City of Woodland

Community Development Department
300 First Street, Woodland, CA 95695
530-661-5820 530-406-0832
www.cityofwoodland.org

Considering Becoming an Owner-Builder?

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 risks, 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 you 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

(Health and Safety Code Section 19827) The California Legislature declares an "urgent and statewide public interest in assuring" that contractors comply with Contractors' License Law, Business and Professions Code and Workers' Compensation Insurance requirements to ensure property owners are informed about, and protected from the following when improving their property as Owner-Builders:

Fraudulent representations ■ Liability for worker's injuries ■ Liability for material and labor costs unpaid by contractors ■ Licensing requirements ■ Employers tax liabilities

Over 20,000 consumer complaints are filed each year. Many complaints relate to owner/builder projects and include workmanship and workers' compensation issues Homeowners suffer financial harm due to defective workmanship and injured employees.

Following are alarming examples of what has occurred with Owner-Builder permits:

Example 1: Homeowner received insurance money to rebuild burned-down home.

- Owner/Builder permit pulled to rebuild structure.
- Unlicensed contractor built substandard structure – must be torn down and replaced.
- Estimated financial injury is $225,000
- Additional financial injury – IRS threatened to tax insurance payout if house not completed by the end of the year.

Example 2: Brother-in-law had active license but filed an exemption from Workers Comp.

- Owner/Builder hires brother-in-law to install new roof.
- Employee falls and sustains multiple spinal and extremity fractures as well as head injury and remains in a coma to this day.
- The Owner-Builder, who has sold the home, is now a defendant in a lawsuit for reimbursement for benefits paid to the injured worker.

Example 3: Employee of contractor without Workers Comp is hired by Owner-Builder to install septic system and suffers injury that results in permanent disability.

- The Owner-Builder did not have a homeowner's insurance policy on the house against which to submit a claim.
- The Owner-Builder is now a defendant in a lawsuit for reimbursement for benefits paid to the injured worker.

Did you know – unlicensed persons frequently have the property owner obtain an "Owner-Builder" building permit which erroneously implies that the property owner is providing his or her own labor and material personally?

Did you know – your homeowner's insurance may not provide coverage for injuries sustained on your property by an unlicensed contractor and his/her employees?

Did you know – if you are considered an "employer" under state and federal law, you must register with the state and federal government, withhold payroll taxes, provide workers compensation and disability insurance and contribute to unemployment compensation for each "employee"?

Did you know – that if you fail to abide by these laws you may be subjected to serious financial risk?

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

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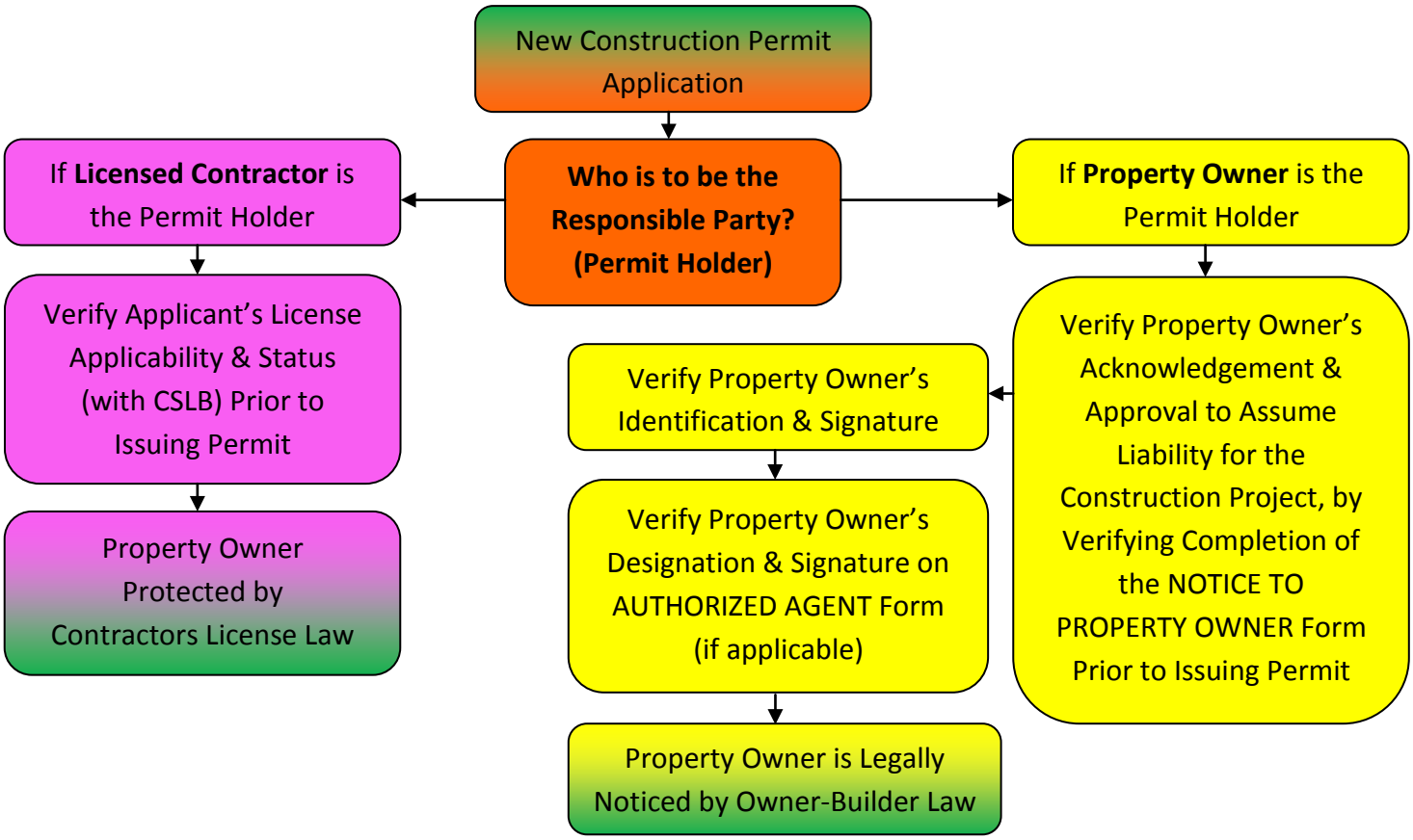
NOTICE

