



# BENEWAH COUNTY PLANNING DEPARTMENT

701 College Avenue, Ste 101, St. Maries, Idaho 83861 (208) 245-4122

## SUBDIVISION UTILITY BOND - DEVELOPER HANDOUT

### WHY UTILITY BONDS ARE REQUIRED

Benewah County requires utility bonds to ensure that all required subdivision-related utility improvements are completed according to approved plans and Idaho law. These bonds protect the County, future homeowners, and the public by guaranteeing that required infrastructure is properly installed and maintained.

### WHEN A UTILITY BOND IS REQUIRED

A bond is required for any utility improvements required as part of subdivision approval if the improvement will not be completed prior to final plat application, including:

- Water distribution systems.
- Sanitary sewer systems.
- Stormwater facilities.
- Electrical, telecommunications, or natural gas utilities.
- Any other utility improvements required as part of subdivision approval.

### BOND AMOUNTS

- The bond must be **at least 110% of the licensed engineer's cost estimate** for all required utility improvements.
- Benewah County may require higher amounts if the project scope warrants it.

### BOND TERMS

- **Parties**
  - **Principal** – the developer or subdivider
  - **Obligee** – Benewah County
  - **Surety** – the bonding company licensed to operate in Idaho

- **The bond must explicitly reference:**
  - The approved subdivision plans.
  - The utility improvement plans.
  - The conditions of approval.
  - The County subdivision ordinance, codified as Benewah County Code Title 9.
- **The bond must specify that the developer is obligated to:**
  - Construct all required utility improvements.
  - Follow approved plans and County standards.
  - Complete work within a specified timeframe.
  - Pay all subcontractors and suppliers (unless a separate payment bond is provided).
- **The bond must include a statement of what constitutes a default, including:**
  - Failure to complete improvements by the deadline.
  - Failure to correct deficiencies.
  - Abandonment of work.
  - Insolvency or withdrawal of the contractor.
  - Revocation or expiration of the bond.
- **The bond shall require the surety to:**
  - Step in and complete the work, or
  - Pay the County up to the bond amount so the County can complete the work.

#### **ACCEPTABLE INSTRUMENTS**

- Surety bonds issued by an Idaho-licensed surety.
- Cash bonds.
- Irrevocable letters of credit from Idaho financial institutions.

#### **BOND DURATION & RENEWAL**

- Bonds must remain active until all utility improvements receive final acceptance by the County.
- A one-year warranty period may be required after acceptance.
- Bonds must be renewed as needed. Sureties typically send renewal notices directly to the contractor or developer.
- The terms of the bond shall also provide that renewal notices or revocation notices be sent to Benewah County at least sixty (60) days prior to the renewal or revocation date.
- Failure to maintain an active bond may result in completion of the improvements by the County, at the expense of the developer or subdivider, and subject the property to a contractor's lien in favor of the County.

## **SALE OR TRANSFER RESTRICTIONS**

The property subject to the bond may not be sold or transferred without affirmative approval of the Board of County Commissioners until all bonded utility improvements are installed and inspected and the County Engineer issues written final acceptance.

## **BOND RELEASE**

A bond may be released when:

1. All utility improvements are installed and inspected;
2. The County Engineer issues written final acceptance;
3. All payment or lien issues are resolved; and
4. Any required warranty period has expired without outstanding deficiencies.

Partial releases may be considered for phased subdivisions.

## **CONTRACTOR RESPONSIBILITIES**

- Verify all bonding and construction requirements with the Benewah County Planning Department before starting work.
- Ensure compliance with Idaho contractor license bond requirements to avoid penalties or delays.
- Maintain all bonds in good standing throughout construction and warranty periods.

## **QUESTIONS OR ASSISTANCE**

For clarification on bond amounts, submittal requirements, or subdivision procedures, contact:

**Benewah County Planning Department**, 701 College Avenue, Ste 101, St. Maries, Idaho.