

Louisiana Trades and Building Contractors need to build trust once again.

The Home Buyer Shakedown Formula

**Builders +
Limited Warranty
+ Unskilled Labor
= Increased Profits**



Published: 5-20-2018 Revised: 6-21-2018

Louisiana Homeowners risk being a victim of the building trades more often than you might think. After every disaster we are all warned about unlicensed contractors. This warning isn't enough, we need to be warned about all contractors!

I am writing a series of articles on how Louisiana Contractors are all part of a major trust issue with Louisiana residences and homeowners.

First of all, the Louisiana State Contractors Licensing Board does basically nothing to protect the interest of the end user, the Louisiana Resident and the Louisiana Homeowner.

I can say this because the state's only mechanism for detecting issues is with the permit filing process provided by local city planning and zoning offices. If no permit is requested by the contractor then there is never a notice to inspect. Just like your local city planners in Louisiana will say they can't inspect work if there is no permit on file.

These two issues allow fraud to grow and prosper in the state of Louisiana by shady people claiming the contractor's title.

There are more ways your Louisiana Contractor can commit fraud that goes undetected by the state licensing board.

One of the best methods of fraud comes from new home builders, the Building Contractor.

You might think that the building contractor holds the master license and covers everyone working under the main building contractor with workers compensation and general liability insurance.

This was true back in the days builders actually had employees that built things. But in today's building industry you outsource to the lowest sub-contractor that can get the job done.

Here's where we see major problems with the Louisiana system.

The General Builder can outsource all the labor to anyone they choose, they will request that the labor be managed by a licensed subcontractor but since the permit is pulled under the general contractors name it's not a check that the state will do even if a person reports directly to the state that an unlicensed contractor is working for the general contractor.

Let me clear this up, a Realtor that happens to have a Building Contractors License or Residential Builders license doesn't have to know how to build a home and doesn't have to even check if the building is go code. That Realtor will look for the lowest priced sub-contractor to do all the work.

Let's now say the Realtor that is a licensed builder in the state of Louisiana outsources the foundation and framing work to a company that is not licensed. Is the builder at risk? Yes, but only if the unlicensed contractor reports the builder to the state licensing board and tells the whole story that will end up getting them into hot water as well. So the state requires that the General Contractor list sub-contractors. But that's paperwork that does unchecked after the first building permit is pulled.

The Realtor pulls it's building permit then hires it's sub-contractors or as I call it, outsources the building of the structure.

The Realtor doesn't have to qualify the sub-contractor, doesn't have to check if they are trained and there is no state agency that will check skills of any licensed company in the state of Louisiana.

So now you have a Builder using someone that may not be skilled doing work that requires a state license and insurance but isn't on the permit. What can you do?

You can as I have attempt to report this type of practice to the state division of investigations and get as far as I did. Sorry, we found nothing wrong.

So when you think about buying a home from a none building family or a builder that is also a baker or a Realtor you should think who they hired to do the actual work. If you are buying a new home you should ask for a 5 or 10 year builder warrant on the foundation and framing since that seems to be what is outsourced to unlicensed and unskilled labor the most. It's also the major parts of your home. You will find that they hire a state licensed plumber and electrician to pass inspections which also means these electricians and plumbers should be trained to at least 70% knowledge of the state codes but is the person doing the work the one that took the test? Again, you would have to ask these questions and verify that the actual certified worker the tradesman was on site and working every day they were building your home. At least every day their trade was being practiced in the build.

Louisiana has nothing to protect the consumer and everything in place to tax and penalize the builders and even your common craftsman and tradesman.

If the state took an interest in quality they would take an interest in each building phase and who did the work. But they don't, inspections do not include from my observations checking to see if rebar is tired and set

in it's proper stands and if the termite treatment was actually completed.

You can browse the internet and find unlicensed sub-contractors showing off their work on new construction and see the mistakes from their own selfies. You can also see they advertise their business names and personal names as well. You can look them up by the Secretary of State business search then check to see if they are state licensed to do what they claim they do. You might find it interesting that many are not licensed and they are building your new homes at \$140/sf.

The trades and crafts are fading away quickly and they are giving way to a group of people that have only dollar signs as their focal point.

This is a series of posts that I will be making and I do have suggestions on correcting these issues but it will require those that want to make a livelihood in the trades industry instead of just making money and moving to the next fashionable investment opportunity.

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Published: 5-20-2018 Revised: 6-21-2018

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