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 of property owners accepting the risks associated with Owner-Builder construction permits.

"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…and provisions of law relating to Worker's 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"

THIS OFFICE WILL BE ENFORCING THESE REQUIREMENTS AS FOLLOWS:



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PROPERTY OWNER'S PACKAGE

Disclosures & Forms for Owner-Builders Applying for Construction Permits

IMPORTANT! NOTICE TO PROPERTY OWNERS

Dear 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 _____.

We are providing you with an Owner-Builder Acknowledgement 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.

OWNER'S ACKNOWLEDGEMENT AND VERIFICATION OF INFORMATION

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

____ 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 homeowners 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.

____ 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.

____ 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.

____ 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.

____ 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.

____ 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.

____ 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.

____ 8. I understand as an Owner-Builder if I sell the property for which the 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.

____ 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 for more information about licensed contractors.

____ 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:

Address:_____

____ 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.

____ 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 or not 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.

Note: A copy of the property 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.

Signature of property owner _____ Date: _____

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): _____

Project Location or Address: _____

Name of Authorized Agent: _____ Phone No. _____

Address of Authorized Agent: _____

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.

Property Owner's Signature: _____ Date: _____

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.

BUILDING PERMIT APPLICATION
Please fill out completely
City of Woodland Community Development Department
Building Division
520 Court Street, Woodland, CA 95695
(530) 661-5820 **Office/Inspectors** (530) 406-0832 **Fax**
(530) 661-5817 **Inspection Recorder**

City of Woodland

Date Application Submitted: __/__/__.
Permit Issued to: ☐ Owner/Builder
☐ Licensed Contractor

BUILDING PROJECT IDENTIFICATION

Job Address: _____

Project Description: _____

Subdivision: _____ Unit:_____

Lot Number: _____ Lot Sq. Ft. _____

Living Area Sq. Ft. _____ Garage Sq Ft. _____

Plan No. _____ APN No. _____

Is Project in Redevelopment Area? ☐ **Yes** ☐ **No**

Contact Person: _____

Phone No. ( ) _____

OWNER INFORMATION

Name: _____

Address: _____

City/State/Zip: _____

Phone No. ( ) _____

CONTRACTOR INFORMATION

Name, Firm: _____

Name, Person: _____

Address: _____

City/State/Zip: _____

Phone No. ( ) _____

St. Contr. Lic No. _____ Exp. Date _____

City Bus. Lic. No. _____ Exp. Date _____

☐ Needs Business License or License No.

FLOOD ZONE
Is this project within the Flood Zone Yes ☐ No ☐

FIRE SPRINKLERS
Does Building have Fire Sprinklers Yes ☐ No ☐

WORKER'S COMP INFORMATION

Insurance Company: _____

Policy No._____

Expiration Date: _____ On File ☐

BUILDING VALUATION INFORMATION
(Please Separate Costs per Category)

Building Construction Cost	$_____
Plumbing Construction Cost	$_____
Electrical Construction Cost	$_____
Mechanical Construction Cost	$_____
Roofing Sqs for Reroof Permit	_____

CONSTRUCTION & DEMOLITION (C&D) DEBRIS RECYCLING ORDINANCE
**Must complete & submit C&D packet with this application*

Spring Lake*

☐ All Spring Lake Planning area projects.

Non-Spring Lake*

☐ Construction of commercial, industrial, or institutional building or structure that is equal to or greater than 1,000 Sq. ft.

☐ Construction of 3 or more residential dwellings in a subdivision.

☐ Construction of multifamily dwellings with 4 or more units.

☐ Addition or alteration of a commercial, industrial, institutional, or multifamily building or structure that is equal to or greater than 1,000 Sq. ft.

