



## PROPERTY OWNER PACKAGE

### Considering Becoming an Owner-Builder?

**Important information you need to know BEFORE pulling your permit!**

**The term "Owner-Builder" can mean three different things:  
"Owner as Worker" "Owner as Contractor" or "Owner as Employee"**

**Understand each has Benefits or Risk, and it is possible to combine them!**

**Hiring a California Licensed Contractor** means you do not personally perform any of the construction work, the permit is not taken out in your name, you are not personally responsible for the construction and you are *not* an Owner-Builder. Instead, you become a "Customer" and California law provides you the benefit of protection from poor workmanship, failure to finish the job and financial risk due to worker injury.

**Owner-as- Worker** is a type of Owner-Builder where you *personally perform* the construction work, the permit is taken out in your name and you are *personally responsible* for the construction management, knowledge, workmanship, and completion of the job. You benefit by not paying others to perform this work for you and your risk depends on your own ability to complete the job successfully.

**Owner-as-Contractor** is a type of Owner-Builder where you personally act as your own General Contractor, the permit is taken out in your name and you hire California licensed sub-contractors to perform portions of the construction work.

**Owner-as-Employer** is a type of Owner-Builder where you pay *any* unlicensed individual to perform *any* construction work valued at more than \$500.00, the permit is taken out in your name and you are personally responsible for their employment requirements, supervision, performance, safety and welfare while on your property,

**(Health and Safety Code Section 19827)** The California Legislature declares an "urgent and statewide public interest in assuring" that contractors comply with Contractors' License Law, Business and Professions Code and Workers' Compensation Insurance requirements to ensure property owners are informed about, and protected from the following when improving their property as Owner-Builders:



## PROPERTY OWNER VERIFICATION

### Disclosures & Forms for Owner-Builders Applying for Construction Permits

#### **IMPORTANT! NOTICE TO PROPERTY OWNER**

Dear Property Owner:

An application for a building permit has been submitted in your name listing yourself as the builder of the property improvements specified at \_\_\_\_\_

We are providing you with an Owner-Builder Acknowledgment and Information Verification Form to make you aware of your responsibilities and possible risk you may incur by having this permit issued in your name as the Owner-Builder. **We will not issue a building permit until you have read, initialed your understanding of each provision, signed, and returned this form to us at our official address indicated.** An agent of the owner cannot execute this notice unless you, the property owner, obtain the prior approval of the permitting authority.

#### **OWNER'S ACKNOWLEDGMENT AND VERIFICATION OF INFORMATION**

*DIRECTIONS: Read and initial each statement below to signify you understand or verify this information.*

1. I understand a frequent practice of unlicensed persons is to have the property owner obtain an "Owner-Builder" building permit that erroneously implies that the property owner is providing his or her own labor and material personally. I, as an Owner-Builder, may be held liable and subject to serious financial risk for any injuries sustained by an unlicensed person and his or her employees while working on my property. My homeowner's insurance may not provide coverage for those injuries. I am willfully acting as an Owner-Builder and am aware of the limits of my insurance coverage for injuries to workers on my property.

2. I understand building permits are not required to be signed by property owners unless they are *responsible* for the construction and are not hiring a licensed Contractor to assume this responsibility.

3. I understand as an "Owner-Builder" I am the responsible party of record on the permit. I understand that I may protect myself from potential financial risk by hiring a licensed Contractor and having the permit filed in his or her name instead of my own.

4. I understand Contractors are required by law to be licensed and bonded in California and to list their license numbers on permits and contracts.

5. I understand if I employ or otherwise engage any persons, other than California licensed Contractors, and the total value of my construction is at least five hundred dollars (\$500), including labor and materials, I may be considered an "employer" under state and federal law.

6. I understand if I am considered an "employer" under state and federal law, I must register with the state and federal government, withhold payroll taxes, provide workers' compensation disability insurance, and contribute to unemployment compensation for each "employee." I also understand my failure to abide by these laws may subject me to serious financial risk.

7. I understand under California Contractors' State License Law, an Owner-Builder who builds single-family residential structures cannot legally build them with the intent to offer them for sale, unless *all* work is performed by licensed subcontractors and the number of structures does not exceed four within any calendar year, or all of the work is performed under contract with a licensed general building Contractor.

\_\_\_\_\_ 8. I understand as an Owner-Builder if I sell the property for which this permit is issued, I may be held liable for any financial or personal injuries sustained by any subsequent owner(s) that result from any latent construction defects in the workmanship or materials.

\_\_\_\_\_ 9. I understand I may obtain more information regarding my obligations as an "employer" from the Internal Revenue Service, the United States Small Business Administration, the California Department of Benefit Payments, and the California Division of Industrial Accidents. I also understand I may contact the California Contractors' State License Board (CSLB) at 1-800-321-CSLB (2752) or [www.cslb.ca.gov](http://www.cslb.ca.gov) for more information about licensed contractors.

\_\_\_\_\_ 10. I am aware of and consent to an Owner-Builder building permit applied for in my name, and understand that I am the party legally and financially responsible for proposed construction activity at the following address:

\_\_\_\_\_ 11. I agree that, as the party legally and financially responsible for this proposed construction activity, I will abide by all applicable laws and requirements that govern Owner-Builders as well as employers.

