

	STANDARD OPERATING POLICY AND PROCEDURE Community Development and Public Works	Number: 1-9
Subject: Proof of Bonding for Out-of-State Contractors		Approval Date: June 27, 2008
Approval: Chuck King, 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, Community Development and Public Works (CDPW) Personnel, Town Clerk, Town Attorney

3.0 REVISION HISTORY

August, 2015

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 CDPW staff will verify that the bonding requirement is met by requiring contractors to submit one of issued by the Department of Revenue; an annual certificate, a one-time exemption, or a 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. The contractor shall submit evidence that bond requirements are satisfied for each project. When a contractor establishes proof of exemption for large multi-use projects they will not be required to submit individual proof of exemption for each application.

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 as 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 department.