify a new person as its qualifying party within 60 days of the termination of the prior qualifying party. If the licensee fails to qualify a new qualifying party within 60 days as required herein, the licensee’s license may be suspended or revoked by the board.

B. It is a violation of R.S. 37:2158 to fail to notify the board of the disassociation or termination of a qualifying party and may subject the licensee to disciplinary proceedings by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§115. Exemption from Examination
[Formerly §509]

A. A qualifying party may be exempt from taking another examination for the same classification he has previously passed.

B. Proof of plumbing work, including a plumbing license or permit, will be insufficient to exempt an applicant from the examination required for a mechanical contractor’s license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

§117. Examination Scheduling
[Formerly §515]
A. A qualifying party candidate who has been approved to take an examination shall be given a means to register for the examination.
B. A candidate who fails to appear on the scheduled examination date and time shall forfeit the examination fee and be required to submit a new fee before candidate will be allowed to schedule a new examination date.
C. A candidate who fails an examination cannot retake the examination for 30 days and only if all other eligibility requirements have been completed.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

§119. Examination Administration Procedures
[Formerly §513 and §517]
A. Administrative check-in procedures begin one-half hour before the examinations begin. Candidates must report to the testing center for processing at least 15 minutes prior to the examination’s starting time. Any candidate reporting after the 15-minute starting time may not be allowed admittance to the examination room. Every candidate must present acceptable government-issued photographic identification to be admitted to the examination room.
B. Personal items (e.g., telephones, pagers, calculators, purses, briefcases, etc.) shall not be allowed in the testing room. A candidate shall not have access to these items during examination administration. Anyone found using unauthorized code books, text books, pagers, beepers, cellular telephones, tape recorders, radio transmitters, portable scanning devices, cameras, portable photocopy machines, reference materials, notes, blank writing or note paper, or any other aid or electronic device not specifically provided by the Examination Section for the purpose of examination administration shall have his or her examination confiscated, the exam results invalidated, and shall have his or her name placed on the agenda for the board’s next regularly scheduled meeting for consideration and appropriate action. Failure to appear before the board shall result in the imposition of a one year waiting period before the applicant may retake the examination(s).
C. It is the policy of the board that the specific contents of its examinations are considered to be proprietary and confidential. Anyone found in possession of examination questions, answers, or drawings in whole or in part shall have his or her examination confiscated, the exam results invalidated, shall be barred from taking any other examination, and shall not be eligible to become a qualifying party for the licensee for a period of one year. A candidate wearing bulky clothing or attire which would facilitate concealment of prohibited materials shall be requested to leave said clothing or attire outside the examination room or to remove it and place it in the front of the examination room. Failure to remove the article shall constitute permission to search for contraband materials, or a forfeiture of the scheduled examination will occur.
D. All examination activities are subject to being filmed, recorded, or monitored.
E. A candidate taking an examination shall not be allowed access to telephones or other communication devices during the course of the examination.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

§121. Test Item Challenges
[Formerly §519]
A. A candidate who believes that an individual test item may not have a correct answer or may have more than one correct answer shall be afforded an opportunity to challenge the test item. The candidate shall record his or her comments in writing on a form supplied by the test monitor at the candidate’s request during the examination. Comments will not be accepted at any other time. Comments should provide a detailed explanation as to why the candidate feels the item is incorrect. General comments (e.g., “This item is wrong.”) will not be investigated.
B. Examination comments will be reviewed by board staff.
C. If a test item comment is deemed to be valid, the grade may be changed based upon test item comment(s).
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

§123. Examination Reviews
[Formerly §521]
A. A Candidate may request a review of their examination after two unsuccessful attempts to pass the same examination, provided the last test score is within ten points of a passing grade. The request must be made in writing within 60 days of the failed examination date. Only questions missed by the qualifying party may be reviewed. Standard security procedures will be observed at review sessions. Candidates who have reviewed an examination are not eligible to retake the same examination for 14 days after the review session. Candidates who fail to appear for a scheduled review session are disqualified from reviewing that examination at a future date.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

