

**State Licensing Board for General Contractors**

**Transmittal Sheet for  
Notice of Intended Action**

Control: 230

Department or Agency: **State Licensing Board for General Contractors**

Rule No.: **230-X-1-.02**  
Rule Title: **Requirements For Bid Limits**  
Intended Action: **Amendment**

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? NO

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? YES

Is there another, less restrictive method of regulation available that could adequately protect the public? NO

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? NO

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? YES

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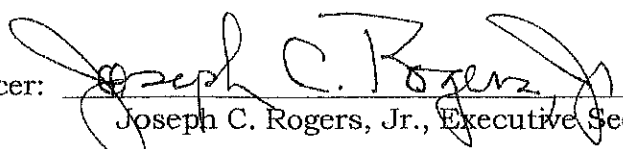
Does the proposed rule have an economic impact? NO

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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**Certification of Authorized Official**

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of Certifying Officer:   
Joseph C. Rogers, Jr., Executive Secretary

Date: November 16, 2017

**State Licensing Board for General Contractors**

**Notice of Intended Action**

Rule No. & Title: 230-X-1-.02,  
Requirements For Bid Limits

Intended Action: Amendment

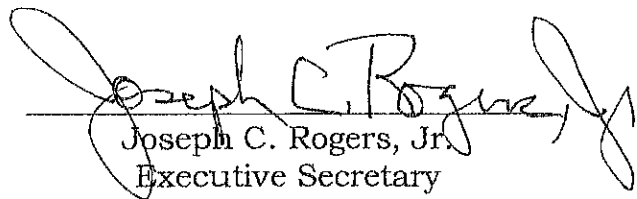
Substance of Proposed Action:  
Remove "... which has an office in Alabama..."

Time, Place, and Manner of Presenting Views:  
All interested parties may submit data, views, or arguments in writing to Joseph C. Rogers, Jr., Executive Secretary to the Board, 2525 Fairlane Drive, Montgomery, Alabama 36116 or in person between the hours of 8:00 AM or 5:00PM, Monday through Friday until and including January 10, 2018. Persons wishing to submit data, views, or arguments orally should contact the board's office by telephone at (334) 272-5030 during this period to arrange for an appointment.

Contact Person at Agency:  
Persons wishing a copy of the proposed amendment may contact Joseph C. Rogers Jr., State Licensing Board for General Contractors, 2525 Fairlane Drive, Montgomery, Alabama 36116.

Final Date for Comment: 5:00PM, January 10, 2018.

Done this 16th Day of November, 2017.

  
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Joseph C. Rogers, Jr.  
Executive Secretary

1. Minimum Net Worth/Working Capital. All applicants must have a net worth and working capital of at least \$10,000 as shown by the applicant's most recent financial statement (less than one year old) in order to qualify for the lowest bid limit classification. Except for licenses qualifying as "unlimited", an applicant's maximum bid limit shall be set by the formula of not more than ten times either the net worth or working capital, whichever is the lesser amount.
2. Lines of Credit to Increase Working Capital. Verification of a line of credit, from a state or federal chartered bank or savings association ~~which has an office in Alabama~~, to the general contractor to increase working capital, must be submitted to the board in the format provided by the board. Lines of credit meeting board requirements will be added to the working capital shown in the contractor's financial statement.
3. Personal Financial Statements to Increase Net Worth or Working Capital. Contractors must meeting the minimum requirements of 230-X-1-.02(a), Requirements for Bid Limits, may submit a personal financial statement to increase their net worth or working capital. Any personal financial statement or parent company financial statement submitted for the purpose of increasing the bid limit of a license shall not include the value of the ownership which will not be considered. A personal financial statement with completed guarantee agreement as provided by the board may be used to increase the working capital or net worth of a contractor to increase a bid limit by one step. All personal financial statements must be signed by both husband and wife and notarized. The following applies according to the entity holding the general contractors license:
  - a. Sole Proprietor: A notarized guarantee agreement (signed by both husband and wife) with a personal financial statement prepared by a CPA will be considered to increase a bid limit by one step. Note: A sole proprietor may submit a personal financial statement only when personal items (home, furnishings, etc.) are not included on the applicant's business statement.
  - b. Partnerships: A notarized guarantee agreement (signed by both husband and wife) and personal financial statement prepared by a CPA and submitted by any partner(s) will be considered to increase the bid limit of the partnership by one step.
  - c. Corporations: A parent company's financial statement or a personal financial statement prepared by a CPA for a majority stockholder(s) of the corporation may be submitted to increase the bid limit of the corporation by one step. All personal financial statements must be submitted with a notarized guarantee agreement (signed by both husband and wife). The guarantee agreement submitted with a parent company's financial statement must be signed by a majority stockholder of the parent company and notarized.

**Author:** Cherie E. Colquett

**Statutory Authority:** Code of Ala. 1975, §34-8-22.

**History:** Filed July 2, 1992. **Amended:** Filed August 22, 1996; effective September 26, 1996. **Amended:** Filed December 16, 1997; effective January 20, 1998.

**Ed. Note:** Previous Rule 230-X-1-.02 Positive Net Worth filed September 16, 1982. **Repealed:** Filed July 2, 1992.