

	STANDARD OPERATING POLICY AND PROCEDURE Development & Infrastructure Services	Number: 1-9
Subject: Proof of Bonding for Out-of-State Contractors		Approval Date: June 27, 2008
Approval: Suzanne Smith, Building Official		Effective Date: June 27, 2008

1.0 PURPOSE

Policy setting acceptable requirements for bonding certificate submission for out-of-state contractors.

2.0 DISTRIBUTION

Public, DIS personnel, Town Clerk, Town Attorney

3.0 REVISION HISTORY

4.0 CODE REFERENCE

Arizona Statute reference: ARS 42-5007

5.0 POLICY

State statutes requires that building authorities obtain a certificate from the Department of Revenue to ensure that the bonding requirement for **all out-of-state prime contractors** has been met prior to the issuance of any building permit **for projects of \$50,000 or more** in value.

The Building Safety Department will ensure the bonding requirement is met by requiring contractors to submit one of **three types of certificates** issued by the Department of Revenue: annual certificate, one-time exemption, or receipt for a bond for the actual project.

An annual bond exemption certificate will provide proof of compliance for all of the contractor's projects throughout the fiscal year. For each project the contractor will submit a copy of the certificate. When a builder establishes the proof of exemption with us, large builders (e.g. Pulte, US Home, Sundt etc.) will not be required to submit paperwork with each permit.

A one-time exemption certificate may be submitted to meet the requirement and specifies the location of the project site.

A receipt for bond is a form approved by the Department of Revenue is proof that the bonding requirements have been met for a specific project site.

These forms are provided by the Department of Revenue and questions pertaining to these requirements shall be directed to that office at (602) 716-6056 or (800) 634-6494.