§125. Application of Subsidiary
[Formerly §309]
A. Any application for a license for a subsidiary shall be considered as a new application and subject to all laws and rules and regulations governing a new application.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2154.
HISTORICAL NOTE: Adopted by the Department of Commerce, Licensing Board for Contractors, November 1974, amended and promulgated LR 8:137 (March 1982), amended by
the Office of the Governor, Licensing Board for Contractors, LR 38:151 (January 2012), LR 44:

§127. Approval Withheld
[Formerly §317]

A. If the board withholds approval of an application for a license or registration, the applicant shall have the right to apply to the board for a hearing to consider the application. After due consideration of the applicant’s presentation to the board, the board shall be entitled to withhold approval or grant approval of the application after consideration of the licensing requirements of the Contractors Licensing Law and these rules and regulations.


§129. Licensure for Individuals with Military Training and Experience, and Military Spouses
[Formerly §321]

A. The board shall issue a license or registration to a military-trained applicant to allow the applicant to lawfully act as a person licensed or registered by the board in this state if, upon application to the board, the applicant satisfies all of the following conditions:

1. has completed a military program of training, been awarded a military occupational specialty, and performed in that specialty, and performed in that specialty at a level that is substantially equivalent to or exceeds the requirements for licensure or registration by the board in this state;

2. has engaged in the active practice of contracting in the classification or subclassification for which a license or registration is sought;

3. has not been disciplined in any jurisdiction for an act that would have constituted grounds for refusal, suspension, or revocation of a contractor’s license or registration in this state at the time the act was committed;

B. The board shall issue a license or registration to a military trained applicant, if, upon application to the board, the applicant holds a current license, certification, or registration from another jurisdiction and that jurisdiction’s requirements for licensure, certification, or registration are substantially equivalent to or exceed the requirements for licensure or registration in this state.

C. The board shall issue a license or registration to a military spouse to allow the military spouse to act as a contractor in this state if, upon application to the board, the military spouse satisfies all of the following conditions:

1. holds a current license, certification, or registration from another jurisdiction, and that jurisdiction’s requirements for licensure, certification or registration are substantially equivalent to or exceed the requirements for licensure or registration in this state;

2. can demonstrate competency to act as a contractor through methods determined by the board such as, but not limited to, having completed continuing education units or having had recent experience in the classification or subclassification for which a license or registration is being sought;

3. has not been disciplined in any jurisdiction for an act that would have constituted grounds for refusal, suspension, or revocation of a license or registration to act as a contractor in this state at the time the act was committed;

4. is in good standing and has not been disciplined by the agency that issued the license, certification, or permit.

D. The board shall issue a temporary practice permit to a military-trained applicant or military spouse licensed, certified, or registered in another jurisdiction while the military-trained applicant or military spouse is satisfying the requirements for licensure or registration, if that jurisdiction has licensure, certification, or registration standards substantially equivalent to the standards for licensure or registration in this state. The military-trained applicant or military spouse may practice under the temporary permit until a license or registration is granted, or until a notice to deny a license or registration is issued in accordance with §717.

E. The provisions of this Section shall not apply to any applicant receiving a dishonorable discharge or a military spouse whose spouse received a dishonorable discharge.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2156.3.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 40:2575 (December 2014), LR 44:

§131. Ownership of License
[Formerly §307]

A. The license for which a person becomes the qualifying party belongs to the licensee, a corporate license belongs to the corporation; a partnership license belongs to the partnership; a limited liability company license belongs to the limited liability company, and an individual license belongs to the individual, regardless of the status of the qualifying party of the entity.

