

# Contractor Registration Questions and Answers

## **The State of Iowa requires a Contractor Registration!**

The Iowa Division of Labor requires most construction contractors to register. You are not to perform contractor work in Iowa without first being assigned a registration number.

## **What contractors must register with the State?**

All individual contractors and businesses performing “construction” work within Iowa must be registered with the Division of Labor if they earn at least \$2,000 a year. Individuals or businesses making less than \$2,000 a year in “construction” work, or who work only on their own real estate or property, are **not** required to register. Individual employees of eligible contractors are not required to register.

## **How do I find out if a contractor is registered?**

You may search the database at: [www.iowaworkforce.org/labor/contractor.htm](http://www.iowaworkforce.org/labor/contractor.htm) Complete lists of registered contractors available on the site. For further assistance, please contact the Division of Labor.

## **What types of contractors have to be registered? How do you define “construction”?**

Contractors performing “construction” work must be registered. However, even if construction work is only incidental to your business, you still must be registered (such as employee leasing agencies). The definition of “construction” is very broad and includes not only the typical construction work, but also includes companies, entities or individuals performing carpentry; electrical; plumbing; roofing; house painting; landscape and lawn sprinkler installation; cable television installation; elevator and boiler installation; window and door installation; and many other types of work. You may view the list of different types of work that fall under the definition of “construction” on the contractor web page.

## **Do sub-contractors have to be registered?**

Yes. The law does not distinguish between general and sub-contractors. All “construction” contractors must be registered.

## **What if I operate under more than one business?**

You must register each business with its own separate legal entity. In other words, you must register every contractor business you operate that has a separate federal identification number.

## **What are the purposes of contractor registration?**

- 1 To ensure compliance with unemployment insurance laws.
- 2 To ensure compliance with workers’ compensation laws.
- 3 To ensure out-of-state contractors are registered and bonded.
- 4 To make biographical information about contractors available to the general public.

## **How do I get registered?**

- 1 Download a copy of the registration application at [www.iowaworkforce.org/labor/contractor.htm](http://www.iowaworkforce.org/labor/contractor.htm), and mail in the completed application;

- 2 Visit the Iowa Workforce Development's Division of Labor building at 1000 East Grand Avenue in Des Moines, IA 50319-0209, located across from the State Capitol;
- 3 Call (515) 242-5871 to request an application; or
- 4 Request an application via e-mail: [contractor.registration@iwd.iowa.gov](mailto:contractor.registration@iwd.iowa.gov)

**What do I do with the completed registration form?**

You must submit the completed form to the Division of Labor with the \$50 registration fee and a Certificate of Workers' Compensation Insurance if you have employees. The Contractor Registration Section, Division of Labor, must be listed as a holder on the certificate. The Unemployment Insurance Division will check your application and assign you an unemployment account number. If you already have an unemployment account number (which is different from a federal tax identification number), then notify the Division of Labor of the existing number when submitting your application, and your registration may be completed more quickly.

**Could I be exempt from the \$50 registration fee?**

It is possible to be exempt from paying the \$50 registration fee. A self-employed contractor who does not pay more than \$2,000 annually in wages to others working with them, and who does not work with or for other contractors in the same phase of construction, may be exempt under Iowa law. If you meet the criteria and do not have to pay the \$50 fee, please complete the Fee Exemption Form, have it notarized and include it with your registration.

**Do I have to renew my registration number?**

Yes. Your registration must be renewed every year. You may renew using the same application form as before, just mark "renewal" where indicated. You will have to fill out the Fee Exemption Form again if you believe you continue to meet the criteria. You will be sent one reminder notice by mail about two months before your registration will expire.

**What if the information on my registration changes?**

It is your responsibility to complete all forms correctly and to notify the Division of Labor in writing if you have any changes in the information you put on your application such as the name of the business, the owner's name, business address, telephone number or e-mail address. Failure to do so may subject you to citations and penalties.

**Can I keep my same registration number?**

So long as you renew your registration on time, you may keep the same registration number with only a change in the year portion of the number.

**What if I incorporate my business?**

If you first applied as a sole proprietor or partnership and then incorporate your business, you must re-apply as a new business and be issued a new contractor registration number.

**Is a bond needed to perform construction work in Iowa?**

If your principal place of business is located outside the State of Iowa, and the contract price of the job in Iowa is at least \$5,000, then you must file a bond with the Iowa Division of Labor prior to starting your job. Having a branch office in Iowa does not make you an in-state contractor if your business is principally based outside of Iowa.

**What kind of bond must I have?**

You must choose one of two types of bonds. You may file a Project Bond which will only cover the one job you list on the bond form. The value of the Project Bond must be 5% of the contract price, with a minimum of \$1,000. If you are going to be doing multiple jobs in Iowa, you may wish to file a Blanket Bond which must be \$50,000, but will cover all jobs in Iowa for two years. Bonds must be executed by a surety company licensed to do business in Iowa and issued on an official Division of Labor bond form. You may download the bond forms from the web page or contact the Division of Labor and the forms will be sent to you.

**Where do I file the bond?**

The original copy of the bond must be filed with the Iowa Division of Labor, 1000 E. Grand Ave., Des Moines, Iowa 50319-0209.

**What is the purpose of the bond?**

The bond guarantees that taxes, penalties, and other payments due to the State of Iowa as a result of your contracting job are paid. Only the State and its agencies can collect under the bond for nonpayment.

**What happens to the bond after I quit working in Iowa?**

After you have completed your work in Iowa, your bonding company must send a written request to the Division of Labor asking that your bond be released back to you.

**What are the penalties if I don't get registered, renew my registration every year or if I don't get the required bond?**

Violators may receive a \$500 citation for not being registered, not renewing their registration or failing to get the required bond. A citation up to \$5,000 may be imposed for a repeat violation.

**If I am issued a citation, can I appeal?**

You have 15 working days to file an appeal of a citation from the date you receive the citation. Your appeal will be sent to the Iowa Employment Appeal Board, and they will set a hearing by telephone for you to explain why you should not have been cited. If you do not file within the 15 working days, then you do not have any right to appeal or dispute the citation and/or penalty. If you receive a citation and **promptly** correct the violation, you may be eligible for a penalty reduction.

**Are there any other requirements for contractors working in Iowa?**

Contact each appropriate county and city office where you plan to work for local regulations. Additional information pertaining to specific trade license may be obtained from the IDED web site <https://blilc.iowa.gov/default.aspx>?

**How do I contact the Contractor Registration Program?**

Contractor Registration Iowa Division of Labor Iowa Workforce Development 1000 E. Grand Ave. Des Moines, IA 50319-0209 Phone: (515) 242-5871 Fax: (515) 281-7995 Toll free: 1-800-562-4692, Ext. 25871 E-mail: [contractor.registration@iwd.iowa.gov](mailto:contractor.registration@iwd.iowa.gov)  
[www.iowaworkforce.org/labor/contractor.htm](http://www.iowaworkforce.org/labor/contractor.htm)