



## Notice to Property Owner

January 2023

### **IMPORTANT! NOTICE TO 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 **1234 Laguna Palms Way, Elk Grove, CA 95758**. 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. **We 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.

### **Items to know before you go!**

Understand that if your work is being completed by someone other than yourself, you will protect yourself from possible liability if that person obtains the permit. As an "Owner Builder" you become the liable and responsible party for the permit.

**Owner as a Worker:** This is the type of owner builder permit where you are personally performing the work, the permit is under your name and you are personally responsible for the construction management, knowledge of the applicable codes and workmanship to complete the job.

**Owner as a Contractor:** This is the type of owner builder permit where you act as the general contractor, the permit is taken out in your name, and you hire a Licensed California Subcontractor to perform a portion of the construction. Please keep in mind this may put yourself at risk if you hire any unlicensed contractors to perform the work.

**Owner as Employer:** This is the type of owner builder permit where you pay any unlicensed individual to perform construction work valued at more than \$500, the permit is issued in your name, and you are personally responsible for their employment requirements, supervision, and performance in addition to their safety and welfare while on your property. Employers must register with the state and federal governments and are obligated to participate in state and federal income tax withholding, federal Social Security taxes, workers' compensation insurance, disability insurance costs, and unemployment compensation contributions.

**Hiring a licensed Contractor:** This is the type of permit that a licensed contractor performs the construction work, the permit is not in the property owner's name and the property owner is not personally responsible for the construction work. The homeowner becomes the customer and California Law provides the benefit of protection from poor workmanship, failure to finish the job along with the financial risk due to worker injury.

Contractors are required by law to be licensed and bonded by the State of California and to have a business license from the City of Elk Grove. Contractors must also put their license number on all permits. Information regarding licensed contractors can be obtained by contacting the Contractors State License Board (CSLB) at 9821 Business Park Drive, Sacramento CA 95827 or at [www.cslb.ca.gov](http://www.cslb.ca.gov)

# Disclosures & Forms for Owner-Builders Applying for Construction Permits

## **OWNER'S ACKNOWLEDGMENT AND VERIFICATION OF INFORMATION**

*DIRECTIONS: Read and initial each statement below to signify you understand or verify this information.*

JD 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.

JD 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.

JD 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.

JD 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.

JD 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.

JD 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.

JD 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.

JD 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.

JD 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](http://www.cslb.ca.gov) for more information about licensed contractors.

JD 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:  
1234 Laguna Palms Way

JD 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.

JD 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 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.**

Signature of property owner John Doe Date: 1-1-2024

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*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.*

**AUTHORIZATION OF AGENT TO ACT ON PROPERTY OWNER'S BEHALF**

Excluding the Notice to Property Owner, the execution of which I understand is my personal responsibility, I hereby authorize the following person(s) to act as my agent(s) to apply for, sign, and file the documents necessary to obtain an Owner-Builder Permit for my project.

Scope of Construction Project (or Description of Work): New Single Family Dwelling

Project Location or Address: 1234 Laguna Palms Way, Elk Grove, CA 95758

Name of Authorized Agent: Susan Smith Tel No (109) 876-5432

Address of Authorized Agent: 5678 Authorized Street, Sacramento, CA 98765

I declare under penalty of perjury that I am the property owner for the address listed above and I personally filled out the above information and certify its accuracy. *Note: A copy of the 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's Printed Name: John Doe

Property Owner's Mailing Address: 1234 Laguna Palms Way, Elk Grove, CA 95758

Property Owner's Signature: John Doe Date: 1-1-2024