B. A domestic business entity licensed or registered by the board as a limited liability company, business corporation, partnership in commendam, or partnership, that converts under the provisions of R.S. 12:1601 et seq., or is a surviving entity following a merger pursuant to 26 U.S.C. 368(a)(1)(f) where ownership of the entity does not change, shall be recognized by the board without having to file a new application for a license or registration. However, prior to updating a license or registration of the converted entity or surviving entity, the converted entity or surviving entity must furnish the following information to the board:

1. a copy of the conversion application or act of merger filed with the Secretary of State;

2. a copy of the certificate of conversion or certificate of merger issued by the Secretary of State;

3. the current license or registration issued by the board;

4. a copy of the revised certificate(s) of insurance in the new name of the converted entity or surviving entity for any coverage required for the issuance of the updated license or registration; and

5. any revised contract or other agreement required for the issuance of the license or registration in the name of the converted entity or surviving entity.

C. An updated license or registration issued pursuant to Subsection B of this Section shall have an effective date
retroactive to the effective date of the conversion as stated on the certificate of conversion, or the merger as stated on the certificate of merger.


HISTORICAL NOTE: Adopted by the Department of Commerce, Licensing Board for Contractors, November 1974, amended and promulgated LR 8:136 (March 1982), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:150 (January 2012), LR 40:2575 (December 2014), LR 44:

§133. Name

[Formerly §109]

A. A person licensed or registered by the board shall bid, contract, and perform work in the name as it appears on the current license or registration and the official records of the Licensing Board for Contractors.

B. If a person licensed or registered by the board enters into a contract with or assigns a contract, or any portion of a contract, for which a license is required to another person, the person to which it is assigned and who performs the work must possess the appropriate current license or registration issued by the board. No unlicensed person shall be permitted to assign a contract, or any portion of a contract, in an amount for which a license is required to a person licensed or registered with the board in circumvention of the Contractors Licensing Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§135 Contractor’s Recordkeeping

[Formerly §101]

A. It shall be the responsibility of each person licensed or registered by the board to maintain current records showing compliance with the licensure requirements for all contracts, subcontracts and subcontractors performing work or providing services on a construction project. Upon request by the board or any employee of the board, such records shall be made available for review and/or copies provided to the board employee in person or by electronic means. The failure to maintain current records or the failure to furnish copies of requested records within 72 hours after receipt of notice requesting production of the records shall constitute a violation of this rule and may result in disciplinary action by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§137. Fee for Licenses

[Formerly §1301]

A. The annual fee for licenses for the following year may be set by the board at its July meeting each year. If a new fee is not set, the fee(s) for the prior year shall continue to be in full force and effect until changed by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


Chapter 3. Classifications

§301. Major Classification

[Formerly §117]

A. Any contractor possessing a major classification is permitted to bid or perform any of the specialty type work listed under its respective major classification in R.S. 37:2156.2 or any other work that might not be listed which is directly related to the major classification it may hold as long as it is not prohibited by any rule, except as provided in R.S. 37:2156.2(A)(IX)(B), (C), and (D).

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2164.


§303. Additional Classifications

[Formerly §505]

A. A licensed contractor may add additional classifications to his license at any time provided:

1. the request for additional classification(s) is in writing;

2. a completed and notarized qualifying party application form is submitted pursuant to R.S. 37:2156.1(D)(I); and

3. the required additional fees are paid and the qualifying party successfully passes the examination or meets other eligibility requirements.

B. The addition of classifications to a license will be approved by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§305. Electrical or Mechanical Work

[Formerly §1113]

A. Any person bidding on or performing a job for which a license is required, the majority of which job is classified as V. Electrical Work or VI. Mechanical Work, the licensee shall hold the major classification or subdivision thereunder of electrical work or mechanical work as the case may be.

B. On all jobs involving mechanical or electrical work, the board shall consider the monetary value of the electrical or mechanical material and/or equipment furnished by the
owner or builder, if any, in determining the amount of electrical or mechanical work involved.

C. The board takes cognizance of all local ordinances and codes regulating the licensing of electrical and mechanical contractors.

AUTHORITY NOTE:  Promulgated in accordance with R.S. 37:2159 and 37:2153.

