

COUNTY OF JACKSON
STATE OF MINNESOTA

ORDINANCE NUMBER 105

AN ORDINANCE REGULATING A SUBSURFACE SEPTIC TREATMENT
SYSTEM LOAN PROGRAM.

WHEREAS, the Jackson County Board of Commissioners finds that a need exists for the creation of a public loan program that assists property owners to finance site evaluation, design, installation, repair and replacement of Subsurface Sewage Treatment System (SSTS);

WHEREAS, the County incorporates the state SSTS statute, Minn. Stat. §§ 115.55 & 115.57 (2010), et. sec., and the Minnesota Pollution Control Agency (MPCA) Rules, Chapter 7080, by reference into this ordinance;

WHEREAS, the purpose of this ordinance is 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 individual sewage treatment systems; and

WHEREAS, such a public program promotes the public health and welfare by furthering the policy of the state of Minnesota to prevent, reduce, and eliminate water pollution,

THEREFORE, Pursuant to Minnesota Statutes, section 375.51, the County Board of Jackson County ordains:

SECTION 1 - DEFINITIONS

Improvement - means the site evaluation, design, installation, repair, or replacement of individual sewage treatment system.

Municipality - means a township, city, county, or any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state.

New building construction – means increasing capacity of a subsurface sewage treatment system beyond what is reasonably required to serve existing buildings and lots in existing recorded plats.

Property owner - means the owner or owners as recorded on the tax roll of the county where the real property on which the individual sewage treatment system is installed, repaired, or replaced is located.

In addition to the above definitions this ordinance incorporates by reference all of the definitions found in the Jackson County Development Code.

SECTION 2 - ELIGIBILITY

201 - Individual Eligibility

All property in Jackson County is eligible for this loan program. All individuals having an ownership interest in the parcel must sign the required documents for this loan application.

202 - Property Eligibility

To be eligible for this program the property must meet the following requirements:

- (1) prove ownership of the property;
- (2) be in compliance with all applicable ordinances;
- (3) have appropriate permits and fees paid;
- (4) all owner's property taxes for all county parcels must be current;
- (5) the parcel must not have any state or federal tax liens;
- (6) the property must lie within Jackson County;
- (7) an existing SSTS on the property which is failing or non-complying which is being replaced by a complying system;
- (8) this program shall not be used to facilitate new building construction;
- (9) this program shall not be used to refinance or payoff an existing septic system;
- (10) the estimated market value of this property must be equal to or exceed \$17,550; and
- (11) applicants must provide an accurate & recorded legal description of the parcel at the time of the application. If the parcel has been sold, split, divided, contracted for deed or transferred any portion of the parcel; the applicant must provide a new, accurate, legal description of the parcel that will contain the SSTS at the time of the application. The applicant may split a parcel, so long as the applicant retains the portion of the parcel containing the SSTS.

SECTION 3 - CONTRACTOR REQUIREMENTS

- (1) The contractor must be licensed by the Minnesota Pollution Control Agency (MPCA) for the planned work and must not start work on the project until after the qualified borrower has received written notice of approval from Jackson County.
- (2) The County incorporates the standards of MPCA Rule 7080 by reference and all work must conform to MPCA 7080 construction standards.

SECTION 4 - LOAN APPLICATIONS

- (1) No eligible applicant shall be selected or rejected on the basis of judgments as to personal character or life-style.
- (2) Applications will be rated on a first come first serve basis as per date of completed application.
- (3) Letters of rejection will be issued by Jackson County Land Management Office to applicants who are not selected stating the reason for rejection.
- (4) Application must be accompanied by all fees. Fees include site inspection fee and site evaluation fee. Fees paid for services are non-refundable if the application is rejected.

