

## INSTRUCTIONS FOR SEALED BID AUCTION AND TERMS AND CONDITIONS OF SALE FOR SALE OF STATE LANDS

### Sealed Bid Auction Sales

The Department of Natural Resources (DNR) land auctions are open to the public. Prior to participating in the 2020 sealed bid auction, bidders are advised to obtain property data sheets and be familiar with the properties, prices and terms. Copies of the Property Data Sheets and sealed bid forms may be obtained at the [Land Sale webpage](#), by phone at 651-259-5432 or by e-mail at [min.landsale@state.mn.us](mailto:min.landsale@state.mn.us).

The announcement of the sealed bid awards will take place by a web-based platform on **Friday, Nov. 6, at 11 a.m., CST**. Participation in the virtual bid openings is optional, but registration is required to attend the event. Event registration will be available on the [Land Sale webpage](#) two weeks prior to the event.

### Instructions for Sealed Bids

**General instructions.** Bids shall be submitted on the official sealed bid form. Bidders should submit their bid in a regular envelope. The envelope must have the words **"BID ENCLOSED"** noted in **BOLD** in the lower left corner along with the property number. The envelope should also contain a return address.

For your bid to be valid, you must submit the following paperwork and payment in an envelope marked **"BID ENCLOSED"** with the **property number**:

1. Bid Form for Sale of State Land (page 1 of this form) **and**
2. Bidder Acknowledgement form, signed (page 2 of this form) **and**
3. Bid security (cashier's check, certified check, personal check or bank money order) made payable to the Minnesota Department of Natural Resources.

Bids must be sent to the following address:

Department of Natural Resources  
Division of Lands and Minerals  
500 Lafayette Road  
St. Paul, MN 55155-4045

In-person deliveries of sealed bids will not be accepted.

Any bids received **after 4 p.m. on Thursday, Nov. 5, 2020** will not be considered. Please allow appropriate time for delivery.

**Party submitting bid.** All parties who wish to be included on the land conveyance document (quit claim deed or patent) must sign the bidder acknowledgement form attached to the sealed bid form. Individuals or agents acting for another must submit a power of attorney or other proof of authority with the bid form. The state does not pay any real estate commissions.

If the bidder is a corporation, trust, or partnership, the bidder will need to present documents showing authority to purchase on behalf of this entity before the land conveyance document will be issued.

**Minimum bid.** The amount of the Minimum Bid for the property is stated on the Property Data Sheet. Bidding starts at the Minimum Bid.

**Your bid.** The amount of your bid shall not be less than the Minimum Bid amount or your bid will be rejected. Your bid covers the land, marketable timber (if any), improvements (if any), and sale costs. Sale costs are the states costs for appraisal, survey (if applicable), publishing, recording fees, and other costs incurred in selling the property and recording documents. The state deed tax must also be paid by the buyer (see *remaining payments due*, below).

**Minimum payment due.** The minimum payment due at the time you submit your bid is **10% of the total bid**. Payment may be made by cashier's check, certified check, personal check or bank money order. Checks are to be made payable to the Minnesota Department of Natural Resources.

**Notice:** Interest may be charged on past due invoices determined by the State of Minnesota. Pursuant to M.S. 604.113, checks returned for non-payment will be charged a \$30.00 service fee and may subject the issuer to additional civil penalties.

**Remaining payments due.** The balance of the purchase price must be paid in full within 90 days of the date of the auction. No interest is charged during the 90-day period. No contracts for deed are being offered for the DNR properties. The deed tax, collected by the county in which the land is located, is a percentage of the final bid amount/purchase price (*final bid amount X 0.0033 = deed tax*). This amount is not comprehensive with the purchase price. It is additional to the purchase price.

If final payment is not made within 90 days, the DNR may void the sale and reoffer the property at a subsequent sale.

The DNR shall return the payment made by the highest bidder only after deducting the full amount of costs incurred by the state that will not be recovered.

**Failure to perform.** The failure of the high bidder at auction to fulfill the requirements set forth above will result in the following:

1. Automatic default;
2. Termination of any right, title and interest in the sale parcel; and
3. Liability of the high bidder for any and all of the state's sale costs that will not be recovered.

The state's unrecovered costs related to the sale of public land may include, but are not limited to: costs for an appraisal, advertising costs, and staff costs that are included in the minimum bid amount.