HISTORICAL NOTE:  Adopted by the Department of Commerce, Licensing Board for Contractors, November 1974, amended and promulgated LR 8:137 (March 1982), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:155 (January 2012), LR 44:

§307.  Joint Venture

[Formerly §1103.C]

A. When two or more persons bid as a joint venture on any project in the amount for which a license is required from the board, all parties to the joint venture are required to be licensed by the board at the time the bid is submitted. The joint venture may only perform work within the applicable classifications of the work for which the parties to the joint venture are properly licensed to perform.

AUTHORITY NOTE:  Promulgated in accordance with R.S. 37:2153.

HISTORICAL NOTE:  Promulgated by the Department of Commerce, Licensing Board for Contractors, LR 8:137 (March 1982), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:155 (January 2012), LR 40:2577 (December 2014), LR 44:

§309.  Construction Management

[Formerly §119]

A.1. Any person who performs, attempts to perform, or submits a price, bid or offer to perform work in construction management or program management whose scope of authority and responsibility includes supervision, oversight, direction, or in any manner assuming charge of the construction services provided to an owner by a contractor or contractors, in which the value of the construction project is:

a. in excess of $50,000 for a commercial construction project must possess a license from this board in the major classification of building construction, heavy construction, highway, street, and bridge construction or municipal and public works construction or

b. in excess of $75,000 for a residential construction project must possess a license from this board in the classification of residential building contractor. Any licensed contractor with any of these major classifications shall be able to bid and perform any such project specified for construction and/or program management within the scope of the classification(s) they hold.

2. If a construction or program manager whose scope of authority and responsibilities does not include any of the above stated tasks, and who does not subcontract actual construction work, that construction or program manager does not need a contractor’s license.

B. Any person who violates the provisions of this section may be subject to disciplinary action by the board.

AUTHORITY NOTE:  Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE:  Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 41:536 (March 2015) amended, LR 44:

§311.  Solar Energy Equipment

[Formerly §319]

A. Any person applying for the classification of solar energy equipment, must, in addition to all other application or licensing requirements, meet the following requirements prior to issuance of this classification:

1. hold one or more of the following major classifications:
   a. building construction;
   b. electrical work;
   c. mechanical work;
   d. residential building contractor;

2. complete training in the design of solar energy equipment by an entity and course approved by the board;

3. pass a written examination approved by the Licensing Board for Contractors on the installation and maintenance of solar energy equipment.

a. Any contractor licensed by the board as of August 1, 2014, holding the major classification of building construction, electrical work (statewide) and/or mechanical work (statewide) shall be deemed to have satisfied the examination requirement.

b. An applicant who holds a current solar pv installer certification for solar electric systems or a current solar heating installer certification for solar thermal hot water systems issued by the North American Board of Certified Energy Practitioners shall be deemed to have satisfied both this examination requirement and the training requirement in §311.A.2.

B. Any work performed to connect wiring or hookups for any photovoltaic panel or system wherein the panel or system is of a value, including labor, materials, rentals, and all direct and indirect project expenses of $10,000 or more shall be performed only by a contractor or subcontractor who holds the classification of electrical work or who may perform electrical work under the provisions of R.S. 37:2156.2A(IX)(B).

C. Any work performed to connect piping or equipment for any solar thermal system wherein the system is of a value, including labor, materials, rentals, and all direct and indirect project expenses of $10,000 or more shall be performed only by a contractor or subcontractor who holds the classification of mechanical work or who may perform mechanical work under the provisions of R.S. 37:2156.2A(IX)(B).

D. Entities engaging in the business of selling or leasing solar energy equipment wherein such entities enter into agreements for installing, servicing, or monitoring solar energy equipment, including entities engaged in the business of arranging agreements for the lease or sale of solar energy systems or acquiring customers for financing entities, must possess a state contractor’s license with the classification of solar energy equipment.