SECTION 5 - LOAN TERMS

- (1) Maximum amount of the loan shall be \$15,000 which can include site evaluation, engineering, inspection fees and installation costs. All related costs which exceed the \$15,000 will be the responsibility of the property owner.
- (2) The interest rate shall be 3%. Regardless of the date when the loan funds are disbursed, interest will commence on January 1 of the year of disbursement. Interest will be calculated annually and will be due and payable on the same dates as property taxes for the parcel are due in the following year. If the entire principal balance is paid no later than December 31st, the interest for the current year will be forgiven. The principal balance remaining at close of business on December 31st will be used to calculate the interest due in the following year.
- (3) Loans shall be paid over a 10-year time period although the property owner will be allowed to pre-pay the loan without a penalty. The loan principal will be amortized in equal yearly payments. In the event of a partial pre-payment of the principal, the remaining balance will be amortized in equal

- yearly payments for the balance of the years remaining in the original 10-year term of the loan.
- (4) Principal and interest will be collected as a special assessment on the property taxes and will be reflected as such on the real estate tax statement. Objections to this special assessment will result in the loan becoming payable in full.
 - (5) The applicant must pay the recording fee plus the current mortgage registration tax for each dollar of the loan amount. Upon payment of the loan a fee for the satisfaction of mortgage is due.
 - (6) The loan is not assumable.
 - (7) The loan is not eligible for subordination.

SECTION 6 - FUND DISBURSEMENT

- (1) Following the completion of the installation of the system and the completion of the final inspection by the county, the borrower must bring an itemized statement from the contractor to the Land Management Office. Upon approval by the Jackson County Land Management Office a check not to exceed \$15,000 shall be issued to the contractor by the Jackson County Auditor/Treasurer.
- (2) Following the approval of the loan, Jackson County Auditor shall notify the qualifying borrower in writing of the following:
 - a. the amount to be specially assessed against the property.
 - b. the right of the property owner to prepay 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.
 - f. the period of the assessment

SECTION 7 – APPLICABILITY

This ordinance applies to all areas of the county other than cities or towns that have adopted ordinances that comply with Minn. Stat. § 115.55 and are as strict as the applicable county ordinances.

SECTION 8 – VARIANCE AND DEVIATION PROCEDURE

The Jackson County Board of Commissioners reserves the right to grant variances and deviations from this ordinance by resolution of $\frac{3}{4}$ of the board members.

EFFECTIVE DATE

This Ordinance shall be in full force and effect from and after April 19, 2022.

County of Jackson)
) SS.
State of Minnesota)

Resolution No. 22-018

ENACTING AMENDMENTS TO THE JACKSON COUNTY DEVELOPMENT CODE/ZONING ORDINANCE AND THE SUBSURFACE SEPTIC TREATMENT SYSTEM LOAN PROGRAM ORDINANCE

THE COUNTY BOARD OF JACKSON COUNTY ORDAINS:

WHEREAS, Minnesota Statute 394.21 grants counties the authority to carry out planning and zoning activities; and

WHEREAS, Minnesota Statute 394.24 grants counties the authority to adopt by ordinance official controls; and

WHEREAS, Minnesota Statutes 394.26 and 375.51 provide the process for adopting and amending official controls and ordinances; and

WHEREAS, amendments to the Jackson County Development Code/Zoning Ordinance and Subsurface Septic Treatment System Loan Program Ordinance have been proposed; and

WHEREAS, pursuant to Minnesota Statutes 394.26 and 375.51, a public hearing was held by the Jackson County Planning Commission on March 30, 2022 to take comments on the proposed ordinance amendments; and

WHEREAS, pursuant to Minnesota Statutes 394.26 and 375.51, a notice of enacting ordinance amendments and holding a public hearing on said amendments was published in the Jackson County Pilot on March 31, 2022; and

WHEREAS, the Jackson County Board held a public hearing on April 19, 2022 to take comments on the proposed ordinance amendments.

NOW, THEREFORE, BE IT RESOLVED that the Jackson County Board of Commissioners hereby adopt amendments to the Jackson County Development Code/Zoning Ordinance and the Subsurface Septic Treatment System Loan Program Ordinance as presented.

Passed and adopted by the Board of Commissioners of the County of Jackson, Minnesota this 19th day of April 2022.



Catherine Hohenstein, Board Chair
Jackson County Board of Commissioners

ATTEST: 

Ryan Krosch
County Administrator and Clerk of the Board