

## **If You Pull a Construction Permit, You're the Contractor- Ready or Not**

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Whether you're remodeling or adding a new room, be careful! In the past, the Better Business Bureau has offered tips on how to hire a home improvement contractor, but there is more that homeowners should be aware of to avoid a great deal of trouble down the line.

We've stated before that homeowners should ask if the contractor is licensed by the Alabama Homebuilders Licensure Board (AL-HBLB), especially for work that is \$10,000 or more. For any major construction or repairs on your home, permits must be pulled by a licensed contractor. While there are many legitimate contractors, some with only a limited license (for work below the \$10,000 threshold) or none may offer a low-ball estimate for the project. Knowing full well that they will not be able to pull a permit without the proper license, the contractor will ask the homeowner to pull it instead. That's where the trouble starts.

Don't fall into this trap! To save money, you will set yourself up for financial and legal headaches in the future. Here's why. By pulling your own permit at the request of a company you've hired:

1. Legally, you are the contractor and are required to "materially supervise the work done". It's against the law to do this and then compensate someone else to supervise the project for you. In this case, the person you hired for the job now becomes your sub-contractor.
2. You are liable for any accidents on the job - and accidents often happen. Examples include crew injuries, damage of adjoining properties, gas and water line breaks, etc. This can cost you a great deal of money in hospital bills and repairs of property damage. Properly licensed contractors are insured to cover incidents like these, something that is confirmed the Alabama Homebuilder's Licensure Board before a license is issued. Normal homeowner's insurance does not cover accidents or work done by an unlicensed contractor.
3. You are responsible for any shoddy workmanship that does not meet building codes and will ultimately have to pay to bring your home up to code again. This can cost 100's to 1000's of dollars. Properly licensed builders go through stringent vetting by the AL-HBLB to demonstrate competence, experience, and financial stability.
4. When it come times to sell your home, you may have difficulty if it is not up to code. Since most prospective homebuyers who go through a real estate agency will have a home inspected before purchase, building code violations will be uncovered.

The bottom line: Never pull a permit yourself unless you plan to oversee the whole construction project and are willing to assume full liability. If you are asked to pull a permit by someone you've hired, beware!

Using a properly licensed contractor who is a member of the Alabama Homebuilder's Association offers additional protection for homeowner, through the [Homeowner's Recovery Fund](#). Homeowners can seek financial compensation for "gross negligence, incompetence, and/or

misconduct in the practice of residential home building or a violation of license rules of the Board”.  
– Section 465-X-7-.01

For more information, check out the [Alabama Homebuilder’s Licensing Code](#) and the [Homeowner’s Recovery Fund](#) (§ 34-14A-15 Recovery fund)

Finally, here are additional tips to help you avoid headaches during the construction process:

- Ask for an itemized bid that details all parts of the job and give a price associated with each part.
- To better control project costs, request a fixed price bid. If additional work needs to be done that is beyond the scope of the original bid, a change order can be written up to expand the contract.
- Make sure you have enough money to fully fund your project without going further into debt. Keep some of your renovation budget in reserve in case additional work must be done,
- Ask whether the contractor will be working solely on your renovation or on multiple projects.

For more tips, go to

- <https://hblb.alabama.gov/consumers/>
- [Top 8 Pro Tips on How to Hire a Contractor](#)
- [5 Essential Questions to Ask Before Hiring a Contractor](#)
- [18 Tips for Finding a Reliable Home Contractor](#)

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