AUTHORITY NOTE:  Promulgated in accordance with R.S. 37:2156.3.
Chapter 5. Residential and Home Improvement

§501. Definitions

[Formerly §1501]

A. Any person bidding or performing the work of a general contractor on a residential project in the amount for which a license is required must be licensed under the classification residential building contractor. This requirement shall not include individuals who build no more than one residence per year for their own personal use as their principal residence.

B. Any residential building contractor is permitted to bid or perform any of the specialty type work listed under its respective major classification in Section 503.

C. "Cost of a project" or "value" of a project or work includes the value of all labor, materials, subcontractors, general overhead and supervision. With respect to modular housing, "cost of the project" shall not include the cost of the component parts of the modular home in the condition each part leaves the factory, in accordance with R.S. 40:1730.71.

§503. Residential Specialty Classifications

[Formerly §1515]

A. Any person that is not a licensed residential contractor who, offers to perform, performs, or provides a bid to perform or superintend the following work for a price or fee where the value of the work performed or offered to be performed exceeds $7,500 including labor and material as it relates to new residential construction of any building or structure that is not more than three floors in height, to be used by another as a residence, is required to obtain a specialty classification license from the board for that work if the work includes one of the following:

1. residential pile driving
2. residential foundations
3. residential framing
4. residential roofing
5. residential masonry/stucco

B. Any person who seeks to obtain a license for one of the above specialty classifications must, in addition to all other application or licensing requirements, designate a qualifying party who must successfully complete the trade exam for the respective specialty and complete the business and law course.

C. Any person who violates the provisions of this section may be subject to disciplinary action by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 42:52 (January 2016), amended LR 44:
§505. Residential Labor Only
[Formerly §1517]
A. In lieu of obtaining a residential specialty classification required under §503, a person who provides labor only and does not supply materials may obtain a subcontract-labor-only specialty classification for work performed under the direct supervision of a licensed residential building contractor. To obtain such a specialty classification, the subcontractor must:
   1. complete and submit the application prescribed by the board for the subcontract-labor-only specialty classification;
   2. submit an affidavit (on the form prescribed by the board for the subcontract-labor-only specialty classification) that is executed by a licensed residential building contractor who holds at least one contract with the subcontractor and attests to the subcontractor’s quality of work and character; and
   3. completes the business and law course.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.
HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 42:52 (January 2016), amended LR 44:

§507. Residential Swimming Pools Licensing
A. Any person that is not licensed in building construction or in the swimming pools subclassification of building construction who, offers to perform, performs, or provides a bid to perform work for the construction of a residential swimming pool on property where a building or structure that is not more than three floors in height may be or has been constructed and is intended to be used or is being used as a residence and where the value of the swimming pool construction work exceeds $7,500, including labor and materials, is required to obtain a license for the residential specialty classification entitled residential swimming pools. Persons holding a Residential Construction license may provide a bid, provide pricing, or enter into a contract to construct a residential swimming pool but cannot perform the swimming pool construction work for a residential swimming pool until first obtaining a license from the board for the residential specialty entitled residential swimming pools.
B. Any person who seeks to obtain a residential specialty license for the construction of residential swimming pools must, in addition to all other application or licensing requirements, designate a qualifying party who must successfully complete the trade exam for the respective specialty and complete the business and law course.
C. Any person who violates the provisions of this section may be subject to disciplinary action by the board.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.
HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 42:52 (January 2016), amended LR 44:

§509. Home Improvement Registration
[Formerly §1511]
A. Home improvement contractors are required to register with the board in order to perform services when the value of work exceeds $7,500 but does not exceed $75,000. Contractors who hold valid commercial or residential licenses with the board are exempt from this registration requirement. Home improvement contractors are required to submit certificates evidencing workers’ compensation coverage in compliance with Title 23 of the Louisiana Revised Statutes of 1950 and proof of general liability insurance in a minimum amount of $100,000 at the time of application and renewal.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.
HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 38:813 (March 2012), amended LR 40:2577 (December 2014), LR 44:

