

South Carolina Owner/Building Requirement

Including requirements for House Flippers.



The intent of this brochure is to inform owner-builder and house flippers as to South Carolina State Law when it comes to acting as your own contractor.

Building or renovating your own home is a dream for many people and can be a very satisfying endeavor. The intent of this brochure is to help the owner-builder navigate the permitting process and to get off to a successful start.

This publication **is not** an official state publication and permitting may vary from jurisdiction to jurisdiction depending on environmental factors as well as local zoning requirements.

This brochure was produced by England Enterprises Training LLC to help Building Departments educate Owner/ Builders. England Training has been teaching building departments and contractors for over 30 years. Many opinions are herein expressed to help both the building department and the owner/ builder. This manual was provided free of charge to the Building Departments and pages may be reproduced at will, but sale of this booklet is prohibited.

SCLLR = South Carolina Labor, licensing and Regulation <https://llr.sc.gov/>

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Residential Building Law -Owner Builder

- 40-59-260 (C) Owner Builders (Build or Improve 1 or 2 family residence --3 story max)
(C) Must live in it 2 years (no resale or rental)
(D) At time of permitting forms must be provided for the Registrar of Deeds
(E) Must be part of the **public record (deed)** that a non-licensed builder did the work



Question: What are the limits that owner builders are not required to pull a permit?

Answer: Section 40-59-265.

(A) This chapter, including Section 40-59-260, does not apply to an owner of residential property who improves the property when the improvements are for the following: **See next page**

(B) The improvements delineated in subsection (A) are exempt from building permit application requirements and an owner of residential property who makes these improvements is not required to have a residential builder or residential specialty contractor's license or be subject to the penalties provided in this chapter."

Question: Can an owner builder do their own mechanical (HVAC, plumbing, electrical, gas) ?

Answer: Yes. But it is not recommended.

Question: When is the owner builder required to be on the deed of record?

Answer: Law does not specify when it must be recorded, just that it must be recorded.

Recommendation: At permitting get a "Notice of Intent" as owner builder. That way if they decided to later hire a licensed contractor it has not been recorded on the deed. And before the **Certificate of Occupancy or Certificate of Completion** is issued the owner / builder must show it was recorded on the deed.

Question: When does the 2 years time limit begin?

Answer: When added to the Public Record, usually at time of CO.

Month						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			2 Years			
			24 months			
			730 Days			
			17520 Hours			



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NOTE: At the board's website there is a Special Condition Waiver (military, job transfer, etc.)

House Flippers

Question: A house flipper wants to act as an unlicensed contractor and use this to repair the residence. What can they do?

Building: They can change all the cabinets / countertops in the house, paint, carpet, tile, build a fence, redo the walkways, patio, driveways. Add 200 sq/ft detached storage shed or deck (not over 30" above grade)

Licensed contractor is required to do any moving of walls or structural changes to the property and will require a permit.

Electrical – minor

NOTE: Changing out light fixtures, receptables etc. will require a permit

Gas –Re-connection of gas range, dryers.

NOTE: Water heaters changeouts require a permit.

HVAC – Window AC, & refrigerators.

NOTE: Mini splits are not considered self contained, permit is required.

Plumbing – Minor changing out toilets, sinks, dishwasher etc.

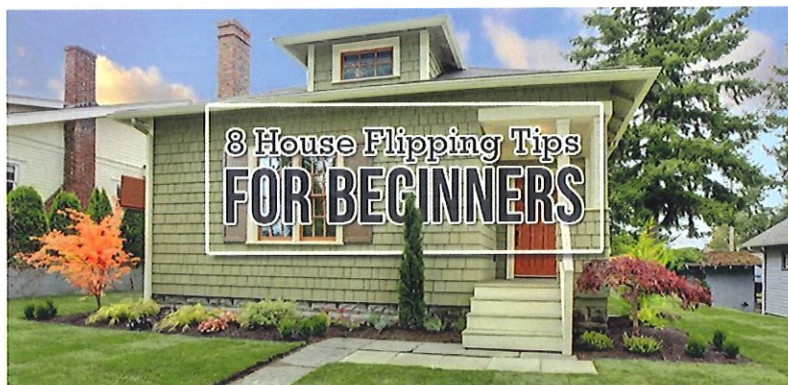
NOTE: Moving any fixture to a new location or replacing shower valves will require a permit.

Once permits are required for a project the Flipper has two choices:

- ☐ Hire a licensed Residential or General Contractor to oversee the project and pull the appropriate permits.

OR

- ☐ Act as an owner / builder and do the appropriate forms/ paperwork to be recorded on the deed and not sell or rent the property for 2 years.



☐ Owner / Builder Check List

The following items should be addressed before/ during the permitting process.

- ☐ As an owner/ builder I plan on doing all the work and understand that if subcontract to another party, I have addressed the following concerns?
 - ✓ They are license in the State of South Carolina as a Residential Contractor, Specialty Contractor or Contractor (commercial) as provided in SC State Law.
 - ✓ I have confirmed that the subcontractor has workers compensation, and that if they do not possess a policy, I as the homeowner could be liable for any and all medical bills if they injured on my property.
 - ✓ If the subcontractor does not have liability insurance and damages my property , I many not have any recourse to be compensated for damages.
 - ✓ I have a signed contract
- ☐ Mechanical (electric, gas, plumbing and HVAC) may require additional permits or requirements by the local building department. I have asked this question.
- ☐ I understand that as an owner / builder I can not sell or rent the property for **2 years** from the time it has been recorded on the property deed.
- ☐ I understand that the owner/ builder requirement must be placed on the deed and one placed , it will take an attorney to assist in getting it removed.
- ☐ I was not asked to pull the permit (to save money) for a contractor that will do all the work. Chances are the contractor does not have the appropriate license to pull the permit.
- ☐ Licensed or registered specialty contractors can not act as a residential builder and subcontract out work to another party. **SC Law 40-59-20(7)**
- ☐ If you subcontract to a SC specialty contractor and the work is over \$5,000.00 they are required to have a bond on file with the SC LLR <https://llr.sc.gov/>
- ☐ I understand that the Building Department is only there to ensure that the building meeting the minimum building code and will not assist in any disputes between subcontractors and myself.
- ☐ I understand that as an owner / builder that if a dispute arises with a sub-contractor SCLLR **will not** do an investigation unless they are licensed with the State of South Carolina.