

What Buyers and Sellers Need to Know about Septic Systems at time of Property Transfer

(or Grantors/Grantees when transfer of property is not a sales transaction)

Ordinance adopted: January 12, 2021

Effective Date: April 1, 2021

When is a septic system compliance inspection required?

A landowner is to have a valid Certificate of Compliance (COC) on file with Mower County Public Works Office **before** transferring property to another.

What do I do? I didn't have a compliance inspection done and I can't get one done now?

You can established an escrow account. The County Board annually sets the amount of escrow required for such situations. (That number is determined by taking the average cost of prior year loan requests multiplied by 1.5 to cover any cost overages and increases.) For year 2025 that amount was set at \$35,000. This amount will cover costs associated with:

- A compliance inspection
- Septic design, permitting, installation & abandonment

Proof of an Escrow Account must be provided to the Public Works Department at or before presenting a deed to the County Recorder.

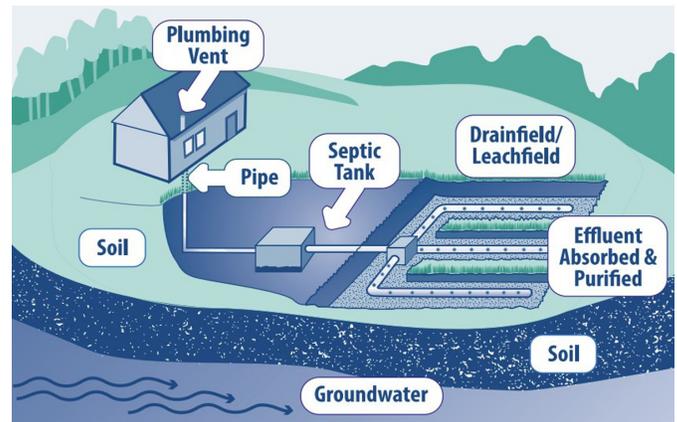
What if I know my septic system will not pass a compliance inspection?

If you know your septic system will not pass a compliance inspection you can either 1) replace the septic system before the transfer of property so you will have a COC in-hand at the time of transfer or 2) you can sign a waiver form, *(saves the cost of inspection)*, and then establish an escrow account.

Note: Replacement of the septic will be required within 10-months of the signed waiver.

I don't have money to put into escrow can the buyer/grantee put up the money?

Yes. By ordinance the Grantor (Seller) is responsible to make sure there is either a COC on file at the time of property transfer or an escrow account is set aside. The Grantee (Buyer) may fund the account. Funding of the account is decided, and/or shared, by the parties involved.



DISCLAIMER: State Laws, Rules and County Ordinances can change at any time. These are the current standards for when a septic system compliance inspection is required in Mower County as of the effective date of the above adopted ordinance until it is amended, repealed and/or replaced.

My septic failed a compliance inspection. I have a written estimate for replacement but the septic installer cannot put the system in before our closing date. What can we do?

An **Escrow Account** must be established. The bid amount is multiplied by 1.25 to determine the amount to be escrowed. This will keep the transfer moving forward. This amount will be used to cover costs associated with:

- Septic design, permitting, installation & abandonment.

Proof of the escrow account and the written estimate must be provided to the Public Works Department at or before presenting the deed to the County Recorder.

Working Septic vs Compliant System What's the difference?

Homeowners often tell us their septic is working fine. Generally this means is when they flush or put water down a drain it goes away.

A compliant (or non-compliant) system is determined by a licensed septic inspector. They examine the tank after it has been pumped to make sure it is water tight and is not leaking sewage into the ground.

The septic inspector will also do a review of the drain field area to determine if the system meets the correct separation distance between the bottom of the drain field media and the periodic water table and to make sure the system is not seeping untreated or undertreated sewage into the ground, backing up or surfacing. They are looking for proper and adequate "treatment" of the septage.

A septic system is a mini-sewage treatment plant in your yard.

Inspectors will also make sure the tank lid is secured, water tight, and make sure there are no electrical hazards.



Does Mower County require all new septic's to be a mound systems? What do they cost?

No. The County does not determine the type of system.

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Soil type and the depth of the periodic water table at the site determines what type of system, (mound or trench), is needed. State Rules require 36 inches of separation between the periodic water table and the bottom of drain field media for all newly installed septic systems.

In 2024, Mower County staff observed new septic system costs running from anywhere between \$17,000-\$35,000 depending on the type of system, the quantity and costs of products needed; the number of bedrooms the system was designed for (the more bedrooms, the larger the system); any challenging site issues needing resolve; & contractor chosen; any of these affect the cost of the system.

OTHER NOTEWORTHY INFORMATION:

How long is a Certificate of Compliance (COC) good for?

- A COC for a **newly** installed septic system is valid for 5 years from the date the COC was issued by the County.
- A COC for an existing system is valid for 3 years from the date the COC was issued by a licensed septic inspector.
- The County keeps a database of COCs issued and scans the COC documents for digital retrieval and safekeeping.

What happens if I receive a Notice of Non-compliance as a result of an inspection?

- ◆ A Notice of Non-compliance for reason of an Imminent Public Health Threat requires replacement of the septic system within 10 months according to State Statute 115.55.
- ◆ A Notice of Non-compliance for “Failure to protect groundwater” requires replacement of the septic system within 18 months, by county ordinance. *The previous ordinance required upgrade within 12-months—so the timeframe has been extended slightly.*

Are there funding sources to help me to replace my failing septic system? Yes*

**Be thinking about replacement in advance of transferring property because loans must be paid off at the time of transfer.*

- Mower County has a low interest loan program available to help homeowners pay for replacement septic systems.
- When funding's available, Mower County provides low-income grants on a first-come first-serve basis to qualifying landowners.
- Depending on availability of funding sources, we may have low-income grants available to defer partial costs of system replacements.
- Homeowners can contact the Public Works Office for current and available financing options.

Highlighted Terms for the Loans and Grants Include:

- * The County must have available funds for disbursement.
- * Funds are awarded first-come-first-serve until exhausted. Loan interest rates are at 3% of the principal balance. Loans must be paid back within 10 years.
- * Payments are due at the time of property taxes. Grants are exempt from repayment.
- * Qualifying projects include septic replacement for single-family dwellings. Loan funds cannot include payment for expansion to the sizing of the existing system. Loan proceeds are used to correct existing water quality issues.
- * For the loan: Qualifying landowners may borrow up to 90% of the cost of a qualifying project.
- * For the loan: Qualifying landowners must be up-to-date and current on property taxes and cannot have been delinquent on their property taxes for the past 3 years preceding or have filed bankruptcy within the past 5 years.
- * Loans or grants **must be approved prior to installation**. Mower County cannot provide loan or grant funds for reimbursement costs of a septic system already installed or in process of being installed.
- * Installation of the septic system must be completed within 6 months of loan approval.
- * Proceeds are released to the contractor. Loan and grant checks are made out to the contractor and landowners.
- * Grants are reportable income to the recipient—Federal W9 is required.