

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/>

Revised 9-19-2022

Residential Contractor

40-59-410 (H) Each branch office shall have a licensed Home Builder on site to supervise work.

40-59-20 (6) > 3 floor in height Residence
> Apartment Complex 16 units or less (cost exceeding \$5,000)

NOTE; A licensed Residential Builder may perform **any of the specialty** contractor functions without have a specialty license or registration.

40-59-230 (B) Commission may require licenses holder to have CEUs for renewal (*not at the time of this publication*)

40-59-300 Low-income housing done by a 501(c)(3) organization (I.e., Habitat for humanity, rebuilding together, etc.) whose employees volunteer labor is not required to be a licensed contractor, but is required to pay for the cost of the building permit.

NOTE: Plan reviews and inspections will still be done by the local jurisdiction.

Specialty Contractor

40-59-20(7) Specialty Contractors

- \$500.00 contract requires a specialty license or registration
- Cannot contract out another trade other than their own license registration
- 40-59-249 (D) \$5,000 Maximum unless they are bonded
- 40-59-240 (a) 3 Classifications per person

**40-59-260 Owner/builder
see next page**

NOTE: Plumbers, electricians, heating & air require examination to be **licensed** and (Board Regulation 106.1) can install, alter, or repair the following

- a. Plumbers License – water, sewer and gas lines (no propane tanks)
- b. Electricians License –any electrical including the service
- c. Heating and Air Installers License –up to 5 tons cooling & 175,000 BTU heating

40-59-270 If you are licensed as a (commercial Chapter 11) Mechanical, Plumbing, or Electrical contractor you are not required to get a specialty license to do residential work. General Contractors (Chapter 11) can not do specialty work.

NOTE: *All the following **registration**: just require applying for and paying a fee (no exam)* (Board Regulation 106.1)

- d. Vinyl and aluminum siding installers
- e. Insulation installers
- f. Roofers
- g. Floor covering installers
- h. Masons
- i. Drywall Installers
- j. Carpenters
- k. Stucco installers (including EFS systems)
- l. Painters/ Wallpaper installers
- m. Solar Installers (per 106.1) Residential Builder or Solar installer with roofer specialty license



NOTE 1: *Electrical work must be done by a Mechanical (Electrical) specialty of chapter 11 electrical contractor.*

Note 2: *per 40-59-20(7) a solar installer can not contract out the work to an electrical contractor. A licensed Residential Builder can.*

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 shows 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			

Residential Building Law -Homeowner Exemptions

NOTE: Permits are exempt by SC State Law for homeowner and are limited to the following criteria:

SECTION 1. Article 1, Chapter 59, Title 40 of the 1976 Code is amended by adding:

"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:

(1) building:

- (a) one-story detached accessory structures, provided that the floor area does not exceed two hundred square feet;
- (b) fences not over seven feet high;
- (c) retaining walls that are not over four feet in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge;
- (d) water tanks supported directly upon grade if the capacity does not exceed five thousand gallons and the ratio of height to diameter or width does not exceed two to one;
- (e) sidewalks and driveways;
- (f) painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work;
- (g) prefabricated swimming pools that are less than twenty-four inches deep;
- (h) swings and other playground equipment;
- (i) window awnings supported by an exterior wall that do not project more than fifty-four inches from the exterior wall and do not require additional support;
- (j) decks not exceeding two hundred square feet in area, that are not more than thirty inches above grade at any point;

(2) electrical:

- (a) listed cord-and-plug connected temporary decorative lighting;
- (b) reinstallation of attachment plug receptacles but not the outlets;
- (c) replacement of branch circuit overcurrent devices of the required capacity in the same location;
- (d) electrical wiring, devices, appliances, apparatus or equipment operating at less than twenty-five volts and not capable of supplying more than fifty watts of energy;
- (e) minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles;

(3) gas:

- (a) portable heating, cooking or clothes drying appliances;
- (b) replacement of any minor part that does not alter approval of equipment or make such equipment unsafe;
- (c) portable-fuel-cell appliances that are not connected to a fixed-piping system and are not interconnected to a power grid;

(4) mechanical:

