MotionOps

CONTRACTOR STARTER HUB · START YOUR CONTRACTING BUSINESS

Local Requirements Research Worksheet

Registration, licenses, permits, insurance and bonds come from different offices. Ask each one these questions, write down who answered and when, and keep every answer, date and cost in one record.

This is general information, not legal or insurance advice. Only the issuing office can tell you what you need. Confirm every requirement with your state's licensing board, your city or county, and a licensed insurance agent.

1. Where to look, in this order

Work from the state down to the job. For the state board, search "[your state] contractor license board" and use the site that ends in **.gov**; search under your trade's name too, in case a separate board licenses it.

STATE CONTRACTOR LICENSING BOARD (.GOV)

SEPARATE BOARD FOR MY TRADE, IF ANY

STATE BUSINESS REGISTRATION OFFICE

CITIES AND COUNTIES ON MY SERVICE LIST

BUILDING DEPARTMENT IN EACH OF THOSE PLACES

INSURANCE AGENTS (AT LEAST TWO)

SURETY COMPANY OR AGENT, IF A BOND IS REQUIRED

2. Questions for the licensing board

WHO ANSWERED

DATE

Question	Answer
Does the work I plan to do need a state license? Under which classification?	
Is there a job-size limit, in dollars or scope, below which no license is needed?	

Question	Answer
What do I need to apply: an exam, proof of experience, a business registration?	
Does the license require a bond? How much, and who can claim on it?	
Do you require proof of insurance? Which kinds and how much?	
Can I bid, advertise or sign contracts before the license is issued?	
Do I need my own license to work as a sub under a licensed contractor?	
How long does approval usually take, and what does it cost?	
How often do I renew, and is there continuing education?	
If I hire someone, do they need their own license or registration, and does my bond or insurance requirement change?	

3. Questions for each city and county

Question	Place: _____	Place: _____
Do I need a local business license to work here, even if my business is based elsewhere?		
Do contractors have to register with the building department before pulling permits?		
Which of the jobs I do need a permit? Is there a size limit below which they don't?		
What does a permit for a typical job of mine cost, and how long from application to approval?		
How many inspections does that kind of job need, and how far ahead do I book them?		
On a homeowner's job, who pulls the permit? Can a permit pulled by the owner cover work I'm paid to do?		

4. Questions for insurance agents

Take the one sentence from your business plan. Get quotes from more than one agent, and compare what each policy covers, not only the price.

Question	Agent 1: _____	Agent 2: _____
Which of the SBA's six common types (general liability, product liability, professional liability, commercial property, home-based business, business owner's policy), plus commercial auto and tool coverage, does a business like mine need, and why each one?		
What limits do the customers and general contractors I'll work for typically ask for?		
Can you add a customer as an additional insured when a contract asks for it, and what does that cost?		
Do I need workers' compensation on myself if I have no employees?		
Does my policy cover my tools and my vehicle while I'm working, or do I need separate coverage?		
What does the policy exclude for my trade?		
If I hire someone, even part-time, what do I need to add?		
When a customer asks for proof of insurance, how quickly can you send a certificate?		
Quote		

5. Bonds

A bond is a guarantee from a surety company for the benefit of someone else, such as your customer. It doesn't protect your business the way insurance does. A **license bond** may be required to get or keep a license; a **contract bond** (bid, payment or performance) may be required by a job's contract. If a contract asks for one, ask a surety agent what it takes to qualify before you bid.

> ASK THE SURETY AGENT BEFORE YOU BUY
> If you pay a claim on my bond, do I have to pay you back?

LICENSE BOND REQUIRED? AMOUNT

SURETY AGENT'S ANSWER

6. Before each estimate: project checks

Question	Example: kitchen remodel	This project
Does any part of this job need a permit?	Asked the building department about the new electrical circuit and moving the sink	

Question	Example: kitchen remodel	This project
Does any part need a separately licensed trade?	Asked the board whether the electrical and plumbing work need licensed subs	
Who pulls the permit and books inspections?	Agreed with the homeowner in the estimate	
Does the schedule allow for inspections?	Added inspection days to the timeline	

The project checks go into the estimate, so the price and the schedule already include them.

7. Your requirements record

One row per requirement. **Leave the answer blank until an official source gives it.** The cost column goes straight into your startup budget.

Place	Requirement	Issuing office and official link	Question asked	Answer	Cost	Checked on	Next action or renewal
State	Trade license	Licensing board (.gov)	Job-size limit for my work?				
State	License bond	Licensing board, then a surety (.gov)	Required? How much?				
City	Business license	City clerk (.gov)	Needed if based elsewhere?				
City	Building permits	Building department (.gov)	Which of my jobs need one? Cost and timing?				
Business	General liability insurance	Insurance agent	Limits my customers ask for?				

8. This week

- [ ] Found my state's licensing board on its .gov site, and the licensing pages of every city and county on my service list
- [ ] Sent the questions above

- [ ] Asked at least two insurance agents for quotes
- [ ] Marked every requirement I haven't confirmed as open, each with a follow-up date
- [ ] Added every fee, premium and bond cost to my startup budget