

Out-of-State Bond Instructions

With the limited exception of certain federally-funded projects, an out-of-state contractor working in Iowa must file a surety bond with the Iowa Division of Labor if the contract is in excess of **\$5,000**. This requirement applies to all out-of-state contractors, not just general contractors.

The surety bond must be executed by a surety company authorized to do business in Iowa, and the bond must be continuous in nature until canceled by the surety company with not less than 30 days written notice to the contractor and the Division of Labor. The bond is to cover all taxes, penalties, interest and related fees which may accrue to the State of Iowa or its subdivisions in the execution and performance of the contract.

You may file either a blanket bond or a project bond. A project bond must be five percent of the contract price or \$1,000, whichever is greater. A copy of your contract must accompany the project bond. Instead of filing one or more project bonds, an out-of-state contractor may file a blanket bond in an amount of \$50,000. **Blanket bonds are only good for two years.**

Bonds must be prepared using one of the forms below, and, in most cases, power-of-attorney forms must be attached. Additional information on the bonding requirement, including a definition of contract price, is available in Iowa Code Chapter 91C and 875 Iowa Administrative Code Chapter 150.

A bond bearing original signatures **must** be filed with the Division of Labor prior to beginning work. If you enclose a copy of your bond and a self-addressed, stamped envelope, we will return a file-stamped copy of the bond to you.

File bond at:

**Iowa Division of Labor
Contractor Registration
1000 East Grand Avenue
Des Moines, IA 50319-0209
Telephone (515) 242-5871
FAX Number (515) 281-7995**

