



Le Sueur County, MN

Tuesday, July 3, 2018

Board Meeting

Item 7

10:15 a.m. Sulp Ordinance Public Hearing (15 min)

Staff Contact:

ORDINANCE AUTHORIZING THE LE SUEUR COUNTY BOARD OF COMMISSIONERS TO ESTABLISH A LOAN FUND FOR THE REPLACEMENT OF SUBSURFACE SEWAGE TREATMENT SYSTEMS ON PRIVATELY OWNED PROPERTY.

SECTION 1. AUTHORITY AND SCOPE. This Ordinance is adopted to provide for the creation of a public loan program that assists property owners to finance the site evaluation, design, installation, repair and replacement of subsurface sewage treatment systems on privately owned property pursuant to the authority granted under Minn. Stat. Chapter 115 and Minnesota Administrative Rule, Chapter 7080-7083 and as amended that may pertain to sewage and wastewater treatment and enforcement of standards for subsurface sewage treatment systems as defined in the Le Sueur County Zoning Ordinance.

SECTION 2. DEFINITIONS. Unless specifically stated in this Ordinance, definitions shall be adopted by reference from Minnesota Statute 115 and Minnesota Administrative Rule, Chapters 7080-7083 and as amended as previously adopted by Le Sueur County.

SECTION 3. GENERAL PROVISIONS.

- 3.1 The Le Sueur County Board of Commissioners shall establish a fund to assist property owners to replace residential and commercial subsurface sewage treatment systems in Le Sueur County. At its discretion, the County Board of Commissioners shall make a contribution to the fund.
- 3.2 Subsurface sewage treatment system replacement shall be constructed in accordance with the terms of the Le Sueur County Zoning Ordinance including but not limited to the following provisions:
 - 3.2a. All repairs and improvements made to subsurface sewage treatment systems under this Ordinance shall be performed by a licensed and certified subsurface sewage treatment system professional and shall comply with Minnesota Pollution Control Agency rules adopted pursuant to Minn. Statute, Chapter 115.55, subdivision 3, and other applicable requirements.
- 3.3 Access to the fund is voluntary and shall result in a lien on the benefiting property according to the terms set forth in the Administrative Plan. The Plan may be amended by the Le Sueur County Board of Commissioners.
- 3.4 The property owner has the right to prepay the assessment.
- 3.5 Administration of the Plan shall be the responsibility of the Le Sueur County

Planning and Zoning Administrator. The County Auditor or Finance Director shall be responsible for administration of the lien against the benefiting property.

SECTION 4. SEPARABILITY. If any part of this Ordinance shall be held invalid by a court of competent jurisdiction, it shall not invalidate any other section, provision or part thereof.

SECTION 5. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after the date of its passage and publication according to law.

_____,Chair
Le Sueur County Board of Commissioners

DATE

ATTEST:

County Administrator

SEPTIC UPGRADE LOAN PROGRAM ADMINISTRATION PLAN FOR COMMERCIAL PROPERTIES

Project Description

The Le Sueur County Board of Commissioners has approved an Ordinance establishing a loan fund to assist commercial property owners in replacing subsurface sewage treatment systems (SSTS) in Le Sueur County. This Ordinance permits Le Sueur County to administer loan funds and collect the repayment as a lien against the property in accordance with Minnesota Statute, Chapter 115, as amended.

Eligible Projects

Property must be a commercial property located in Le Sueur County with

- An existing non-compliant SSTS; or
- An existing compliant holding tank adding a soil treatment area to subject property.

The loan program may not be used to facilitate new building construction. Facilitate new building construction includes increasing capacity of a SSTS beyond what is reasonably required to serve existing buildings and lots in existing recorded plats.

Applicant must be the property owner. If it is a Contract For Deed, the Fee Owner shall also sign the application and lien paperwork.

Income Requirement - none.

Terms of the Loan

Amount Eligible – 75% of the design and installation of a conforming SSTS or **\$75,000 maximum**, whichever is less. Applicant may request less than the total cost.

