



County Technical Assistance Service

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Contractor Permits and Bonds

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Contractor Permits and Bonds

Reference Number: CTAS-574

A county legislative body, by resolution adopted by a two-thirds majority vote, may require certain contractors to register with a department of codes administration or other appropriate agency and post a permit bond before engaging in activities subject to this law. If adopted, the contractors affected include those who contract to perform the following services:

- Construction, erection, alteration, repair, removal, or demolition of any building or structure or part thereof;
- Repair or replacement of any damage to a building or structure caused by insects or natural disaster;
- Erection or construction of signs or billboards; or
- Construction of swimming pools.

A bond of \$10,000 is required for building permits under \$25,000, and a bond of \$50,000 is required for permits of \$25,000 or more. A bond of \$40,000 is required for all gas/mechanical, plumbing and excavation permits. Also, if adopted, this law requires the contractor to secure a contractor's business license.

Contractors of multiple trades or contractors involved with work on more than one structure may provide one \$50,000 bond to meet the requirements of the law. Nonprofit housing ministries are exempt from this law. T.C.A. § 62-6-137.

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