

Building and Construction Division
Environmental Health and Construction
6200 Park Avenue, Suite 100
Des Moines, IA 50321
Phone: 515-242-5871
Fax: 515-725-2427

OUT-OF-STATE CONTRACTOR BOND FORM

Bond Number: _____ Effective Bond Date: _____

THAT _____ of _____
(Principal) (Mailing address)
_____, and _____
(City and State) (Surety)

are held and firmly bound unto the State of Iowa, Division of Labor as the holder in the penal sum of twenty-five thousand dollars (\$25,000) lawful money of the United States, to the payment of which sum, the Principal and Surety firmly bind themselves, their heirs, executors, successors, assigns and administrators, jointly and severally.

This obligation arises because the Principal is an out-of-state contractor desiring to perform construction work in the State of Iowa. Iowa Code Chapter 91C requires the Principal file this bond.

The Principal shall pay all taxes, including contributions due under the unemployment compensation insurance system, penalties, interest and related fees which may accrue to the State of Iowa, due to the Principal's work in Iowa.

This bond shall be continuous in nature until cancelled by the Surety with not less than thirty (30) days' written notice to the Principal and to the Iowa Division of Labor, but shall not exceed the one (1) year statutory period. This bond shall run concurrently with the annual term of the Principal's out-of-state contractor registration pursuant to Iowa Code Chapter 91C.

The obligation of this bond shall be operative until released in the manner provided in Iowa Code Chapter 91C.

Executed this _____ day of _____, 20_____.



Principal (signature)

Surety (signature)



BOND REQUIREMENTS FOR OUT-OF-STATE CONTRACTORS

With limited exceptions each contractor with a principal place of business outside of Iowa must file a \$25,000 bond to register. Having a branch office in Iowa does not exempt a contractor from the bonding requirement.

The bond guarantees that you pay all taxes, penalties, and other monies due to the State of Iowa as a result of your work in Iowa. Only the State of Iowa and its agencies or divisions can collect under the bond. The bond does not cover any other debts.

The bond must meet the following three criteria to be valid in Iowa:

1. The bond must be executed by a surety company licensed to do business in Iowa.
2. The bond must be issued on the Out-of-State Bond Form with the bonding company's seal and have two original signatures.
3. The bonding company must attach their Power of Attorney (POA) to the form.

If an out-of-state contractor is pre-qualified to bid on projects for the Iowa Department of Transportation (IDOT), the IDOT-issued pre-qualification letter may be submitted in lieu of a bond.

A contractor with a branch in Iowa does not qualify as an in-state contractor if the contractor's business is primarily based out of Iowa.

If an out-of-state contractor is performing construction contracting work in Iowa while not registered, the contractor may be subject to a penalty up to \$500.00 for not being registered and an additional \$500.00 for not fulfilling the bond requirements.

Existing Bonds on File

As of July 1, 2017, bond continuation certificates are no longer required. The Department of Inspections, Appeals, & Licensing assumes all bonds are continuous until a cancellation notice is received by the surety company.

Supplying false information with a contractor registration application may result in a \$500.00 civil penalty and criminal prosecution.