Other

☐ **Exempt** – None of the above (list project type below)

_____

OFFICE USE ONLY

Project Number: _____
Project Code: _____
Use Code: _____
Storm Drainage Area: _____
South East Area Infrastructure Area: _____
South East Area Infrastructure Zone: _____

Total Permit Fee: $ _____
Plan Check Fee Paid: $ _____

Balance Due: $

APPLICANT: I certify that I have read this application and state that the above information is correct. I agree to comply with all City and County ordinances and State laws relating to building construction, and hereby authorize representative of this City to enter upon the above-mentioned property for inspection purposes. I (We) agree to save, indemnify and keep harmless the City of Woodland against liabilities, judgments, costs and expenses which may accure against said City in consequence of the granting of this permit.

Signature of Applicant: _____ ☐ Owner ☐ Contractor ☐ Authorized Agent ☐ On File

Printed Name of Applicant: _____ ID Verification Performed _____

DEMOLITION PERMIT APPLICATION
NOTE: *You are not allowed to proceed with demolition or site clearance until the application has been approved by the City.*

City of Woodland

Submit to Planning Division for Approval

OWNER INFORMATION

Property Owners Name:_____

Property Owners Address: _____

Property Owners Phone No. ( ) _____

PROJECT INFORMATION

Demolition Address: _____

Assessors Parcel Number: _____

Description of Building to be Demolished:_____

_____

_____

CONSTRUCTION & DEMOLITION (C&D) DEBRIS RECYCLING ORDINANCE

(Please select your project type or exempt)

☐ Demolition equal/greater than 1,000 Sq ft.
(must submit C&D packet with this application)

☐ **Exempt**

Are you removing any existing trees? ☐ Yes ☐ No

If yes, please identify on a map, those trees you wish to remove.

Applicant's signature: _____

IMPORTANT

A COPY OF THE YOLO AIR POLLUTION CONTROL DISTRICT – **ASBESTOS DEMOLITION/RENOVATION FORM –** MUST BE FILLED OUT AND ATTATCHED TO THIS APPLICATION. **Attached: Yes No**

IF APPLICABLE (NON-EXEMPT APPLICANTS), A COPY OF THE C&D WASTE REDUCTION & RECYCLING PLAN MUST BE FILLED OUT AND ATTATCHED TO THIS APPLICATION. **Attached: Yes No**

OFFICE USE ONLY

Is building listed on City's Historic Survey? ☐ Yes ☐ No
Was a field check performed? ☐ Yes ☐ No
Are there any existing trees on the property? ☐ Yes ☐ No
Are any existing trees to remain? ☐ Yes ☐ No
Specify (attach plot plan if necessary) _____
_____

Building (s) Approved for Demolition?
☐ Yes ☐ No

Date: _____

Approved by: _____

If no, has applicant filed an appeal?
☐ Yes ☐ No Date appeal filed? _____

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CONSTRUCTION PERMIT APPLICATION

#1 IDENTIFY YOUR BUILDING PROJECT

Property Location or Address: _____

This permit is to be issued in the name of the (____) Licensed Contractor or (____) the Property Owner as the permit holder of record who will be responsible and liable for the construction.

Property Owner Information:

Name: _____ Phone No. _____

Mailing Address: _____ City/State: _____ Zip _____

Licensed Design Professional Information (Architect or Engineer in charge of the project):

Name: _____ License No. _____ Phone No. _____

Mailing Address: _____ City/State: _____ Zip _____

Description of work to be performed: _____

Valuation of Work: _____

#2 IDENTIFY WHO WILL PERFORM THE WORK (Complete either 2a or 2b)

2a – CALIFORNIA LICENSED CONTRACTOR'S DECLARATON

I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect.

Contractor Name: _____ Phone No. _____

Mailing Address: _____ City/State: _____ Zip _____

License Class _____ License Number _____ Contractor Signature _____

2b – OWNER-BUILDER'S 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) (Section 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 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 (Section 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 (Section 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 projects with a licensed Contractor pursuant to the Contractors' State License Law.).

(___) I am exempt from licensure under 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 it entirety by licensed contractors. I understand that a copy of the applicable law, Section 7044 of the Business and Professions Code, is available upon request when this application is submitted or at the following:
Web site: http://www.legalinfo.ca.gov

Property Owner or Authorized Agent Signature: _____ Date: _____

#3 IDENTIFY WORKERS' COMPENSATION COVERAGE AND LENDING AGENCY

WARNING: FAILRUE 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.

WORKERS' COMPENSATION DECLARATION
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 No. _____

(___) I have and 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 and policy number are:

Carrier: _____ Policy No. _____ Expiration 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

Signature of Applicant _____ Date: _____

DECLARATION REGARDING CONSTRUCTION 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 (Section 3097, Civil Code).

Lender's Name: _____

Lender's Address: _____

#4 DECLARATION BY CONSTRUCTION PERMIT APPLICANT

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

I am (__) a California licensed contractor or (___) the property owner* or (_____) authorized to act on the property owner's behalf.**

I have read this construction permit 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.

California Licensed Contractor, Property Owner* or Authorized Agent**:

Signature _____ Date: _____

**requires separate verification form*
***requires separate authorization form*