Interest Rate – 5%

Term Length - Loans up to \$25,000 to be repaid within 10 years. Over \$25,000 to be repaid within 15 years.

Administrative Fee - \$500.00 for Recording Fees, Processing Fees, and Mortgage Registry Tax.

Priority of Lien – In accordance with Minnesota Statute, Chapter 115.57, Subdivision 6, “An amount loaned under the program and, assessed against the property shall be a priority lien only against subsequent liens.”

Loan Pre-Approval

Loan pre-approval by the Environmental Services Department is required. To qualify for the loan, the following requirements must be confirmed:

Taxes Current - No delinquent taxes may be owed against the subject property.

Location - The property that the SSTS serves must be located within Le Sueur County.

Eligible Project

Loans will be made available on a first come, first serve basis.

Application:

Must be accompanied by a SSTS contractor's estimate. The administrative fee (**does not include SSTS permit fee**) must be paid at the time of application. The SSTS permit must be purchased and issued prior to construction of the replacement SSTS. No loan will be approved for any work on the SSTS that has been done prior to loan approval.

Revision Date: 5/2018

Final Loan Approval

Is subject to SSTS contractor's invoice and Certificate of Compliance of the SSTS installed in accordance with Minnesota Administrative Rule, Chapters 7080 and/or 7081 and the Le Sueur County Zoning Ordinance.

Installation Requirements

Site evaluation, design, and installation of SSTS must be performed by a state licensed and certified SSTS contractor, with the applicable license for the type of work being performed. Selection of the SSTS contractor is the property owner's choice.

County SSTS permit, review, and approval of SSTS design required prior to any installation activities.

Final site inspections by a County SSTS Inspector required.

Repayment of Lien

Repayment – First payment due with the first half of the property taxes due the first January after construction has been completed. Semi-annual payments with property tax payment thereafter. May be paid in full at any time with no prepayment penalty. Full payment of lien must be made at time of sale or transfer of property.

Funding Source, Disbursement and Longevity

Funding Source - To be allocated from Waste Water Bond.

The County Board of Commissioners will do annual review of the funding allocation use and projected need.

Administrative Fee Disposition -

\$ 46.00 Recording Fee

\$ 0.0023 Mortgage Registry Tax, as amended

Program ends at the resolution of the County Board of Commissioners with any accrued interest to the general fund used to defray the cost of delinquencies or defaults and administrative costs related to the program.

Disbursement -

1. SSTS contractor and/or property owner submits final bill to Environmental Services Department.
2. SSTS contractor submits Record Drawing to Environmental Services Department.
3. Environmental Services Department completes Certificate of Compliance for the SSTS.
4. Environmental Services Department prepares lien documents, has property owner (and Fee Owner if Contract For Deed) sign lien documents, and forwards bill and lien documents to Auditor's Department as authorization to pay SSTS contractor.
5. Environmental Services Department sends notice to property owner (and Fee Owner if Contract For Deed). The notice states the following information:
 - a. The amount to be specially assessed against the property;
 - b. The right of the property owner to repay the entire assessment;
 - c. The public official to whom prepayment must be made;
 - d. The time within which prepayment must be made without the assessment of interest.
 - e. The rate of interest to be accrued if the assessment is not prepaid within the required time period; and
 - f. The period of the assessment.

Administrative Plan Amendment - The Le Sueur County Board of Commissioners, when needed, may

Revision Date: 5/2018

amend the Septic Upgrade Loan Program Administrative Plan.

Revision Date: 5/2018

SEPTIC UPGRADE LOAN PROGRAM ADMINISTRATION PLAN FOR RESIDENTIAL PROPERTIES

Project Description

The Le Sueur County Board of Commissioners has approved an Ordinance establishing a loan fund to assist residential property owners in replacing subsurface sewage treatment systems (SSTS) in Le Sueur County. This Ordinance permits Le Sueur County to administer loan funds and collect the repayment as a lien against the property in accordance with Minnesota Statute, Chapter 115, as amended.