§511. New Home Warranty Act
[Formerly §1513]
A. Pursuant to R.S. 9:3145, a residential contractor shall give the owner written notice of the requirements of the New Home Warranty Act.
B. Failure to provide such written notice shall be grounds for the residential subcommittee to suspend or revoke the license of the contractor who failed to provide the required notice, subject to the final approval of the board.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.
HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 38:813 (March 2012), amended LR 44:

§513. Maintenance of Skills
[Formerly §113]
A. As provided by R.S. 37:2150 after granting said license, the licensee shall at all times show its ability to serve the public economically, expeditiously and properly; shall possess the necessary qualifications of responsibility, skill, experience and integrity so that the licensee will not depress the standards of construction established within the industry, and shall continue to maintain the qualifications established in R.S. 37:2156.1.
B. A residential building contractor shall be required to complete a minimum of six hours of continuing education annually by a board approved provider. The residential building contractor shall maintain a copy of a certificate of completion for five years and make the certificate available to the board upon request. A contractor who holds a residential building contractor license and a valid, current license in the major classifications of building construction; highway, street and bridge construction; heavy construction; or municipal and public works construction, shall be exempt from this continuing education requirement.
C. A residential building contractor who fails to complete the minimum required continuing education classes each year may subject the residential building contractor’s license to disciplinary action including suspension or revocation by the board.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.
HISTORICAL NOTE: Adopted by the Department of Commerce, Licensing Board for Contractors, November 1974, amended and promulgated LR 8:137 (March 1982), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:150 (January 2012), LR 40:2574 (December 2014), LR 44:

§515. Examination Scheduling
Repealed.
AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.
HISTORICAL NOTE: Promulgated by the Department of Economic Development, State Licensing Board for Contractors, LR
§705. Failure to Insure or Bond
[Formerly §1111]
A. Whenever a person licensed by the board bids a project within the scope of this act and is awarded the contract, the refusal or inability of the person licensed by the board to provide bonding and insurance coverage as required by the bid proposal, may be grounds for a finding of a violation of §513.A.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

§707. Bankruptcy
[Formerly §115]
A. It shall be the responsibility of any person licensed or registered by the board who, voluntarily or involuntarily, is subjected to any provision of the laws of bankruptcy, to notify this board immediately and to make available to this board any and all information pertinent thereto.
B. Any person licensed or registered by the board who is ordered by a competent court to cease operations or whose operations are closed due to operation of any law, shall notify this board immediately and make available to this board any and all information pertinent thereto.
C. If a person licensed or registered by the board is ordered by a competent court to pay a final and executory judgment awarded against the licensed or registered person in the operation of the licensed or registered business, resulting from a claim arising out of the operation of the licensed or registered business, and fails to pay said judgment upon its becoming final and executory, a hearing may be scheduled by the board for the purpose of disciplining the licensee or registrant in accordance with the provisions of the Contractors Licensing Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

§709. License Revocation and Suspension
[Formerly §315]
A. Any person duly licensed or registered under the provisions of the Contractors Licensing Law who violates any provisions of the Contractors Licensing Law or any rule or regulation of the board may, after due hearing, be required to pay fines and costs and have its license or registration suspended or revoked by the board. Prior to the board's action on suspension or revocation of licenses as aforesaid, the person licensed or registered by the board shall be given a hearing in accordance with §717 of this Part.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.
§711. Subcontractor License; Default
[Formerly §903]
A. It shall be a violation for any person licensed or registered by the board, owner, awarding authority, or any other person to contract or subcontract all or any portion of work to any other person unless said person was duly licensed by the board as of the final date fixed for the submission of bids on said work from the primary contractor to the owner or awarding authority. This rule shall be subject to the provisions and limitations established by R.S. 37:2156(B) and (D).