\_\_\_\_\_ 12. I agree to notify the issuer of this form immediately of any additions, deletions, or changes to any of the information I have provided on this form. Licensed contractors are regulated by laws designed to protect the public. If you contract with someone who does not have a license, the Contractors' State License Board may be unable to assist you with any financial loss you may sustain as a result of a complaint. Your only remedy against unlicensed Contractors may be in civil court. It is also important for you to understand that if an unlicensed Contractor or employee of that individual or firm is injured while working on your property, you may be held liable for damages. If you obtain a permit as Owner-Builder and wish to hire Contractors, you will be responsible for verifying whether or not those Contractors are properly licensed and the status of their workers' compensation insurance coverage.

**Before a building permit can be issued, this form must be completed and signed by the property owner and returned to the agency responsible for issuing the permit. Note: A copy of the property owner's driver's license, form notarization, or other verification acceptable to the agency is required to be presented when the permit is issued to verify the property owner's signature.**

Signature of property owner \_\_\_\_\_ Date: \_\_\_\_\_

*Note: The following Authorization Form is required to be completed by the property owner only when designating an agent of the property owner to apply for a construction permit for the Owner-Builder.*

**AUTHORIZATION OF AGENT TO ACT ON PROPERTY OWNER'S BEHALF**

Excluding the Notice to Property Owner, the execution of which I understand is my personal responsibility, I hereby authorize the following person(s) to act as my agent(s) to apply for, sign, and file the documents necessary to obtain an Owner-Builder Permit for my project.

Scope of Construction Project (or Description of Work): \_\_\_\_\_

Project Location or Address: \_\_\_\_\_

Name of Authorized Agent: \_\_\_\_\_ Tel No: \_\_\_\_\_

Address of Authorized Agent: \_\_\_\_\_

I declare under penalty of perjury that I am the property owner for the address listed above and I personally filled out the above information and certify its accuracy. ***Note: A copy of the owner's driver's license, form notarization, or other verification acceptable to the agency is required to be presented when the permit is issued to verify the property owner's signature.***

Property Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## OWNER BUILDER FORM CONSTRUCTION PERMIT APPLICATION

### OWNER-BUILDER'S DECLARATION

I hereby affirm under penalty of perjury that I am exempt from the Contractors' State License Law for the reason(s) indicated below by the checkmark(s) I have placed next to the applicable item(s) (Section 7031.5, Business and Professions Code: Any city or county that requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for the permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt from licensure and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars (\$500).):

**I, as owner of the property, or my employees with wages as their sole compensation, will do  all of or  portions of the work**, and the structure is not intended or offered for sale (Section 7044, Business and Professions Code: The Contractors' State License Law does not apply to an owner of property who, through employees' or personal effort, builds or improves the property, provided that the improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the Owner-Builder will have the burden of proving that it was not built or improved for the purpose of sale.).

**I, as owner of the property, am exclusively contracting with licensed Contractors to construct the project** (Section 7044, Business and Professions Code: The Contractors' State License Law does not apply to an owner of property who builds or improves thereon, and who contracts for the projects with a licensed Contractor pursuant to the Contractors' State License Law.).

**I am exempt from licensure under the Contractors' State License Law for the following reason:**

By my signature below I acknowledge that, except for my personal residence in which I must have resided for at least one year prior to completion of the improvements covered by this permit, I cannot legally sell a structure that I have built as an owner-builder if it has not been constructed in its entirety by licensed contractors. I understand that a copy of the applicable law, Section 7044 of the Business and Professions Code, is available upon request when this application is submitted or at the following Web site: <http://www.leginfo.ca.govicalaw.html>.

Property Owner or Authorized Agent signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Office only \_\_\_\_\_ Verified Owner \_\_\_\_\_

## IDENTIFY WORKERS' COMPENSTATION COVERAGE AND LENDING AGENCY

**WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS (\$100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.**

### WORKERS' COMPENSATION DECLARATION

I hereby affirm under penalty of perjury one of the following declarations:

**I have and will maintain a certificate of consent to self-insure for workers' compensation, issued by the Director of Industrial Relations** as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. Policy No. \_\_\_\_\_

**I have and will maintain workers' compensation insurance**, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

Carrier \_\_\_\_\_ Policy No \_\_\_\_\_ Expiration Date \_\_\_\_\_

Name of Agent \_\_\_\_\_ Tel No \_\_\_\_\_

**I certify that, in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California**, and agree that, if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

## CONSTRUCTION LENDING AGENCY

### DECLARATION REGARDING CONSTRUCTION LENDING AGENCY

I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Section 3097, Civil Code).

Lender's Name and Address \_\_\_\_\_

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## #4 ASBESTOS NOTIFICATION

**Air Pollution Control District Approval (approval provided)**

**I declare that notification of asbestos removal is not applicable to addressed project**

## #5 DECLARATION BY CONSTRUCTION PERMIT APPLICANT

By my signature below, I certify to each of the following:

**I am  a California licensed contractor or  the property owner\* or  authorized to act on the property owner's behalf\*\*.**

I have read this construction permit application and the information I have provided is correct.

I agree to comply with all applicable city and county ordinances and state laws relating to building construction. I authorize representatives of this city or county to enter the above-identified property for inspection purposes.

\*requires separate verification form California Licensed Contractor, Property Owner\* or Authorized Agent\*\*:

\*\*requires separate authorization form

Signature \_\_\_\_\_ Date \_\_\_\_\_