

# Michigan DNR Land Sales Rules and Regulations

## 1. Registration

You must create an online user account at [www.tax-sale.info](http://www.tax-sale.info) in order to bid at an auction. You should create such an account no less than 48 hours prior to the auction in which you wish to participate to ensure that your account is active and authorized in time to bid. Before any bids will be accepted, you must also provide a deposit by authorizing a \$1000 pre-authorization on a Visa, MasterCard, or Discover credit card or by tendering \$1,000 in certified funds to the Auctioneer.

## 2. Properties Offered

### A. Overview

The attached list of parcels has been approved for sale at public auction by the Michigan Department of Natural Resources (the "DNR"). Each parcel is identified by a sale unit number. The DNR reserves the right to pull parcels from the sale at any time prior to the auction.

Unless otherwise noted, the "Seller" is the DNR. The Auctioneer is Title Check, LLC acting as the authorized agent of the Seller/DNR.

These properties are subject to any state, county, or local zoning or building ordinances. The DNR does not guarantee the usability or access to any of these lands. The properties are sold based upon their LEGAL DESCRIPTION ONLY (Subdivision name and Lot number, or Metes and Bounds measured description). While effort has been made to ensure that the addresses, parcel sizes, maps, and/or photos are accurate, you are relying on your own investigation and information when purchasing this property. All parcels are sold "as is where is" and there are NO REFUNDS.

### B. Know What You Are Buying

It is the **responsibility of the prospective purchaser to do THEIR OWN RESEARCH** as to the suitability of any offered property for any intended purpose. The DNR and the Auctioneer make no warranty, guaranty, or representation of any kind concerning, but not limited to, the merchantability of title, boundary lines, location of improvements, availability of land divisions, easements or right to access by public street, utility presence or location, or any other physical, structural, or legal condition regarding any parcel offered for sale.

Prospective buyers should, prior to the auction, **personally visit and inspect any offered property** they wish to purchase. However, prior to purchase at the auction, **STRUCTURES MAY NOT BE ENTERED** without the **WRITTEN PERMISSION** of the DNR. Some structures may be occupied and occupants should not be disturbed.

### C. Reservations

Pursuant to state statutes, deeds issued may contain the following reservations and stipulations:

- *"Excepting and reserving to the State of Michigan, all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines or other relics and also reserving the right to explore and excavate for the same, by and through its duly authorized agents and employees, pursuant to the provisions of Part 761, Aboriginal Records and Antiquities, of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994, MCL 324.76101 to 324.76118 as amended."*
- *"Saving and reserving unto the People of the State of Michigan the rights of ingress and egress over and across all of the above-mentioned descriptions of land lying along any watercourse or stream, pursuant to the provisions of Part 5, Act 451, P.A. 1994, as amended, MCL 324.503, as amended."*

Additionally, the DNR may, in its discretion, reserve the mineral rights to offered property as follows:

- *"Saving and excepting and always reserving unto the said State of Michigan, all mineral, coal, oil and gas, lying and being on, within or under the said lands whereby conveyed, except sand, gravel, clay or other nonmetallic minerals with full and free liberty and power to the said State of Michigan, its duly authorized officers, representatives and assigns, and its or their lessees, agents and workmen, and all other persons by its or their authority or permission, whether already given or hereafter to be given at any time and from time to time, to enter upon said lands and take all usual, necessary, or convenient means for exploring, mining, working, piping, getting, laying up, storing, dressing, make merchantable, and taking away the said mineral, coal, oil and gas, except sand, gravel, clay or other nonmetallic minerals."*

If the DNR does not reserve mineral rights as described above, the DNR may nonetheless restrict the severance of mineral rights from offered property as follows:

- *"This conveyance hereby restricts the Grantee from severing oil, gas, mineral and other subsurface rights from the surface rights any time in the future. If the Grantee severs the subsurface rights from the surface rights, the subsurface rights will revert to the State of Michigan."*

## 3. Bidding

### A. Overview

#### Live Bidding Auctions:

DNR auctions, unless otherwise specifically noted, include live bidding. Bidding at live bidding auctions is divided into two phases:

#### i. Advance Bidding

Advance Bidding begins **thirty days before the posted auction start time**. During Advance Bidding, you can place and modify bids in any way that you see fit. You can increase, decrease, or delete bids entirely during Advance Bidding. You will be able to see your maximum bid but will not be able to see the current high bid price or what other users have bid during this time. Advance bidding **ends at the designated start time which is listed**

for the applicable auction and the Active Bidding phase then begins.