Eligible Projects

Property must be residential property located in Le Sueur County with

- An existing non-compliant SSTS; or
- An existing compliant holding tank connecting to a cluster; or
- An existing compliant holding tank adding a soil treatment area to subject property.

The loan program may not be used to facilitate new building construction. Facilitate new building construction includes increasing capacity of a SSTS beyond what is reasonably required to serve existing buildings and lots in existing recorded plats.

Applicant must be the property owner. If it is a Contract For Deed, the Fee Owner shall also sign the application and lien paperwork.

Income Requirement - none.

Terms of the Loan

Amount Eligible - Limited to not more than the total cost of designing and installing a conforming SSTS to **\$15,000 maximum**. Applicant may request less than the total cost.

Interest Rate – 4%

Term Length - Loans up to \$5,000 to be repaid within 5 years. Over \$5,000 to be repaid within 10 years.

Administrative Fee - \$200.00. For Recording Fees, Processing Fees, and, Mortgage Registry Tax.

Priority of Lien – In accordance with Minnesota Statute, Chapter 115.57, Subdivision. 6, “An amount loaned under the program and, assessed against the property shall be a priority lien only against subsequent liens.”

Loan Pre-Approval

Loan pre-approval by the Environmental Services Department is required. To qualify for the loan, the following requirements must be confirmed:

Taxes Current - No delinquent taxes may be owed against the subject property.

Location - The dwelling that the SSTS serves must be located within Le Sueur County.

Eligible Project

Loans will be made available on a first come, first serve basis.

Application:

Must be accompanied by a SSTS contractor's estimate. The administrative fee (**does not include SSTS permit fee**) must be paid at the time of application. The permit must be purchased and issued prior to construction of the replacement SSTS. No loans will be approved for any work on the SSTS that has been done prior to loan approval.

Revision Date: 5/2018

Final Loan Approval

Is subject to SSTS contractor's invoice and Certificate of Compliance of the SSTS installed in accordance with Minnesota Administrative Rules, Chapters 7080 and/or 7081 and Le Sueur County Zoning Ordinance.

Installation Requirements

Site evaluation, design, and installation of the SSTS must be performed by a state licensed and certified SSTS contractor, with the applicable license for the type of work being performed. Selection of the SSTS contractor is the property owner's choice.

County SSTS permit, review, and approval of SSTS design required prior to any installation activities.

Final site inspections by a County SSTS Inspector required.

Repayment of Lien

Repayment - First payment due with the first half of the property taxes due the first January after construction has been completed. Semi-annual payments with property tax payment thereafter. May be paid in full at any time with no prepayment penalty. Full payment of lien must be made at time of sale or transfer of property.

Funding Source, Disbursement and Longevity

Source Funding - To be allocated from Waste Water Bond.

The County Board of Commissioners will do annual review of the funding allocation use and projected need.

Administrative Fee Disposition -

\$ 46.00 Recording Fee

\$ 0.0023 Mortgage Registry Tax, as amended

Program ends at the resolution of the County Board of Commissioners with any accrued interest to the general fund used to defray the cost of delinquencies or defaults and administrative costs related to the program.

Disbursement -

1. SSTS contractor and/or property owner submits final bill to Environmental Services Department.
2. SSTS contractor submits Record Drawing to Environmental Services Department.
3. Environmental Services Department completes Certificate of Compliance for the SSTS.
4. Environmental Services Department prepares lien documents, has property owner (and Fee Owner if Contract For Deed) sign lien documents, and forwards bill and lien documents to Auditor's Department as authorization to pay SSTS contractor.
5. Environmental Services Department sends notice to the property owner. The notice states the following information:
 - a. The amount to be specially assessed against the property;
 - b. The right of the property owner to repay the entire assessment;
 - c. The public official to whom prepayment must be made;
 - d. The time within which prepayment must be made without the assessment of interest.
 - e. The rate of interest to be accrued if the assessment is not prepaid within the required time period; and
 - f. The period of the assessment.

Administrative Plan Amendment

The Le Sueur County Board of Commissioners, when needed, may amend the Septic Upgrade Loan Program Administrative Plan.

Revision Date: 5/2018