



# SUTTER COUNTY

## DEVELOPMENT SERVICES DEPARTMENT

Building Inspection  
Code Enforcement

Engineering/Water Resources  
Environmental Health

Planning  
Road Maintenance

---

### Owner-Builders Applying for Construction Permits Handout

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

We are providing you with an Owner-Builder handout informing you of responsibilities and possible risk you may incur by having this permit issued in your name as the Owner-Builder. An agent of the owner cannot execute this notice unless you, the property owner, obtain the prior approval of the permitting authority.

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.

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

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

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

You 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.

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 those Contractors are properly licensed and the status of their workers' compensation insurance coverage.