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What You Should Know When You're Having Your Septic System Inspected for the *Transfer of Ownership* Program

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Did you know that in Arizona when you go to sell your house with an onsite wastewater treatment system (septic system), or a property without a dwelling but possessing an onsite system, that you must have it inspected by a qualified Transfer of Ownership Inspector? Did you know that this inspection is required by Arizona law and *cannot be waived by the buyer, seller, real estate agents, loaning agency, or title company?* What **are** your responsibilities as the buyer, the seller, the real estate agent? How do you know if you have obtained a qualified inspector? This publication will provide useful information on the Transfer of Ownership Inspection for onsite wastewater treatment systems.

Aquifer Protection Permit (APP) Program

All onsite wastewater treatment systems are regulated under the Arizona Department of Environmental Quality's (ADEQ's) Aquifer Protection Permit (APP) program as a general permit. In Arizona, you are required to have an Aquifer Protection Permit if you own or operate a facility that discharges a pollutant to the land surface or above a drinking water source. Each home with an onsite system is required to have a valid Aquifer Protection Permit. You should have a permit on file at your county Environmental Health Department. This is the permit that is transferred when a property changes ownership and a completed *Notice of Transfer* form is filed.

Transfer of Ownership Inspection

Arizona's statewide inspection program for onsite wastewater (septic) treatment facilities began on a limited basis in January 2002 and was fully implemented in July 2006 to include all onsite systems (conventional or alternative) whenever ownership of the property changes. Typically, the transfer of ownership inspection is triggered by selling your home either on your own or with the assistance of a real estate professional. The only exception to not having a Transfer of Ownership inspection performed on your property with an onsite wastewater treatment facility is when the system is new and hasn't been used before selling the house and/or property. This means that unless your septic system wasn't used before selling your home, you **must,** by Arizona law, have the septic system inspected by a qualified inspector using the State reporting form [**http://www.azdeq.gov/environ/water/permits/download/inspection.doc**] (or, in the case of Pima County, a county-approved reporting form [**http://www.deq.pima.gov/pdf/Water/ReportOfInspection.pdf**]).

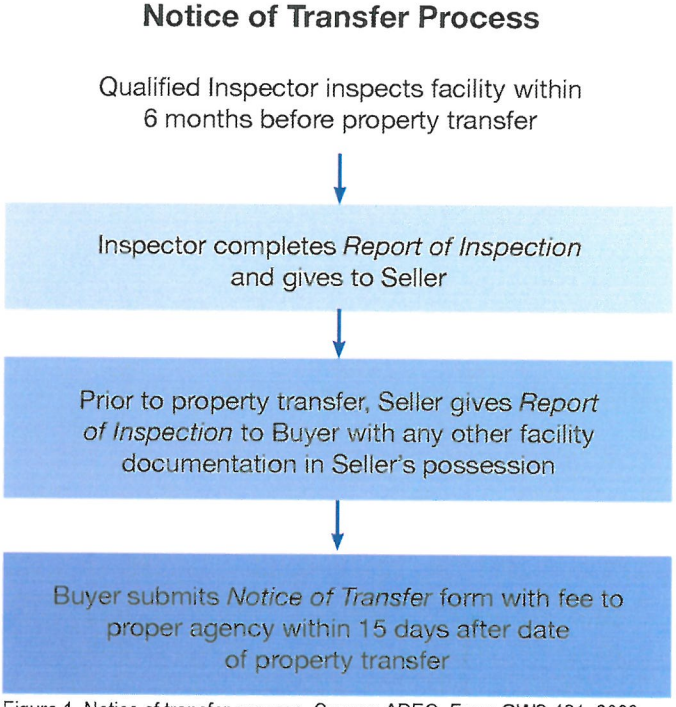

Figure 1. Notice of transfer process. Source: ADEQ, Form GWS 431, 2009

Responsibilities of the Seller

Within six months *before* the property is to be sold and you are the seller of the property, you are responsible for obtaining a qualified inspector to perform the inspection. You or your agent can find *qualified* inspectors at the ADEQ website [**http://www.azdeq.gov/environ/water/engineering/not.html**], the National Association of Wastewater Transporters (NAWT) website [**http://www.nawt.org**], or your County Environmental Health

Department (some counties in Arizona maintain a list of inspectors approved in their county). Note: at this time, ADEQ does not maintain a separate list of qualified inspectors, but refers directly to the NAWT website.

As the seller, you will receive a completed *Report of Inspection* from your inspector. This report acts as the full disclosure for the onsite wastewater treatment system. It does not guarantee compliance with the local building codes and is not a guarantee that the system will work in the future. The inspection and report discloses the conditions at the time of the inspection. If the house is not sold within in six months of the inspection, a new inspection is required.