**ii. Active Bidding**

Active Bidding begins **at the designated start time which is listed for the applicable auction and continues until the designated end time**. Active Bidding is the interactive phase of the auction process. During active Bidding, you will be able to see the current high bid price and whether or not you are the high bidder. You will also be able to see whether you have been outbid. During active Bidding you can place new bids or increase bids **but cannot delete or decrease your bid amount**. When making a bid during Active Bidding, you are committing to pay up to your maximum bid amount so bid carefully and accordingly. Active Bidding **concludes at the designated end time which is listed for the applicable auction. All bidding ends promptly at the listed end time for the applicable auction**. Bidding *is not* extended beyond the listed end time regardless of bidding activity.

All bids placed during Advance and Active bidding are maximum bids. The auction system will automatically bid on your behalf up to your maximum bid amount as applicable based upon competition from other bidders. Bidding activity can be very high during the final minutes of the auction. Entering your maximum bid and allowing the system to bid up to that maximum, as opposed to manually bidding one increment at a time, helps ensure that you aren't outbid in the final moments of the sale simply because you were unable to manually enter an additional bid before time expires.

After the listed end time passes, the sale will be awarded to the individual bidding the highest amount equal to or greater than the starting bid.

**Sealed Bid Auctions:**

DNR may, at its discretion, conduct an auction by sealed bid. Bidding at sealed bid auctions opens approximately thirty days before the final bidding deadline. While bidding is open, you can place and modify bids in any way that you see fit. You can increase, decrease, or delete bids entirely during this time. **Your best and final bid must be entered prior to the posted final bidding deadline at which point bidding CLOSES and all bids are locked**. You can see your own bids while bidding is open but the current high bid price is not visible. **Once the posted bidding deadline passes, final winning bids are calculated and awarded by the award date posted for the auction in question**. The sale will be awarded to the individual bidding the highest amount equal to or greater than the starting bid. All bids placed at sealed bid auctions are maximum bids. The auction system will automatically bid on your behalf up to your maximum bid amount at the time final winning bids are calculated as applicable based upon competition from other bidders.

**B. Starting Bid Price**

The starting bid prices are shown on the online lot description page for each sale unit as well as on the list included in the sale book. At auctions with a minimum bid, no sales can be made for less than the starting price indicated. The starting bid for no-minimum-bid sales will be at the discretion of the DNR.

**C. Bid Increments**

Bids will **only** be accepted in the following increments:

<u>Bid Amount</u>	<u>Increment</u>
\$100 to \$999	\$ 50.00
\$1000 to \$9999	\$ 100.00
Over \$10,000	\$ 250.00

**D. Eligible Bidders**

Any person who meets the following requirements may register as a bidder:

- The person does not directly or indirectly hold more than a minimal legal interest in any property with delinquent property taxes which is located in the county in which the person intends to purchase property.
- The person is not directly or indirectly responsible for any unpaid civil fines for a violation of any ordinance, including but not limited to any ordinance authorized by section 4/ of The Home Rule City Act, 1909 PA 279, as amended, MCL 117.4/, in the local tax collection unit in which the person intends to purchase property.
- The person has not been banned or otherwise excluded by the DNR from participation in the public sale and is not acting on behalf of another who has been banned or excluded.

Any person unable to attend the sale can be represented at the sale by an agent or other representative with authority to bid and otherwise represent the person. However, any party utilizing an agent to bid on their behalf must still meet the above listed requirements. **The registered bidder is legally and financially responsible for all parcels bid upon whether acting on their own behalf or as the agent of another.**

**E. Absentee Bidding**

Prospective bidders who do not have internet access or who are otherwise unable to bid on their own may bid by Absentee bid. Absentee bidders must meet all eligibility and other requirements of these Rules and Regulations. Absentee bids will be accepted in increments up to the amount pre-approved by the absentee bidder. Absentee bids require a \$1,000 pre-authorization on a major credit card or a \$1,000 deposit before the bid will be accepted. Absentee bids must be submitted 48 hours prior to the date of the auction by calling 1-800-259-7470.