- (a) portable heating appliances;
- (b) portable ventilation appliances;
- (c) portables cooling units;
- (d) steam, hot- or chilled-water piping within any heating or cooling equipment regulated by the South Carolina Residential Building Code;
- (e) replacement of any minor part that does not alter approval of equipment or make such equipment unsafe;
- (f) portable evaporative coolers;
- (g) self-contained refrigeration systems containing ten pounds or less of refrigerant or that are actuated by motors of one horsepower or less; (*i.e. Window AC or refrigerators, not mini splits*)
- (h) portable-fuel-cell appliances that are not connected to a fixed-piping system and are not interconnected to a power grid;

(5) plumbing:

- (a) the stopping of leaks in drains, water, soil, waste or vent pipe; provided, however, that if any concealed trap, drainpipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work must be considered as new work and a permit must be obtained and inspection made as provided in the South Carolina Residential Building Code;
- (b) the clearing of stoppages or the repairing of leaks in pipes, valves or fixtures, and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes, or fixtures.

(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."



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 Registrar of Deeds
(E) Must be part of the **public record (deed)** that a non-licensed builder did the work.
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.



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 register of deeds

(E) Must be part of the **public record (deed)** that a non-licensed builder did the work

NOTE: At the board's website there is a special condition wavier (military, job transfer, etc.)

The following items **do not** trigger the owner/ builder requirement And can be done without notice recorded on the deed.

- Paint the exterior or interior of house
- Installing a up to a 200 sq/ft deck on the house NOTE: 30" max above grade
- Removing and replacing cabinets/ countertops in a house -- minor plumbing, electrical associated with the cabinets are also covered here (i.e., hooking up the new sink / dishwasher/ range hood, etc.)
- Installing fences (7' max) NOTE: may still require HOA approval
- Installing a window AC unit (not a mini split)

The following will require a permit, but **will not** trigger the owner builder requirements for public record

- Reroofing a house
- Installing a deck more than 200 sq/ft or 30" above grade
- Repairing or replacing windows and /or doors.
- Finish a bonus room over the garage or a basement (if no walls are added or removed)

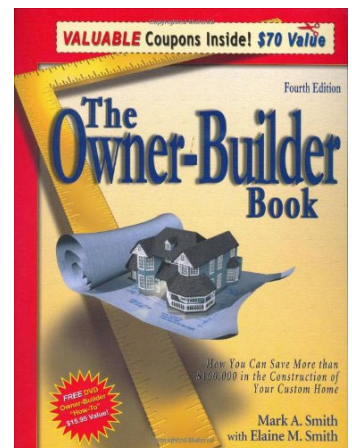
If any of the following items are performed by the homeowner, then the owner builder criteria will require the owner builder to record it on the deed. And it can not be resold or rented for 2 years from time of recording.

NOTE: A permit is also required;

- Build a 1 or 2 family house according to the Residential Code
- Add an addition on a house according to the Residential Code
- Moving or removing any walls (structure components) of the building

- Change out HVAC units
- Change out Electrical service
- Change out primary water or plumbing lines (including service lines to house)
- A new gas lines or gas venting –including water heater changeouts.

NOTE: The above mechanical and electrical systems if performed and permitted by a **licensed contractor** will not trigger the owner / builder clause.



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.



England Enterprises Training Division LLC www.ibcode.com



CC&I Services LLC paid for the initial printing of this brochure. www.cciservicesllc.com

To the full extent permitted by law, John England, Marie Faw, England Enterprises Training Division LLC, Wayne Willis, CC&I Services LLC. and its officers, agents, owners and employees disclaim all warranties, express or implied, we do not make any representation or warranty of any kind, expressed or implied regarding the accuracy, adequacy, validity or reliability of the information in the book or our website and are not responsible for any mistake, error or omission. To the fullest extent of the law, John England, Marie Faw, England Enterprises Training Division LLC, Wayne Willis, CC&I Services LLC its officers, agents, owners and employees will not be liable for any damages of any kind arising from the use of any information, content, materials made available to the user, including but not limited to direct, indirect, incidental, punitive, consequential damages, unless otherwise specified in writing.