B. If work is subcontracted as per this rule, and the subcontractor should default for any reason, the awarding authority shall have the right to take bids from any person that is properly licensed by the board at the time of the default.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§713. Residential Subcommittee Review
[Formerly §1507]
A. The Licensing Board for Contractors Residential Subcommittee has the authority to conduct hearings on alleged violations by residential building contractors, residential specialty contractors, mold remediation contractors and home improvement contractors in accordance with the provisions of R.S. 37:2158.

B. The Licensing Board for Contractors Residential Subcommittee shall make recommendations to the Contractors Board regarding their findings and determinations as a result of the hearings on said alleged violations.

C. Any person licensed as a residential building contractor, residential specialty contractor, home improvement contractor, or mold remediation contractor whose alleged violations were heard by the subcommittee and a recommendation rendered, may request to appear at the next regularly scheduled board meeting or at any other board meeting where their alleged violations are brought before the board for final action, and may be given an opportunity to address the board regarding the subcommittee's recommendation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Licensing Board for Contractors, LR 22:95 (February 1996), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:156 (January 2012), LR 44:

§715. Penalties
[Formerly §1509]
A. The residential subcommittee has the authority to issue, suspend, or revoke residential licenses or registrations issued to a residential building contractor and residential specialty contractor subject to the final approval of the Licensing Board for Contractors.

B. In accordance with the provisions of R.S. 37:2162, the subcommittee shall have the authority to issue a fine not to exceed ten percent of the total contract being performed for each violation, for the causes listed in R.S. 37:2158, subject to final approval by the Licensing Board for Contractors.

C. In addition to or in lieu of any of the penalties provided in this Chapter, the subcommittee is empowered to issue a cease and desist order. Further, the subcommittee may seek the other civil remedies provided in R.S. 37:2162 for violations of this Chapter, subject to the final approval of the Licensing Board for Contractors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Licensing Board for Contractors, LR 19:1128 (September 1993), amending by the Office of the Governor, Licensing Board for Contractors, LR 38:125 (January 2012), LR 40:2577 (December 2014), LR 44:

§717. Hearings
[Formerly §701]
A. Hearings regarding any disciplinary proceedings or any other matters to be considered by the board may be conducted by the board’s legal counsel at regular or special meetings whenever deemed necessary and special hearing officers may be hired at the board’s discretion. Hearings shall be conducted in accordance with the Administrative Procedure Act.

B. Written notice of the hearing date shall be given to a party who is subject to a disciplinary proceeding or other matter before the board at least five days prior to such hearings or special meetings. The board members shall be notified at least three days prior to such hearings or special meetings. The notice shall include the time, place and purpose of the hearing or special meeting and may be held at any place within the state.

C. Confirmation of the written notice to a party who is subject to a disciplinary proceeding or other matter before the board required by this Section may be proved by any one of the following:
1. a signed return receipt of certified or registered mail, confirming delivery and receipt of the notice;
2. a signed confirmation by a board employee that actual physical delivery was made to the party, contractor, or agent of the contractor delivered to the address provided to the board by the party or contractor;
3. a confirmation of facsimile transmission to the number provided to the board by the party or contractor;
4. a copy of notice by electronic transmission to the electronic address provided to the board by the party or contractor;
5. a printed electronic confirmation of delivery to the party or contractor and/or confirmation of signature from the U.S. Postal Service;
6. a written, electronic, or facsimile response to the notice or subpoena provided therewith, from the party, contractor or its representative; or
7. appearance by the party, contractor or its authorized representative at the hearing.

D. As authorized by R.S. 49:962, the board may hear and decide petitions for declaratory orders and rulings as to the applicability of any statutory authority or of any rule or order of the board. Such orders and rulings shall have the same status as board decisions or orders in adjudicated cases.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


Chapter 9. Subcontractors

§901. Subcontractors

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2153.


§903. Subcontractor License; Default

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


Chapter 11. Bidding

§1103. Proper Classification

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2153.


§1109. Division of Contract

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2153.