**F. Auction Location**

Auctions are conducted online through [www.tax-sale.info](http://www.tax-sale.info). An auction may be conducted in-person with simultaneous online bidding as determined by the DNR.

**G. Bids are Binding**

A bid accepted at public auction through [www.tax-sale.info](http://www.tax-sale.info) is a legal and binding contract to purchase. The DNR reserves the right to reject any or all bids.

## H. Limitations on Bidding

The DNR and Auctioneer reserve the right to limit the number of bids placed per auction for any bidder or group or bidders for any reason.

## I. Attempts to Bypass These Rules and Regulations

The DNR and Auctioneer reserve the right to reject the bids of any bidder who appears to be acting on behalf of another person who is ineligible to bid on their own.

## 4. Terms of Sale

### A. Payment

- **The full purchase price must be paid in full WITHIN 5 BUSINESS DAYS OF THE SALE.** Payment may be made by certified funds, money order, Visa, MasterCard, Discover, or wire transfer. No purchases can be made on a time-payment plan.
- If a buyer fails to consummate a purchase for any reason, their sale will be cancelled and the buyer will be assessed liquidated damages in the amount of \$1000 for breach of contract. Seller may collect this liquidated damages assessment from any funds tendered by buyer prior to cancellation and may collect any remaining unpaid liquidated damages assessment using the deposit described in paragraph 1 above.

The full purchase price consists of the final bid price *plus* a buyer's premium of 10% of the bid price, any outstanding taxes due on the property including associated fees and penalties, and a \$30.00 deed recording fee. ***Any portion of the purchase price paid by credit card will be assessed an additional fee of 2.75%.***

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### B. Refund Checks

In some instances it may be necessary to refund to a buyer some or all of the payment tendered by such buyer. This can occur, for example, when a buyer tenders certified funds in an amount greater than their total obligation or if the sale is cancelled under any provision of these Rules and Regulations. Refund checks will be processed and mailed to buyer within approximately ten days of the time such refund becomes due to buyer. Buyer shall cash such refund check within 90 days of the date listed on such refund check. If buyer fails to cash such refund check within 90 days, such refund check shall become void and buyer shall forfeit any refunded amount.

### C. Dishonored Payment

A buyer whose payment is dishonored for any reason will have their sale cancelled and will be assessed liquidated damages in the amount of \$1000. Seller may retain any portion of the purchase price which was tendered and not dishonored up to \$1000 to apply toward such liquidated damages assessment. Seller may collect any remaining unpaid liquidated damages assessment using the deposit described in paragraph 1 above.

**Furthermore, the DNR may seek to prosecute any buyer whose payment is dishonored or who fails to consummate a purchase.**

Any buyer who fails to consummate a purchase for any reason will be banned from bidding at all future land auctions.

The buyer's premium is not subject to any broker fees. There are no co-brokerage or other fees or rebates available.

### D. Eligible Buyers

In order to take title to purchased property, each party that will be listed on the deed must meet **ALL of the following requirements at the time their winning bid is accepted:**

- i. The party does not directly or indirectly hold more than a minimal legal interest in any property with delinquent property taxes which is located in the county in which the purchased property is located
- ii. The party is not directly or indirectly responsible for any unpaid civil fines for a violation of any ordinance, including but not limited to any ordinance authorized by section 4/ of The Home Rule City Act, 1909 PA 279, as amended, MCL 117.4/ in the local tax collection unit in which the purchased property is located.
- iii. The party is not purchasing, for less than minimum bid, any property in which the party held an interest at the time a judgment of foreclosure was entered against such property nor is the party purchasing property, for less than minimum bid, on behalf of any other party who held such an interest.
- iv. The party has not been banned or otherwise excluded by the DNR from participation in the public sale and is not owned or controlled by a person or entity that has been banned or excluded.

At the time payment is tendered after the auction, the buyer will be required to execute an affidavit affirming, **under penalty of perjury**, that each party that the buyer desires to have listed on the deed to purchased property meets the above requirements.

