



PROPERTY OWNER'S PACKAGE

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 (*project address*)_____.

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. **The City of El Cerrito 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 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.

Property Owner Signature & Printed Name

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.

OWNER BUILDER DECLARATION

I hereby affirm that I am exempt from the Contractor's Licenses Law for the following reasons (Sec. 7031.5 Business and Professions Code: Any city or county which requires a permit to construct, alter, improve, or repair any structure, prior to its issuance, also requires the applicant for such permit to file a signed statement that he/she is licensed pursuant to the provisions of the Contractor's License Law Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, or that he/she is exempt therefrom and the basis for alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subject 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 the work, and the structure is not intended or offered for sale (sec. 7044, Business and Professions Code: The Contractor's License Law does not apply to owner of property who builds or improves thereon, and who does such work themselves or through their own employees, provided that such improvements are not intended or offered for sale. If, however the building or improvement is sold within one year of the completion, the owner builder will have the burden of providing that they did not build or improve for the purpose of sale.)

I, as owner of the property, am exclusively contracting with licensed contractors to construct the project (Sec. 7044 , Business and Professions Code: the contractor's License Law does not apply to an owner of the property who build or improves thereon, and who contracts for such projects with a contractor licensed pursuant to the Contractor's License Law.)

I am exempt under Sec. _____B&P.C. for this reason:

Signature of Owner _____ Date _____

Owner/builders take note!

A word of caution from the Contractors State License Board

*Hiring an unlicensed
“consultant” to manage
the project does not
save you money
in the long run.*

*By hiring a licensed
experienced contractor
for your project to hire
licensed knowledgeable
tradespersons, the
contractor becomes
responsible for all
phases of construction.*



Anyone who talks you into being your own general contractor, or “owner/builder,” may be doing you no favor.

“Owner/builder” describes a situation in which the homeowner becomes the general contractor. As an owner/builder, *you* (not the person you hire) assume responsibility for the overall job.

Your responsibilities may include such things as state and federal taxes, workers’ compensation insurance, and other legal liabilities. You may be required to hire various subcontractors for your project, scheduling their work and supervising the job. If a worker is injured while working on your property, you could be asked to pay for injuries and rehabilitation through your homeowner’s insurance policy.

By signing a building permit application as an owner/builder, you assume full responsibility for all phases of your project and its integrity.

Hiring an unlicensed “consultant” to manage the project does not save you money in the long run. By hiring a licensed experienced contractor for your project to hire licensed knowledgeable tradespersons, the contractor becomes responsible for all phases of construction.

Unless you are very experienced in construction, it is best to leave these matters to your licensed contractor.