

OCD-DRU HMGP Procedure Notice

Procedure No.: 26
Revision No.: 1
Date: 09/17/2012
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Subject: Contractor Licensing Requirements

Effective: August 1, 2012

Procedure Summary

This procedure identifies the licensing requirements for contractors participating in the OCD-DRU HMGP as determined by the Louisiana State Licensing Board for Contractors.

1.0 CONTRACTOR LICENSING REQUIREMENT

This procedure discusses the licensing and classification requirements as determined by the State Licensing Board for Contractors for contractors participating in the Office of Community Development, Disaster Recovery Unit (OCD-DRU) Hazard Mitigation Grant Program (HMGP). Under the OCD-DRU HMGP three mitigation activities are performed; Elevation, Reconstruction and Individual Mitigation Measures (IMM). Information regarding license and classification requirements per mitigation activity are discussed below.

2.0 ELEVATION LICENSING REQUIREMENTS

2.1 Commercial Contractors

Contractor's holding a Louisiana State **Commercial Contractor's license** with a classification of **Building Construction** may bid on or sign contracts as the prime contractor to elevate a house. This contractor can self-perform the raising, shoring and leveling of the house, however, if they choose not to self-perform and to subcontract the raising, shoring and leveling of the house then the subcontractor must be a commercially licensed contractor with any one or more of the classifications below:

- Building Construction
- Specialty: Rigging, House Moving, Wrecking and Dismantling
- Specialty: Raising and Leveling of Residences and Buildings
- Specialty: Foundations and Pile Driving
- Specialty: Sidewalks, Retaining Walls, Patios, and Foundations
- Specialty: Foundations for Buildings and Tanks
- Specialty: Foundations for Buildings, Equipment or Machinery
- Specialty: Foundations, Caissons, and Slurry Walls.

Note: Commercial Contractors holding only a specialty classification may not bid on or sign contracts as the prime contractor for elevating a house. Commercial Contractors must hold a Building Construction Classification in order to be the prime contractor.

2.2 Residential Contractors

Contractors holding a Louisiana State Residential Contractor's license with a classification of **Residential Building Contractor** may bid on or sign contracts as the prime contractor to elevate a house. Residential contractors cannot perform the task of raising, shoring and leveling of a house. Residential contractors must subcontract the raising, shoring and leveling portion of the contract with a commercially licensed contractor holding any one or more of the classifications below:

- Building Construction
- Specialty: Rigging, House Moving, Wrecking and Dismantling
- Specialty: Raising and Leveling of Residences and Buildings
- Specialty: Foundations and Pile Driving
- Specialty: Sidewalks, Retaining Walls, Patios, and Foundations
- Specialty: Foundations for Buildings and Tanks
- Specialty: Foundations for Buildings, Equipment or Machinery
- Specialty: Foundations, Caissons, and Slurry Walls.

Note:

Home Improvement Registrants may not bid on or sign contracts as the prime contractor for any elevation projects.

Upon completion of an elevation contract (including any related electrical, mechanical, and plumbing work), a home improvement contractor may perform repairs to a house up to \$75,000. For purposes of calculating the cost of any project to determine whether a certain type of license is needed, all costs must be included, including materials, labor, insurance, etc., regardless of who pays for each cost.

3.0 RECONSTRUCTION LICENSING REQUIREMENTS

For Reconstruction Projects only Louisiana State Residential Licensed Contractor's with a classification of **Residential Building Contractor** may bid on or sign contracts as the prime contractor to reconstruct a house.

4.0 SECOND STORY CONVERSION LICENSING REQUIREMENT

For Second Story Conversions only Louisiana State Residential Licensed Contractor's with a classification of **Residential Building Contractor** may bid on or sign contracts as the prime contractor to perform second story conversions for contracts valued over \$75,000.

For Second Story Conversion projects where the total project cost value is \$75,000 or less, the following Louisiana State Licensed Contractor's may bid on or sign contracts as the prime contractor.

- Louisiana State Residential licensed Contractor
- Louisiana State Commercial licensed Contractor's with a classification of Building Construction
- Louisiana State Home Improvement Registrant

Note: For purposes of calculating the cost of any project to determine whether a certain type of license is needed, all costs must be included, including materials, labor, insurance, etc., regardless of who pays for each cost.

5.0 IMM LICENSING REQUIREMENT

For Individual Mitigation Measures (IMM) projects where the total project cost value is \$75,000 or less, the following Louisiana licensed Contractor's may bid on or sign contracts as the prime contractor.

- Louisiana State Residential licensed Contractor
- Louisiana State Commercial licensed Contractor with a classification of Building Construction
- Louisiana State Home Improvement Registrant

Notes:

For IMM projects where the total project cost value \$1,500 or less, contractors are not required to be licensed or registrants for these contracts.

For purposes of calculating the cost of any project to determine whether a certain type of license is needed, all costs must be included, including materials, labor, insurance, etc., regardless of who pays for each cost.

6.0 VIOLATIONS

If the OCD-DRU HMGP determines that a Contractor is not properly licensed as described above, said Contractor will be referred to the Louisiana State Licensing Board for Contractors or other appropriate law enforcement agencies for investigation and enforcement purposes. The OCD-DRU HMGP may also require that the Contractor: remit all or any unearned funds, as determined by the State, previously paid to it from whatever source, back to said source; may not be approved for additional advance payments; and may not have additional contracts approved.

7.0 STATE LICENSING BOARD FOR CONTRACTORS

The State Licensing Board for Contractors is responsible for monitoring construction projects to ensure compliance with state licensure requirements. For information regarding the requirements for a particular contractor's license, please contact the Louisiana State Licensing Board for Contractors at 225.765.2301 or 800.256.1392 or www.lslbc.louisiana.gov.