The DNR **will not issue a deed** and the sale will be canceled if the buyer or any party that the buyer seeks to list on the deed does not meet the eligibility requirements outlined in this section at the time the buyer's bid was accepted, the buyer fails to execute this affidavit, or if any affirmations made in this affidavit are untrue. If the DNR is forced to cancel any sale due to the buyer's noncompliance with this provision, the buyer will be banned from participating at all future land auctions and the **buyer will be assessed liquidated damages in the amount of \$1000.** Seller may collect this liquidated damages assessment from any funds tendered by buyer prior to cancellation and may collect any remaining unpaid liquidated damages assessment using the deposit described in paragraph 1 above. Furthermore, the DNR may pursue **CRIMINAL PERJURY CHARGES** against any buyer who makes a false affirmation on

the affidavit required under this or any other provision of these Rules and Regulations.

#### E. Cancellation Policy

At its sole discretion, the DNR reserves the right to cancel any sale at any time up until delivery of the deed.

#### F. Property Transfer Affidavit

It is the responsibility of the buyer to file a **Property Transfer Affidavit** with the *assessor for the city or township* where the property is located **within 45 days of the transfer**. If it is not timely filed, **a penalty of \$5/day (maximum \$200) applies**. The information on this Property Transfer Affidavit is NOT CONFIDENTIAL.

### 5. Purchase Receipts

Successful bidders at the sale will be issued a receipt for their purchases during the checkout process. This receipt does not convey an interest in title to the purchased property unless and until a deed has been issued and recorded. Buyers will be entitled to deeds for the property descriptions identified by the sale unit numbers noted on the receipt unless the sale is cancelled under these Rules and Regulations or other statutory authority.

### 6. Title Being Conveyed

Quit-claim deeds will be issued conveying **only such title as is possessed by the DNR at the time of sale**. Title insurance companies may or may not issue title insurance on properties purchased at this sale. The DNR makes no representation as to the availability of title insurance and the **unavailability of title insurance is not grounds for reconveyance to the DNR**. The buyer may incur legal costs for Quiet Title Action to satisfy the requirements of title insurance companies in order to obtain title insurance.

### 7. Special Assessments

Parcels sold are subject to property taxes that become due and payable on or after the day of auction, as well as current and future installments of any outstanding bonded assessments. All bidders should contact the appropriate city, village, or township offices to determine if there are any outstanding bonded assessments for future tax years on the properties being offered.

### 8. Possession of Property

#### A. Possession Pending Deed Delivery

It is recommended that the buyer DOES NOT take physical possession of any purchased property until a deed has been executed and delivered to the buyer. The buyer risks financial loss for any improvements or investments made on purchased property *before the delivery of a deed* in the event that the DNR exercises its right to cancel the sale. Until the buyer pays for all purchases in full and receives a deed, no activities should be conducted on the site other than:

##### ***I. Securing the Property***

Buyer should take steps to protect their equity in purchased property **by securing vacant structures against entry and obtaining (homeowners) insurance for occupied property**. Buyer is responsible for contacting local units of government **to prevent possible demolition of structures situated on purchased property**.

##### ***II. Assessing Potential Contamination***

Buyer may immediately wish to conduct a Baseline Environmental Assessment (BEA) to assess the condition of potentially contaminated properties. More information about BEAs can be found at <https://www.michigan.gov/egle/about/organization/remediation-and-redevelopment/baseline-environmental-assessments>

#### B. Occupied Property

**Buyers will be responsible for all procedures and legal requirements for conducting evictions.** Occupants of purchased property should be treated as tenants holding over under an expired lease. This means that legal eviction and/or possession proceedings will be necessary to effectuate control over such property if occupants will not otherwise leave voluntarily. You may wish to consult a licensed attorney for additional guidance. Buyers may not commence eviction proceedings until a deed to the applicable occupied property has been issued by the DNR.

### 9. Additional Conditions

The buyer accepts the premises in its present "as is" condition, and releases the DNR and employees and agents including the Auctioneer from all liability whatsoever arising from any condition of the premises, whether now known or subsequently discovered, including but not limited to all claims based on environmental contamination of the premises.

