



EL DORADO COUNTY BUILDING SAFETY DIVISION

APPLICATION INFORMATION (PART 4)

Important information you, as Owner-Builder, need to know **BEFORE** applying for your permit:

The term "Owner-Builder" can mean three different things: "Owner as *Worker*," "Owner as *Contractor*" or "Owner as *Employer*." Make sure you understand the benefits and risks of each. It is possible to combine them!

When you hire a **California Licensed Contractor**, you do not personally perform any of the construction work, the permit is not issued in your name, you are not personally responsible for the construction, ***and you are not an Owner-Builder***. Instead, you are a "Customer." California law provides a customer the benefit of protection from poor workmanship, protection from a contractor's failure to finish the job, and relieves the customer of financial risk due to worker injury.

Benefit/Risk: Highest Benefits and the Least amount of Risk

Owner-as-Worker is a type of Owner-Builder where you personally perform the construction work, the permit is issued 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 the work for you and your risk depends on your own ability to complete the job successfully.

Benefit/Risk: Possible Benefit with Low Financial Risk

Owner-as-Contractor is a type of Owner-Builder where you personally act as your own General Contractor, the permit is issued in your name, and you hire California licensed sub-contractors to perform portions of the construction work. **WARNING:** If you hire unlicensed contractors to perform any of the work, you are not provided with the protections afforded by law that apply when you hire only California-licensed sub-contractors.

Benefit/Risk: Possible Benefit and Significant Financial Risk

Owner-as-Employer is a type of Owner-Builder where you pay *any* unlicensed individual to perform *any* construction work with a total value of \$500. The permit is issued in your name and you are personally responsible for the employment requirements, supervision, performance, safety and welfare of workers while on your property. **WARNING:** Cost savings benefit can turn to serious financial risk if you fail to deduct *payroll taxes* or provide *workers compensation insurance* for each worker.

Benefit/Risk: Possible Benefit with Significant Financial Risk

California Health and Safety Code, Section 19827

"The Legislature hereby finds and declares that there is an urgent and statewide public interest in assuring that building contractors comply with the Contractors License Law (Chapter 9 (commencing with Section 7000), Division 3, Business and Professions Code)) and provisions of law relating to Workers' Compensation Insurance for building construction, that property owners are informed about, and protected from, fraudulent representations, liability for worker's injuries, liability for material and labor costs unpaid by contractors, licensing requirements, and employer's tax liabilities when improving their property as owner-builders."

OWNERS BEWARE AND CONSIDER THE RISK BEFORE ACCEPTING FULL RESPONSIBILITY FOR YOUR CONSTRUCTION PERMIT

Note: Read each statement and check each item on the attached form confirming that you understand the statement. This form must be completed by the property owner even if authorizing an agent to apply for and sign a permit application. The permit will not be issued until the signature is verified by counter staff.