HISTORICAL NOTE: Adopted by the Department of Commerce, Licensing Board for Contractors, November 1974, amended and promulgated LR 8:137 (March 1982), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:155 (January 2012), repealed LR 44:

§1111. Failure to Insure or Bond

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§1113. Electrical or Mechanical Work

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2159 and 37:2153.

HISTORICAL NOTE: Adopted by the Department of Commerce, Licensing Board for Contractors, November 1974, amended and promulgated LR 8:137 (March 1982), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:155 (January 2012), repealed LR 44:

Chapter 13. Fees

§1301. Fee for Licenses

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


Chapter 15. Residential

§1501. Definitions

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Licensing Board for Contractors, LR 22:94 (February 1996), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:155 (January 2012), repealed LR 44:

§1503. Requirements

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Licensing Board for Contractors, LR 22:94 (February 1996), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:156 (January 2012), repealed LR 44:

§1505. Exceptions

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Licensing Board for Contractors, LR 22:94 (February 1996), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:156 (January 2012), LR 40:2577 (December 2014), repealed LR 44:

§1507. Violations
22:95 (February 1996), amended by the Office of the Governor, Licensing Board for Contractors, LR 38:156 (January 2012), repealed LR 44.

§1509. Penalties
Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.


§1511. Home Improvement Registration
Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 38:813 (March 2012), amended LR 40:2577 (December 2014), repealed LR 44.

§1513. New Home Warranty Act
Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 38:813 (March 2012), repealed LR 44.

§1515. Specialty Classifications
Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 42:52 (January 2016), repealed LR 44.

§1517. Labor Only
Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:2150-2192.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Licensing Board for Contractors, LR 42:52 (January 2016), repealed LR 44.

Family Impact Statement
In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that changes to the Rules of the State Licensing Board for Contractors will have no impact on family functioning, stability or autonomy as described in R.S. 49:972.

Poverty Impact Statement
In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of the changes to the rules have been considered. It is anticipated that this proposed Rule will have no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

Small Business Analysis
The proposed changes to the rules will have a minimal impact on small businesses, and will ease the application and renewal processes for contractors licensed with this agency.

Provider Impact Statement
In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no known impact on providers of services for individuals with developmental disabilities.

Public Comments
Interested persons may submit written comments on the proposed regulations to the Licensing Board for Contractors, attention Judy Dupuy, Board Administrator, 2525 Quail Drive, Baton Rouge, LA 70808 through October 10, 2018 at 4:30 p.m.

Public Hearing
If it becomes necessary to convene a public hearing to receive comments, in accordance with the Administrative Procedures Act, a hearing will be held October 25, 2018 at 9:30 a.m. at the Louisiana State Licensing Board for Contractors at 2525 Quail Drive, Baton Rouge, LA 70808.

Michael McDuff
Executive Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
RULE TITLE: Contractors

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
There are no anticipated implementation costs or savings to state or local governmental units as a result of the proposed rule change.

The purpose of the proposed rule change is to align the board’s administrative code with statutes and codify current practices. Additionally, it alters certain requirements for individuals authorized to take trade examinations and the business and law course; and education requirements for qualifying parties and residential-labor-only individuals.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There is no anticipated impact on revenue collections of state or local governmental units as a result of the proposed rule change.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
Contractors will be impacted by the proposed rule change. The proposed rule change will now allow any member of an LLC to be authorized to take trade examinations and the business and law course as opposed to original members only. Qualifying parties and residential-labor-only individuals will now be required to complete the business and law course in lieu of the business and law exam, however the fee will remain the same. Additionally, to the extent individuals are found in violation of the board’s administrative code, they may be subject to disciplinary actions including license suspension or revocation by the board.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
There may be an effect on competition and employment as a result of the proposed rule change. Any member of a limited liability corporation will now be authorized to take the examination, which could lead to more opportunities for both the company and the individual.

Judy Dupuy
Board Administrator
1895#023

Evan Brasseaux
Staff Director
Legislative Fiscal Office