



DEPARTMENT OF CONSUMER AFFAIRS
Contractors State License Board
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Kerman, CA 93630
559-846-6121

NOTICE TO OWNER/BUILDERS

A frequent practice of non-licensed persons professing to be contractors is to have the property owner obtain the building permit as "owner/ builder", erroneously implying that the property owner is providing his or her own labor and material personally.

When work is to be performed by someone other than the property owner and is valued at over **\$500.00** (including labor and material), a contractor's license issued by the State of California Contractors State License Board is required

The licensed contractor should obtain the permit. Property owners are not required to sign the building permit(s), unless they are performing their own work personally.

If you plan to do your own work as an owner/ builder, with the exception of the various trades that you plan to subcontract to licensed contractors, you should be aware of the following information for your benefit and protection:

1. If you employ or otherwise engage any persons other than your immediate family, and the work (including materials and other costs) is \$500 or more for the entire project, and such persons are not licensed as contractors or subcontractors, then you may be an employer.
2. If you are an employer, you must register with the state and federal governments as an employer, and you are subject to several obligations including state and federal income tax withholding, federal social security taxes, workers' compensation insurance, disability insurance costs, and unemployment compensation contributions.

There may be financial risks for you if you do not carry out these obligations, and these risks are especially serious with respect to workers' compensation insurance.

Contractors are required by law to be licensed and bonded by the State of California and to have a business license from the city or county in which they are performing work. They are required by law to provide for workers' compensation if they employ or otherwise engage any person to work. They are also required by law to put their license number on all forms of advertisement, proposals, estimates, and contracts.

Information about licensed contractors may be obtained by calling the Contractors State License Board at 1-800-321-CSLB