



CITY OF CORONADO

DEPARTMENT OF COMMUNITY DEVELOPMENT  
BUILDING DIVISION  
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HANDOUT  
**104**  
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## OWNER/BUILDER RESPONSIBILITIES

**PURPOSE:** Serves to provide property Owners with information as to their responsibilities if acting as an Owner/Builder.

**AUTHORITY:** State Contractor's License Board, State of California

### NOTES:

1. 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. 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 their property. Some homeowner insurance policies may not provide coverage for those injuries. A prospective Owner-Builder should verify with their insurance policy provider as to the limits of coverage for injuries to workers on their property.
2. 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. As an "Owner-Builder" you are the responsible party of record on the permit. You may protect yourself from potential financial risk by hiring a licensed Contractor and having the permit filed in his or her name instead of your own.
4. Contractors are required by law to be licensed and bonded in California and to list their license number on permits and contracts.
5. If you employ or otherwise engage any persons, other than California licensed Contractors, and the total value of your construction is at least five hundred dollars (\$500), including labor and materials, you may be considered an "employer" under state and federal law.
6. 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 disability insurance, and contribute to unemployment compensation for each "employee." Failure to abide by these laws may subject you to serious financial risk.
7. 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 (4) within any calendar year, or all of the work is performed under contract with a licensed general building Contractor.
8. As an Owner-Builder if you sell the property for which this permit is issued, you 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. You may obtain more information regarding your 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. You may also contact the California Contractors' State License Board (CSLB) at 1-800-321-2752 or [www.cslb.ca.gov](http://www.cslb.ca.gov) for more information about licensed contractors.