



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
CONTRACTOR LICENSING SECTION
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CASH DEPOSIT CONSTRUCTION CONTRACTOR INFORMATION SHEET

A cash deposit, in an amount specified in AS 08.18.071, may be submitted to the department in lieu of a surety bond. The cash deposit can be in the form of a certificate of deposit issued by a bank or trust company authorized to do business in Alaska or a cashier's check to be deposited into the State Trust Account.

In order for the department to accept the certificate of deposit as security for the construction contractor's license the certificate must:

1. be issued to the "State of Alaska in trust for" or similar words, the owner/s name(s) and the registered business name, i.e. State of Alaska, ITF John Jones d/b/a Jones Construction Company. If the type of ownership is a Corporation, or LLC the certificate should omit any personal name/s, i.e. State of Alaska, ITF Jones Construction, Inc.
2. be accompanied by an Assignment of Cash Deposit form signed and notarized by the contractor and a bank representative acknowledging transfer of the funds to the department;
3. and remain pledged to the state in accordance with 12 AAC 21.090(e).

The cash deposit is subject to the purposes of AS 08.18.071 and shall remain on file with the state for a period of three years **after** one of the following circumstances:

1. a surety bond is submitted to replace the cash deposit on file (the waiting period would begin on the date that the surety bond commences); or
2. the expiration date of the license; or
3. the suspension or revocation without reinstatement of the license; or
4. a notarized statement has been submitted to the department stating that the contractor has ceased doing business.

After the three year waiting period has passed it is the contractor's responsibility to contact the department and request a 'release of cash deposit' form.

PLEASE NOTE: A cash deposit will **not** transfer to another business entity. If the type of ownership of your business changes, i.e., changing from a sole proprietorship to a partnership, adding a partner, deleting a partner, or incorporating, the cash deposit will **not** transfer to another business entity. You will need to submit a separate cash deposit or surety bond for the new entity and the three year waiting period for the original cash deposit would begin on the date the new entity is registered.