LAW LIBRARY
ARIZONA ATTORNEY GENERAL

GARY K. NELSON, THE ATTORNEY GENERAL
STATE CAPITOL
PHOENIX, ARIZONA

January 8, 1973

DEPARTMENT OF LAW LETTER OPINION NO. 73-4-L (R-9)

REQUESTED BY: JAMES A. VIVIAN
Arizona Registrar of Contractors

QUESTION: Is the cash deposit required under A.R.S. § 32-1152 available for a claim arising subsequent to the expiration of a contractor's license?

ANSWER: Yes.

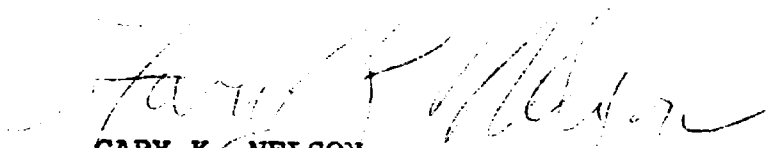
A principal objective of the cash deposit requirement is stated in A.R.S. § 32-1152.D as follows:

> . . . The bond or deposit shall be subject to claims . . . by any person who, after entering into a construction contract with the principal is damaged by the failure of the principal to perform the contract or by any person furnishing labor, materials or construction equipment on a rental basis used in the direct performance of a construction contract. . . .

We are unable to imagine a reasonable basis, either in equity or law, for concluding that a cash deposit is not available to such a damaged person for the sole reason that the contractor involved was doing business without the required contractor's license. In our opinion, such a conclusion is inconsistent with the very purpose for the cash deposit requirement.

In the absence of any language in A.R.S. § 32-1152 compelling a different result, it is our opinion that a cash deposit required under A.R.S. § 32-1152 is available for claims arising subsequent to expiration of a contractor's license.

Respectfully submitted,



GARY K. NELSON
The Attorney General

GKN:AWB:ell