

Property Records & Taxation

# What is Tax-Forfeited Land?

Tax-forfeited land is property on which delinquent real estate property taxes were not paid. Title to the land and buildings was forfeited and is now vested in the State of Minnesota. The properties are managed by the County. Following a review period per Minnesota statutes, the properties are classified and can be sold to the public.

Renville County offers tax-forfeited lands periodically via a variety of different sale types and sale methods. This informational packet can be used as a resource to assist potential buyers, however, is not all inclusive. All buyers are encouraged to do their own research and consult with a legal professional.

## Types of sales and Sale Methods

### PUBLIC SALES

As directed by statute, tax-forfeited lands will be offered to the public for sale. Each parcel will have a minimum starting bid price and will be sold to the highest bidder. The method for public sales can be either by ONLINE AUCTION, as a SEALED BID AUCTION, or held as an IN-PERSON AUCTION.

Renville County is currently holding public sales via IN-PERSON AUCTION ONLY.

### **PRIVATE SALES**

Qualifying tax-forfeited lands may be offered on a private sale to adjacent property owners only. These parcels are usually small, unbuildable and of little value to the general public.

### **COUNTER SALES**

Qualifying parcels not sold at a sale may be purchased **OVER THE COUNTER** by offering to pay the minimum bid price. Prices cannot be changed until the parcel is reappraised, republished and approved/offered at another sale.

### Where Can I Find Sale and Property Listings?



All public sale notifications are published in the official newspaper of record, on our website, and in our office. <a href="https://www.renvillecountymn.gov/auditor-treasurer/">https://www.renvillecountymn.gov/auditor-treasurer/</a>

All online auctions are listed on the Public Surplus website. <u>https://www.publicsurplus.com</u>



You may also request to be notified of upcoming sales via email. Send your request to <u>Auditors@renvillecountymn.gov</u>



## TAX-FORFEITED LAND: BUYER'S RESPONSIBILITIES

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## What are the Costs and Fees for Purchasing Tax-Forfeited Land?

### PAYMENT REQUIREMENTS

Payment must be made in full by personal check, cashier's check, certified check or money order made payable to "Renville County."

AMOUNT DUE UPON SALE		
Base Sale Price	Full payment of final bid amount	
State Assurance Fee	3% of the base sale price. This percentage is state-mandated and goes into the State's General Fund to cover losses in the event that the state has to defend its right to forfeit land.	
Deed Fee	\$25.00	
Buyer Premium	For online auctions, there is a buyer premium of the base sale price (final bid).	
Recording Fee	\$46.00 or as set by the County Recorder. If there is a well on the property, there is an additional \$50.00 for well disclosure.	
Deed Tax	\$1.65 for sales up to \$3,000, or .0033 times the base sale price plus buyer premium for sales over \$3,000.	
ADDITIONAL	EXPENSES TO CONSIDER	
Special Assessments	Check with the city/town clerk where the property is located for any additional assessments that may be reassessed to the parcel.	
Title Work	Additional title work may be needed to make the title marketable.	

### **BUYER'S RESPONSIBILITIES**

Below is a general list of items that become the buyer's responsibility upon sale. This list is not meant to be all inclusive.

- Payment of all future PROPERTY TAXES
- Payment of any ASSESSMENTS reinstalled after sale.
- Acquiring **PROPERTY INSURANCE** on insurable structures.
- All MAINTENANCE of structure(s) and grounds.
- Locating or determining **PROPERTY** BOUNDARIES.
- Determining **PREMITTED USES** and following **ZONING ORDINANCES**.
- Obtaining proper **PERMITS** for constructing, moving or altering structures or for any change in land use.
- Locating or obtaining ACCESS and obtaining the proper approvals to develop the access.
- Any TITLE work.
- Complying with all federal, state and local LAWS AND REGULATIONS.

Buyer understands that all sales are subject to existing liens, leases, easements, deed restrictions, dedications and rights-of-way.



# TAX-FORFEITED LAND: TERMS and CONDITIONS

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## **Terms and Conditions**

- Payment must be made in full by personal check, cashier's check, certified check or money order made payable to "Renville County".
- All property is sold "AS IS"
- Sales are subject to existing leases, building restrictions appearing of record at the time of forfeiture and to easements obtained by any governmental subdivision or agency thereof for any public purpose
- The county makes no warranty that the land is buildable and it may not conform to local details of building codes or zoning laws.
- Renville County is not responsible for any omissions or errors in the description of items being offered for sale. Under no circumstances will a refund/adjustment be made due to the property failing to meet buyer's expectations.
- Renville County is not responsible for determining property lines or boundaries.
- The appraised value does not represent a basis for future taxes.
- All sales are final and no refunds or exchanges are permitted.
- To the fullest extent permitted by law, Bidder shall indemnify and hold Renville County harmless from and against any claims, damages, losses and expenses demand or cause of action arising/alleged to have arisen out of the sale or failure to sell any property including claims of personal injury, death, or contract damages.
- Renville County reserves the right to accept or reject any/all bids or parts of auction's bid.

#### Title

The successful bidder will receive an Auditor's Certificate of Purchase for the parcel. The commissioner of Revenue will issue a deed from the State of Minnesota. The law provides that this conveyance has the force and effect of a patent from the State. However, tax forfeiture creates a break in the chain of title, and services of an attorney may be necessary to make the title marketable.

