HOMEOWNER “OWNER BUILDER” INFORMATION SHEET

Many people that come to the Community Development Department are homeowners taking out a permit in their own name as an "owner-builder". This could be for any type of project, such as room addition, patio, garage addition, or balconies. For your protection, you should be aware that as "owner-builder" you are the responsible party of record on such permit. It effectively means that you are performing the work yourself without retaining other persons or firms to perform this work. The information in this handout is provided for your benefit and protection.

A frequent practice of unlicensed persons professing to be contractors is to have the property owner secure an "owner-builder" building permit, erroneously implying that the property owner is providing his or her labor and materials personally. Building permits are not required to be signed by property owners unless they are performing their own work personally.

Anyone that talks you into being your own general contractor (owner-builder) may be doing you no favor. Owner-builder is basically a situation where the property owner becomes responsible for everything. As an owner-builder, you, not the person you hire, assume responsibility for the overall job, which may include such things as state and federal taxes, workers compensation, and other legal liabilities. Unless you are experienced in construction, it is best to leave these matters to a contractor.

Building permits taken out by licensed contractors are required to be signed by the contractor. Contractors are required by law to be licensed and bonded by the State of California and to have a business license from the city. If your work is being performed by someone other than yourself (or immediate family), you may protect yourself from possible liability if that person applies for the proper permit in his or her name. If the contractor hires one or more employees to do the work on your job, workers compensation insurance is required. State workers compensation law provides that the owner must pay for such injuries if the contractor doesn’t carry insurance. Ensure that the contractor does have valid workers compensation insurance.

One of the best ways to select a contractor is to seek personal recommendations from friends or relatives who recently obtained work of the type you want.

In general, you should:

1. Call your local contractors state license board to ask if the contractor is properly licensed.
2. Ask the contractor for a list of jobs he/she has recently completed in the area.
3. Talk to the contractors customers. Did the contractor keep the schedule? Were you pleased with the work? Did the contractor listen to you when you had a problem and resolve it? Did the contractor make any necessary corrections willingly?
4. See the work yourself to ensure it is done right.
5. Obtain references from material suppliers to determine if the contractor is financially responsible.
6. Ask the contractor for the address of his/her business location and business telephone number.
7. The Contractors State Licensing Board considers a Handyman a “contractor” if they perform an aggregate $500 worth of work.

Information about licensed contractors may be obtained by contacting the Contractors State Licensing Board in you area (562) 345-7656 or the main office at 1-(800) 321-2752, or writing to P.O. Box 26000 Sacramento, California 95826. Current license and insurance information is also available on their web site www.cslb.ca.gov.