### Completion of the Bid Form.

To avoid any questions regarding the intent of the bidder, do not make erasures, write-overs, or type-overs, do not use correctional fluid or correction tape, and do not use any other alteration or correction making device or procedure. Blank bid forms may be photocopied as long as they remain legible. Please be advised that any alterations or corrections to the bid form could result in the rejection of a bid.

### Example of completed sealed bid form

Property #	County	Minimum Bid	Your Bid			My Minimum Payment Due
69852	St. Louis	\$40,000.00	<i>\$45,000.00</i>	X10%	=	<i>\$4,500.00</i>

### Bidder Signature.

Each bidder needs to sign the sealed bid form on page two (2) to finalize their bid. Be sure to print and sign your name, and include your address and a telephone number. The winning bidders will be notified by phone and letter that they are the successful high bidder.

### Terms and Conditions of Sale

**Private improvements.** If the property includes privately-owned improvements, the State assumes no responsibility in the event there may be mortgages, liens, unpaid taxes, or other encumbrances on the improvements. Private improvements have been appraised and the Private Improvement Value is stated in the Property Data Sheet. The Minimum Bid includes the Private Improvement Value.

In the event the successful bidder is the lessee of the property, the successful bidder is not required to pay for improvements made by the lessee in good faith under the terms of the lease, if the lessee complies with the ownership verification requirements of Minnesota Statutes, section 92.06, subd. 4. If the successful bidder is not the (owner) lessee, the successful bidder shall pay the Private Improvement Value to the owner of the improvements within 15 days of the date of the sale.

The payment shall be upon such terms and conditions as the successful bidder and the owner of the improvements may agree upon (Agreement). Such Agreement shall be in writing. The successful bidder shall have an additional 10 days to deliver to the Commissioner an Affidavit of Compliance, with evidence of the payment, such as a copy of the receipt, bill of sale, Agreement, etc. If the high bidder is not the lessee, lessees have 45 days to vacate the premises.

No person shall remove, damage, or destroy any building or other improvement until an amount equal to the appraised value has been paid. Violation of this provision shall be a gross misdemeanor.

**Patent or quit claim deed.** If the property is trust fund land, the State will convey fee title to the property by a patent upon receipt of the final payment. If the property is acquired land, the State will convey fee title to the property by quitclaim deed upon receipt of the final payment. Delivery of a patent or quit claim deed to the purchaser may take up to 90 days following final payment. The purchaser shall be entitled to possession of the property as of the date of the delivery of the patent or quitclaim deed.

**Title.** The State will not furnish an abstract of title. Prospective buyers are advised that the State sells the property without warranties and the State is not under any duty or obligation to perform any acts or to pay for any expenses that may be incurred in connection with possible deficiencies of title or encumbrances to the property or improvements.

All properties are sold subject to all railroad, highway, state forest roads, or other easements, any utility licenses issued pursuant to Minnesota Statutes, sec. 84.415, and other restrictions or reservations required by law. All minerals and mineral rights on all properties are reserved to the State.

**Wetlands and Marginal Lands.** The existence of non-forested marginal lands or wetlands is stated on the Property Data Sheet. Properties containing non forested marginal lands or wetlands will have a restrictive covenant placed upon the patent or quit claim deed, as required by Minnesota Statutes, sec. 103F.535, subd. 1. This covenant precludes enrollment of the land in a state funded program providing compensation for conservation of marginal land or wetlands. A Notice of Determination of Marginal Land/Wetland for each property is available upon request.

**Taxes and assessments.** Purchaser shall pay all real estate taxes and special assessments due and payable in the year of sale and thereafter.

**Properties sold As Is.** These properties and improvements are sold AS IS. The State makes no representations or warranties regarding the condition or use of the property or the improvements including, but not limited to, the condition or habitability of any buildings, or the condition of any wells, septic systems, soils, access, or any other thing on site. Prospective bidders are advised to inspect the property, improvements, plat maps, easements, conditions of title, and encroachments in order to insure knowledge of existing conditions.

**Zoning.** All properties are sold subject to local zoning ordinance now or hereafter adopted by units of local government.

**Property Boundaries:** property boundaries shown on any maps provided by the State are for reference only. Interested buyers should consult licensed surveyors to determine legal boundaries. The State is not responsible for locating or determining property lines or boundaries.

**Buildability:** The State makes no representation or warranty that the property is a buildable site under applicable State and local law.

**DNR employees ineligible.** Employees of the Minnesota Department of Natural Resources are prohibited from bidding or purchasing the properties, as provided by Minnesota Statutes, section 92.71.

**Right to reject bids.** The State reserves the right to cancel the sale or reject any and all bids at any time.