A person who acquires property that is contaminated (a "facility" pursuant to Section 20201(1)(1) of Natural Resources and Environmental Act (NREPA), 1994 P.A. 451, as amended) as a result of release(s) of a hazardous substance(s) may become liable for all costs of cleaning up the property and any other properties impacted by the release(s). Liability may be imposed upon the person acquiring the property even in the absence of any personal responsibility for, or knowledge of, the release. Protection from such liability may be obtained by conducting a Baseline Environmental Assessment (BEA) as provided for under Section 20126(1) (c) of NREPA. However, the BEA must be conducted prior to or within 45 days of the earliest date of purchase or occupancy of the property. Persons who acquire contaminated property may have "due care" obligations under Section 20107a of NREPA even if they conduct a BEA and are not liable for the contamination.

Pursuant to part 201 of NREPA, the person(s) responsible for an activity causing a release at the property is obligated to pursue response activities at the property. Consequently, the non-labile purchaser may be required to provide access to the liable party to conduct response activities at the property in the future. Section 20116 of the NREPA requires that a person who has knowledge that their property is contaminated provide a written notice to the purchaser or other person to whom the property is transferred which discloses the general nature and extent of the release. Additional disclosure obligations may also apply at the time the property, or an interest in the property, is transferred. Accordingly, the DNR recommends that a person who is interested in acquiring

property at this auction contact an attorney or an environmental consultant for advice prior to the acquisition of any property that may be contaminated.

## 10. Deeds

### A. Deed Execution and Delivery

All monies collected will initially be deposited in escrow. Once payment is cleared and verified, funds will be disbursed to the DNR and deeds will be executed and recorded as required by law. The DNR will deliver the deeds to the Register of Deeds for recording and remit them to the buyer after recording is complete. IT CAN TAKE 6 TO 8 WEEKS FOR DEEDS TO ARRIVE. PLEASE BE PATIENT.

## 11. Property Taxes & Other Fees

All property taxes that become due and payable on or after the day of auction will be the responsibility of the buyer. The buyer **is responsible for all other fees and liens that accrue against the property on or after the day of the auction.** These items include, but are not limited to, municipal utility or ordinance fees and condo or property owner association fees or dues. This can also include demolition and other nuisance abatement costs. These fees and expenses are not collected at the auction and must be paid by the buyer after taking title to any purchased property which is subject to such fees and expenses.

## 12. Other

### A. Personal Property

Personal property (*items not attached to buildings and lands such as furnishings, automobiles, etc.*) located on offered property or within structures situated on offered property was not taxed as part of the real estate, does not belong to the DNR, and is not sold to the buyer of the real estate in this transaction. You are advised to contact former owners of any purchased property and provide them an opportunity to reclaim contents. A certified and first class mail notice to their last known address is strongly advised. It is your responsibility to identify and properly handle items of personal property. The DNR and Auctioneer make no representations or warranties as to the presence of personal property or as to the legal requirements for dispensing with such property.

**Mobile Homes may be titled separately and considered *personal property*.** It is the buyer's responsibility to determine the legal status of any mobile home located on purchased property. A useful first step could include determining whether an Affidavit of Affixture of Manufactured Home has been executed and recorded as outlined in MCL 125.2330i.

### B. Applicability of These Rules and Regulations

All sales are subject to these Rules and Regulations. Furthermore, additional terms and conditions which apply to one or more specific auction lots may be printed in the auction sale booklets and/or online at [www.tax-sale.info](http://www.tax-sale.info) ("**Additional Terms**"). If such Additional Terms apply, they will be listed on the online lot description page and/or in the printed sale book for the lot(s) to which they apply. Such Additional Terms, if existing, shall be considered a part of these Rules and Regulations for the specific auction lots to which they apply. Finally, additional conditions are included on the auction receipt given to the buyer at the time of checkout ("**Terms of Sale**"). All sales are subject to these Terms of Sale as well. These Rules and Regulations, Additional Terms, and Terms of Sale are intended to be compatible. To the extent that a conflict arises between any of these sources, they shall be interpreted in the following order of priority: Additional Terms, Terms of Sale, Rules and Regulations.

These Rules and Regulations are subject to change and should be reviewed frequently.

**NOTE: Please review the terms at the top of each online catalog and the addendum pages in the sale books for sale-specific purchase terms. Failure to follow the specific rules posted for each sale could result in cancellation of sale and/or the assessment of liquidated damages as provided by these Rules and Regulations.**