Before the closing date of the property, you provide the buyer with the completed report AND any other documents that relate to the permitting, operation, or maintenance of the septic system including septic tank, soil treatment area, or alternative onsite wastewater treatment units. There is no requirement to share the report with ADEQ or the local county permitting agency. If the property does not sell within the six-month period, then a new inspection will be required. Talk with your inspector to find out their policy of providing the new inspection. There are companies who provide these additional inspections for low or no cost.

Responsibilities of the Buyer

Within 15 days of the purchase of the home, the buyer must submit a completed current version of the *Notice of Transfer* form (ADEQ form GWS 431; **http://www.azdeq.gov/environ/water/permits/download/presale.doc**) with the required fee (currently $50) to ADEQ or the appropriate county authority (page ii of the form has the instructions for filing the completed form and fee). This can be accomplished in person, by mail, or online [**http://www.azdeq.gov/environ/water/permits/onsitenot.html**]. Information from the Report of Inspection form is needed to complete the Notice of Transfer form.

Responsibilities of the Real Estate Agent

The real estate agent should assist the seller in obtaining a qualified inspector and making sure that the completed *Report of Inspection* is provided to the buyer. He/she can facilitate the buyer in filing the required forms.

Responsibilities of the Inspector

The inspector must 1) know about the system that they are inspecting, 2) hold a certificate of training from an ADEQ-approved course, and 3) hold a current license in one of 5 categories. The inspector should follow standard inspection procedures and must use the most current ADEQ form GWS 432 *Report of Inspection of an on-site wastewater treatment facility* [**http://www.azdeq.gov/environ/water/permits/download/inspection.doc**]. He/she must complete the form and provide it to the seller or seller's representative. The person inspecting the system needs to be a qualified inspector and sign the completed report.

Questions to ask or procedures to follow as the SELLER

(Adapted from the Arizona Onsite Wastewater Recycling Association Templates [**http://www.azowra.org**])

- What are the inspector's professional qualifications (license, certification, education)?
- What is the inspector's business experience (years, specific experience, factory training, manufacturer training, liability insurance, worker's compensation)?
- References (ask for 3 references from customers that have used their services; check with the Better Business Bureau, Chamber of Commerce, Angie's List (online) for complaints.
- Does the inspector or his/her company belong to any professional organizations (Better Business Bureau (BBB), Chamber of Commerce, Arizona Environmental Health Association (AZEHA), AzOWRA, National Wastewater Transporter Association (NAWT))?
- What services are provided or not provided by the inspector?
- What will be required of me (the seller) (access, padlocks, fences, power on, water on, dog, landscaping)?
- When and under what terms is payment due?
- Will you or the inspector be contacting the local County Environmental Health Department to obtain permitting records or will you or the inspector be submitting a statement that there are no records?
- What documentation will you and/or the inspector provide to the buyer (photos, reports, sketches, as-built drawings)?
- Did the inspector provide a thorough description of the onsite wastewater facility, including photos for documentation?
- Has the inspector checked any "unable to locate or unable to find" boxes on the form? If so, were there adequate explanations or descriptions?
- If the inspection is older than 6 months of the sale, what provisions will the inspector make (reduced fees, for example)?

How do you know if a person is *qualified* to perform an inspection?

There are three major steps in qualifying to be an inspector for the Transfer of Ownership Inspection Program:

1. The inspector must have a working knowledge of the type of onsite wastewater treatment facility that they are to inspect. Therefore, it is important that the seller ask questions of the inspector, ask for references, and check the Better Business Bureau. It is difficult to determine if the inspector knows about his/her type of treatment system (not all inspectors know all types of septic systems, especially alternative systems).

Questions to ask or procedures to follow as the BUYER

(Adapted from Arizona Onsite Wastewater Recycling Association Templates [**http://www.azowra.org**])

- Did the seller retain a qualified inspector?
- Was the septic tank pumped?
- Did the inspector use the required form (ADEQ form GWS 432) & was it the most current version (see **http://www.azdeq.gov/environ/water/permits/download/inspection.pdf**)
- Did you receive all the documentation for the septic system (permitting, operation, maintenance records) or receive a statement from the County Environmental Health Department that there are no records?
- Did you receive a scale drawing of the wastewater system showing the location of the treatment tanks and equipment, the primary dispersal area, and the reserve dispersal area?
- Were any repairs recommended?
- Were there explanations for any items marked as "not determined" or "unable to find"?

