



Owner-Builder Acknowledgement & Information Verification

If you are considering obtaining an owner/builder permit, you should be aware of the information contained in this handout. It is provided for your benefit and protection.

Unlicensed persons professing to be contractors frequently ask property owners to secure an "Owner/Builder" building permit, erroneously implying that the property owner is providing his or her own labor and material. In reality, building permits are not required to be signed by property owners unless they are performing their own work.

Anyone who talks you into being your own general contractor, or "owner/builder", may be doing you disservice. An "owner/builder" is a home owner who becomes the general contractor for their project. 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, worker's compensation, and other legal liabilities. Unless you are very experienced in construction, it is best to leave these matters to your contractor. **You should be aware that as an "owner/builder," you are the responsible party of record on a permit.** Where a permit is to be issued as an "owner/builder" permit, the City of Beverly Hills requires that it be signed by the owner only. Building permits taken out by licensed contractors are required to be signed by the contractor. If your work is being performed by someone other than yourself, you may protect yourself from possible liability if that person applies for the proper permit in his or her name.

Contractors are required by law to be licensed and bonded by the State of California and to have a business license from the city. They are also required by law to include their license number on all permits for which they apply. If a contractor hires one or more employees to work on your job, workers compensation insurance is required. As such, you may wish to require the contractor to furnish a certificate of workers compensation insurance coverage. State workers compensation law provides that an owner must pay for worksite-related injuries if a contractor isn't insured.

One of the best ways to select a contractor is to seek personal recommendations from friends or relatives who have recently obtained work similar to that which you seek. Additionally, you should also:

1. Call the California Contractors' State License Board to ask if the contractor is properly licensed, and the license is in good standing.
2. Ask the contractor for a list of jobs recently completed in the area. A skilled contractor is proud of his/her work and shouldn't mind providing you with this information.
3. Talk to the contractor's customers. Ask such question as:
 - Did the contractor keep to the schedule?
 - Were you pleased with the work, and the way it was done?
 - Did the contractor listen to you when you had a problem, and seem concerned about resolving it?
 - Did the contractor make any necessary corrections willingly?
4. See the work yourself whenever possible.
5. Obtain references from material suppliers, subcontractors, and financial institutions, if possible, to determine whether the contractor is financially responsible.
6. Acquire and verify the contractor's business location and telephone number with the Building department, trade association/union, consumer protection agency, and/or Better Business Bureau.

As your job progresses, the Building and Safety Division will make inspections to ensure that completed work meets building codes; however, these inspections are not made to determine good work quality. You should, if at all possible, be present when inspections are made, ask questions, and make frequent inspections yourself.

When a project is completed, the building department will conduct a final inspection. Make sure that you also conduct a final inspection, or "walk-through," with your contractor to be certain there is nothing you or the contractor have overlooked.

In spite of all the precautions you have taken, problems may occur with the work that has been done on your home. If problems do occur, either during construction or after completion, contact your contractor. Usually, he/she will make corrections willingly.

Should the contractor refuse to make corrections, you can file a complaint in writing with your local Contractors State License Board office, Building and Safety Division, or if necessary, consult an attorney. The Contractors' State License Board staff stands ready to report on the license status of any licensed California contractor, and will answer inquiries as to any disciplinary action taken against a contractor by the Board. They will also assist with, and investigate, all valid complaints a consumer may have against a contractor.

OWNER-BUILDER 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) (Sec. 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 there 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 (Sec. 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 (Sec. 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 project 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 744 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.gov/calaw.html>

Print Name

Signature of Property Owner/Authorized Agent

Date

WORKERS' COMPENSATION DECLARATION

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.

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 Number: _____

I have & 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 & policy number are:

Carrier: _____ Policy No.: _____ Exp. Date: _____

Name of Agent: _____ Phone 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.

Print Name

Signature of Property Owner/Authorized Agent

Date



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DECLARATION REGARDING 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 (Sec. 3097, Civil Code).

Lender's Name: _____ Phone No.: _____

Lender's Address: _____

City: _____ State: _____ Zip: _____

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

- I am the property owner or authorized to act on the property owner's behalf.
- I have read this 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.

Print Name

Signature of Property Owner/
Authorized Agent

Date