



SJFD Policy as pertains to Owner-Builder for the installation of Fire/Life Safety Systems.

Fire/Life Safety Systems are required to be installed by professionals who are duly licensed to contract for the work of the respective trades involved.

In our opinion the purpose of the licensing law is to protect the public from incompetence and dishonesty in those who provide building and construction services. The licensing requirements provide minimal assurance that all persons offering such services in California have the requisite skill and character, understand applicable local laws and codes, and know the rudiments of administering a contracting business. Licensed contractors must demonstrate knowledge of their craft, be tested, fingerprinted, bonded, and undergo an FBI background check before they are licensed to work in California.

Illegal contractors can botch a job or leave with the down payment, leaving the owner-builder to deal with the consequences. Unless you are knowledgeable about construction, mistakes can be costly and take additional time to repair or correct. You should also be cautious of unlicensed individuals claiming to be contractors who prey upon homeowners. They may promise to guide you through the owner-builder process for a consulting fee, but they are breaking the law.

In addition, subcontractors and suppliers who are not paid on schedule may file mechanics liens against your property. If your workers are injured, or your subcontractors are not licensed, or do not carry liability insurance or workers' compensation insurance and they are injured, you could be asked to pay for injuries and rehabilitation through your homeowner's insurance policy or face lawsuits.

Owner-Builder Exemption:

The law contains an exception to the licensing requirements for owners-builders. An owner-builder is exempt if he or she builds or improves a structure on his or her property provided that none of the improvements are intended for sale and the owner personally performs the work or the work is performed by his or her employees.

- An owner-builder is what the term indicates: a person owns the property and acts as their own general contractor on the job, and either does the work themselves or has employees (or subcontractors) working on the project.
- The work site must be their principal place of residence that they have occupied for 12 months prior to completion of the work.
- The homeowner cannot construct and then sell more than two structures during any three-year period.

An owner-builder is exempt from licensure, but there are limitations.

A license is not required if:

- The owner-builder does the work personally or through personal employees with wages as their sole compensation and the structure(s) is/are not intended for sale.
- The owner-builder contracts with properly licensed subcontractor(s) who are responsible for their permits.
- The owner-builder contracts with a General Building ("B") contractor who is responsible for the permits.

SJFD will, by law, accept applications for permit from Owner-Builders who qualify per the exemption.

When you sign a building permit application as an owner-builder, you assume full responsibility for all phases of your project and its integrity. You must pull all required building permits. Your project must comply with the codes and pass the building inspections.

The owner-builder is responsible for ordering materials and making sure all suppliers are paid. An owner-builder also is responsible for supervising, scheduling, and paying subcontractors. If you use anyone other than your immediate family or a licensed subcontractor for work, you may be considered an "employer."

Employers must register with the city, 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, unemployment compensation contributions, and possess appropriate business licenses.