2. The inspector must take an ADEQ-approved course and pass a certification exam. Currently, the only ADEQ-approved course is through National Association of Wastewater Transporters which requires continuing education. Therefore, as long as there is only the one course approved for the Transfer of Ownership Inspection training, inspectors must abide by the approved course requirements. To find out if your inspector holds a current certificate, locate his/her name at **http://www.nawt.org.**
3. The inspector must be licensed in at least one of the following categories:
   a. Arizona-registered engineer (to check current registration status: **http://www.btr.state.az.us/** >> Professional Registrant)
   b. Arizona-registered sanitarian (to check Arizona's registered sanitarians in good standing: **http://www.azdhs.gov/phs/oeh/rs/pdf/sanreg.pdf**)
   c. An owner of a vehicle licensed under ADEQ rules to pump or haul septage (or an employee of the person holding the license), sometimes known as a pumper (to check for ADEQ-approved septic haulers: **http://www.azdeq.gov/environ/water/engineering/not.html** >> List of Approved Septic Haulers)
   d. Arizona-registered contractor with one or more of the following licenses: A, A-12, B-4, C-41, KA, K-41, and/or L-41 (to check current registration status: **http://www.azroc.gov/forms/contractorsearch.html**)
   e. Arizona-certified wastewater treatment plant operator (to check if current certified operator: **http://www.azdeq.gov/databases/opcertsearch.html**)

Remember, ***all inspectors*** need to have taken an ADEQ-approved course. Currently, only the National Association of Wastewater Transporters provides ADEQ-approved courses. A database of current trained inspectors is found at the NAWT website [**http://www.nawt.org**].

What should you expect from a Transfer of Ownership inspection?

Once you arrange to have your inspection performed, the inspector may contact you regarding permitting, operating, and maintenance documentation – or he/she may not. The permitting documentation is public record. The operating and maintenance documentation may be submitted by the seller separately to the buyer.

You should expect your inspector to contact your County Environmental Health Department and obtain any records for your wastewater system or include a statement from the county that there are no records on file.

You should expect to have your septic tank lid removed. It is highly recommended that this is done. It is very difficult to see into the corners and bottom of the tank and underside of the lid without removing the lid. A thorough inspection of the tank integrity is important to protecting our groundwater resources and your soil treatment system. We don't want sewage escaping into the surrounding soil, and we don't want groundwater going into the tank and then into the soil treatment area – that adds way too much water to your soil treatment system.

You should expect to have your septic tank pumped. Pumping all the materials out of the septic tank allows the inspector to look at the integrity of the tank (see if there are any cracks, exposed rebar, damaged baffles, and signs of overuse). There are only three reasons that you wouldn't have your septic tank pumped as part of your inspection:

1. If the onsite wastewater treatment system was put into service within the last year (i.e., it is a brand new system, less than a year old) (keep in mind that you can still have the septic tank pumped to prove to the buyer that the tank is in good repair);
2. Because of the manufacturer's written operation and maintenance instructions; and
3. No accumulation of floating and settled waste was present in the septic tank.

You should expect to have your soil treatment area inspected for ponding and spongy or damp soil surfaces over the distribution lines. Many times the inspector will send a camera into the distribution lines to see if there are any obstructions, blockages, roots, or cracks.

Your final Report of Inspection *should include* a scale drawing of your system as it is installed on your property (sometimes called an "as-built"). This drawing should include the treatment tanks and equipment, the primary dispersal area, and the reserve dispersal area. Your report should be signed by the person who performed the inspection, not his or her boss, supervisor, or colleague.

Your system will be listed as "Functional," "Functional with Concerns," or "Not Functional." Note that there is no "passing" or "not passing" an inspection. If repairs are recommended in the *Report of Inspection*, you will not need to have them done before the inspection report is completed. Any decisions to have repairs completed on the onsite system are between the buyer and the seller (not the inspector). It should be noted that the buyer, through receiving the report, has now been fully informed regarding the operational status of the system being transferred and therefore assumes full responsibility should problems arise in the future.

Do *all* onsite wastewater systems involved in a transfer of ownership transaction need an inspection?

Yes, WITH one exception. If ADEQ or a Delegated County Environmental Health Department has issued a Discharge Authorization for the onsite system but the system was not used before the property was transferred, a transfer of ownership inspection is not required. ***BUT the new owner will still need to submit a Notice of Transfer form.*** For example, if you are buying property and/or home with an onsite wastewater treatment system from a builder and the onsite system was not put into service, the builder does not have to have a transfer of ownership inspection prior to the sale, but you will have to file a *Notice of Transfer* form and fee.

What should you do if the *Transfer of Ownership* process isn't followed?

All homes with onsite wastewater treatment systems are required to be inspected prior to the house being sold unless the system wasn't used before the property was transferred (see information above). No one can waive their responsibility for having the property inspected. The buyer is subject to fines if the *Notice of Transfer* is not completed. ADEQ is responsible for setting the fines and penalties.

If you suspect that your onsite wastewater treatment system was not properly inspected, contact both your county environmental health office and your real estate agent to let them know.

Summary

The Transfer of Ownership Inspection Program is designed to provide full disclosure on the functionality of the septic system at the time of the inspection. The seller of the property hires a qualified inspector within six months of selling the house. The inspector inspects the entire septic system, including looking into the septic tank, and submits a signed *Report of Inspection* (a State form) to the seller. The seller then provides the report to the buyer along with any other maintenance or manufacturer documentation. Within fifteen days of the sale of the property, the buyer submits the *Notice of Transfer* to the State.

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