



## DAKOTA COUNTY SEPTIC SYSTEM TAX ASSESSMENT PROGRAM

### FAQ

#### Overview

In 2017, the Dakota County Board established a county-wide septic system tax assessment loan program to ease the financial burden to homeowners who are upgrading a failing septic system. The loan is an assessment on the property taxes – not a lien. The program is voluntary.

#### Eligible Properties

Any residential property in Dakota County that is homesteaded, and is serviced by a septic system is eligible. It must be the primary residents of the owner/applicant, and the property taxes must be current. There is no income limit qualification or disqualification.

#### Eligible Improvements

Funding can only be used for the design, site evaluation, repair or replacement of existing non-compliant (failing) septic systems. It may not be used to facilitate new building construction or expansion, including increasing capacity due to adding of additional bedrooms, or for commercial properties.

#### Terms

The property will be assessed 3% interest over a of five-year period for loans under \$5,000; or assessed 3% interest over a ten-year period for loans over \$5000. The principle and interest payment of the assessment will be collected twice per year, corresponding with property tax payment due dates. The assessment must be paid in full immediately upon the sale, transfer, or conveyance of the property. The property owner may pre-pay the assessment at any time without penalty. No septic work can begin without the application approval, unless it is not to be included in the Assessment (e.g. permit fees; paying for the site evaluation and design out of pocket.)

#### Fees

There is a no application fee for review and approval of documents. There will be a permit/inspection fee from the local regulating authority (city, township, or county).

#### Application Process

1. The property owner completes the mandatory tax assessment loan application and signs and returns the "Notice to Property Owner".
2. Water Resources staff reviews the application and verifies homestead status, and the property taxes are current. Water Resources staff notifies the applicant their application has been approved or denied.
3. If approved, the applicant contracts with a licensed septic professional to design and install the system.
4. The septic system installation is inspected by the local regulatory authority (city, township, or county).
5. An as-built inspection record/certificate of compliance is sent to Dakota County by the local regulating authority or licensed septic professional. (The County must receive this report before proceeding.)
6. The Contractor submits invoice for payment.
7. Water Resources staff completes the Assessment and Waiver of Irregularity and Appeal with the amount of the assessment and estimated accrued interest. Water Resources returns to the property owner, the Assessment and Waiver of Irregularity and Appeal for signing and notary.
8. Property owner returns the original signed and notarized Assessment and Waiver of Irregularity and Appeal.
9. Water Resources staff submits to the Property Taxation and Records Department, the signed original Agreement of Assessment and Waiver of Irregularity and Appeal which authorizes the assessment. Property Taxation and Records assesses the property.
10. Water Resources staff submits the contractor invoice for payment. If you are paying a portion of the septic system installation out of pocket, it must be reflected on the invoice that the contractor submits to the County. The septic system contractor is paid directly by the County.

Contact Dee McDaniels at 952.891.7024 or [dee.mcdaniels@co.dakota.mn.us](mailto:dee.mcdaniels@co.dakota.mn.us) with questions and to receive an application.