

# News Release

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## Media Contacts

**Rick Lopes**  
CSLB Public Affairs Chief  
916.255.4161  
[rlopes@cslb.ca.gov](mailto:rlopes@cslb.ca.gov)

**Melanie Bedwell**  
CSLB PIO  
916.255.4717  
[mbedwell@cslb.ca.gov](mailto:mbedwell@cslb.ca.gov)

**Venus Stromberg**  
CSLB PIO  
Spanish Language Media  
916.255.1831  
[vstromberg@cslb.ca.gov](mailto:vstromberg@cslb.ca.gov)

**Adam Gottlieb**  
California Energy Commission  
Manager, Media/Communications  
(916) 654-4989  
[www.energy.ca.gov](http://www.energy.ca.gov)

## Changing Your HVAC System? Don't Forget Permits

*Avoiding HVAC Building Permits Costly for Consumers*

**SACRAMENTO** – Property owners who change out their warm-air heating, ventilating or air-conditioning (HVAC) system need to make sure that their state-licensed contractor takes out a building permit from their local building department to avoid fines and additional repairs. Building permits generate routine inspections to help assure that the system was installed properly, is functioning efficiently, meets Home Energy Rating System (HERS) testing and verification requirements, and complies with the State Building Energy Efficiency Standards.

During Contractors State License Board (CSLB) undercover sting operations at residential properties over the past three years, investigators have found a growing trend of licensed contractors who are violating state law by telling consumers that building permits are not required to install HVAC systems. “Up to 40 percent of the contractors who were invited to give project bids at sting locations told investigators that a building permit isn’t necessary, which simply is not true,” said CSLB Enforcement Chief Dave Fogt. “Even worse, a homeowner’s insurance policy could be cancelled if their insurance company finds that work has been done on the property without a permit.”

Just as with all home repair, improvement or construction projects, homeowners need to ask about state and local requirements. Penalties for not obtaining an HVAC building permit vary from city to city.

“We want to make sure that consumers are aware of their project responsibilities and know the right questions to ask their contractor so they aren’t stuck with fines and an inefficient HVAC system,” said CSLB Registrar Steve Sands.

“We’re proud of the fact that CSLB receives relatively few complaints against its 300,000 licenses each year,” said Sands, “but this illegal trend of skirting building permits needs to be corrected. HVAC

contractors will continue to be sting and sweep operation targets.”

California’s 2008 Building Energy Efficiency Standards indicate that HVAC ducts should leak less than 15 percent but, according to California Energy Commission statistics, the average duct system leaks about 30 percent, wasting energy and increasing utility bills.

When HVAC contractors (known as C-20 Specialty contractors) “pull” the local building department permit, the system can be inspected by the department or a third-party field verifier, referred to as a HERS rater, to ensure that ducts have been properly sealed. If an HVAC system fails inspection, it has to be repaired by the contractor at no additional cost to the consumer.

"Contractors must comply with all applicable California building standards, including using certified HERS raters to test and verify that HVAC installations meet energy efficiency standards," said Energy Commissioner Karen Douglas. "For the best energy efficiency and cost-savings, consumers will want to team up with their state-licensed HVAC contractors to make sure all permits and energy regulations are followed."

CSLB urges consumers to follow these tips before hiring anyone to work on their home or property:

- Only hire state-licensed contractors and ask to see their license and a photo ID to verify their identity.
- Always check the license number on CSLB’s website at [www.cslb.ca.gov](http://www.cslb.ca.gov) or [www.CheckTheLicenseFirst.com](http://www.CheckTheLicenseFirst.com) to make sure the license is in good standing and that the contractor has a workers’ compensation insurance policy if there are employees.
- Only pay 10 percent or \$1,000, whichever is less, as a down payment. There is an exception for about two dozen licensees who carry special bonds to protect consumers. These exceptions are noted on CSLB’s website.
- Don’t pay in cash or let payments get ahead of the work.
- Get at least three bids and three references for each contractor, and visit completed project sites in person.

The Contractors State License Board operates under the umbrella of the California [Department of Consumer Affairs](#). More information and publications about hiring contractors are available on the CSLB website or by calling 800-321-CSLB (2752). You can also sign up for [CSLB email alerts](#). CSLB licenses and regulates about 300,000 California contractors in 43 different categories, and is regarded as one of the leading consumer protection agencies in the United States. In fiscal year 2010-11, CSLB helped recover nearly \$45 million in ordered restitution for consumers.

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