Considering Becoming an Owner-Builder?

NOTICE

Effective January 1, 2009

Assembly Bill 2335 amends California Health and Safety Code, Section 19825, regarding disclosures and verifications required for all applicants seeking Owner-Builder construction permits. These new application requirements provide an enhanced level of consumer awareness and protection for property owners accepting the risks associated with Owner-Builder construction permits.

Important information you need to know *BEFORE* pulling your permit!

The term "Owner-Builder" can mean three different things:
"Owner as *Worker*, Owner as *Contractor*" or Owner as *Employer*"

Understand each has Benefits or Risk, and it is possible to combine them!

Hiring a California Licensed Contractor means you do not personally perform any of the construction work, the permit is not taken out in your name, you are not personally responsible for the construction and you are *not* an Owner-Builder. Instead, you become a "Customer" and California law provides you the benefit of protection from poor workmanship, failure to finish the job and 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 taken out 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 this 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 taken out in your name and you hire California licensed sub-contractors to perform portions of the construction work. WARNING: The benefit of protection provided by law when you hire only California licensed sub-contractors can turn to serious financial risk if you hire *unlicensed* contractors to perform *any* of the work.
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 valued at more than $500.00, the permit is taken out in your name and you are personally responsible for their employment requirements, supervision, performance, safety and welfare 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

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