

BUILDING AUTHORITIES INSTRUCTIONS FOR BOND CERTIFICATES

The following are guidelines for compliance with ARS §42-5007. This law requires that building authorities obtain a certificate from the Department of Revenue to ensure that the bonding requirement has been met prior to issuance of any building permit for projects of \$50,000 or more in value.

1. For projects of more than \$50,000 in value, contractors must present one of the following types of certificates with their building permit application: a copy of their annual bond exemption certificate, a one-time bond exemption certificate for the project, or a receipt for a bond identifying the actual project. For contractors with the annual certificate, please make sure to verify that the expiration date has not passed. A copy of the annual certificate will be required with each building permit application.
2. If the bond certificate has expired or the contractor does not have a certificate, advise the contractor to call the Department of Revenue at (602) 716-6056 or (800) 634-6494 toll-free.
3. If the contractor qualifies, a one-time exemption will be issued for the specific project for which the building permit is being requested. The one-time exemption will be faxed to the building authority to let them know that the building permit application can be accepted. If qualified, the contractor will receive an annual exemption certificate within five days.
4. When contractors do not have one of the acceptable forms of certificate, the Department of Revenue will let them know what to do next. After the Department of Revenue either determines that the contractor is exempt or must submit a bond, a one-time exemption or receipt for bond identifying the project location will be issued. A copy of the certificate or receipt will be faxed to the building authority to let them know that the building permit application can be accepted.

For any questions regarding these procedures or assistance to contractors, please call the Bond Compliance Officer at (602) 716-6056 or (800) 634-6494 toll-free.