#### **Prohibited Purchasers**

Previous default; Any person or entity controlled by such person, is a prohibited purchaser or bidder, if said person or entity is delinquent on real or personal property taxes in Renville County per Minnesota Statute 282.016

#### **Taxes and Special Assessments**

Tax-forfeited property that is sold at auction on or before December 31st of any given year, shall have property taxes become payable in the following year. If municipal special assessments were cancelled at forfeiture, the assessments may be reassessed by the municipality. Local improvements not yet assessed and special assessments levied after forfeiture must be assumed by the purchaser. All bidders are encouraged to contact the city/township to determine what if any special assessments may be charged.

#### **Obligation of Bidder**

Your bid is the same as a contract - only bid on land you are serious about buying. A winning bid constitutes a legally binding contract. The failure or omission of any bidder to inspect the site or examine any form, instrument or document shall in no way relieve any bidder from any obligation in respect to their bid.

#### Acceptance of Terms and Conditions

By submitting a bid, the bidder agrees that the bidder has read, fully understood, and accepted these Terms and Conditions of sale and agrees to pay.



## TAX-FORFEITED LAND: QUESTIONS and DISCLOSURES

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## Questions

- 1. What happens if a property has an unsatisfied mortgage or lien held against it? Regarding existing, unsatisfied, recorded mortgages or liens, it is advised that all buyers consult a real estate attorney prior to purchasing taxforfeited properties with unsatisfied mortgages or liens held against them.
- 2. Once a property is acquired, is there a redemption period before I can take possession? There is not a redemption period once a property is acquired.
- 3. What type of document is issued upon sale? An Auditor's Certificate of Purchase is issued once registration is complete. After all financial obligations, paperwork and other conditions are satisfied, a state deed is issued by the Minnesota Department of Revenue.
- 4. What if a bid falls through? A winning bid constitutes a legally binding contract. Failure to make payment and submit paperwork within the allotted time frame may result in the sale going to the next highest bidder. We reserve the right to ban bidders who refuse to pay for land purchased.
- 5. Do prices ever change? Renville County may reoffer individual unsold properties to the general public on an over-the-counter listing or at online auction until the properties are sold or withdrawn. Adjoining owners will not be renotified when such price adjustments occur. It is the sole responsibility of any prospective buyer to monitor any potential price adjustments.

## Future Real Estate Taxes and Valuation

**TAX-FORFEITED PROPERTY IS TAX EXEMPT UNTIL SOLD**... When a tax-forfeited property is sold, it is returned to the tax rolls. Purchasers of tax-forfeited land will be responsible for paying property taxes the year after their purchase.

**VALUATION...** Assessors estimate property market values, classify properties according to their use, and review valuations on a regular basis. To contact the County Assessor's Office call 320-523-3645.

**TAXES**... Real estate property taxes are due in two installments according to the property's classification. Renville County provides a variety of options to pay your property taxes including online, in-person or via dropbox at the Courthouse, and mail.

### **Other Disclosures**

**LEAD STATEMENT:** Some properties may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. If you are interested in purchasing a single-family dwelling built prior to 1978, you have the right to conduct a risk assessment or inspection for lead-based paint hazards at your expense at least ten (10) days before the sale date. Please contact our office for more information.

**RADON WARNING STATEMENT:** The Minnesota Department of Health strongly recommends that ALL homebuyers have an indoor radon test performed prior to purchase or taking occupancy and recommends having the radon levels mitigated if elevated concentrations are found. Every buyer of an interest in residential real property is notified that the property may present exposure to dangerous levels of indoor radon gas that may place the occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The seller of any interest in residential real property is required to provide the buyer with any information on radon test results of the dwelling. Renville County has not performed and is not aware of any radon testing on properties offered for sale, unless otherwise noted. The county will provide a copy of the Minnesota Department of Health's "Radon in Real Estate Transactions" publication to any buyer of residential tax-forfeited property.

www.renvillecountymn.gov



## TAX-FORFEITED LAND: WINNING BIDDER INFORMATION

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Below is a summary of what happens after the auction. This is not an all-inclusive list, as all properties are unique and addressed on a case-by-case basis. There may be additional requirements or special circumstances.

### **In-Person Auctions**

- Paperwork will be completed after close of auction. A PAYMENT WORKSHEET will be provided. This will detail
  the final purchase price along with additional costs and fees. All payments must be made in full. No
  contracts or payment plans are accepted.
- Once the **PAYMENT AND PAPERWORK** is complete, Renville County will request the state deed from the Minnesota Department of Revenue. It may take up to six weeks to receive the deed from the state.
- The deed will be recorded on the property and the original will be mailed to the buyer.

### **Online Auctions\***

- The winning bidder will receive an automatic email from Public Surplus after the auction closes. The amount generated by Public Surplus will not be the final amount. DO NOT PAY through PUBLIC SURPLUS. Renville County will provide the final amount due in a separate email within 48 hours of the auction closing.
- The Property Records & Taxation Department will send an email to the winner with instructions. The winning bidder should complete the included OWNERSHIP WORKSHEET attached to the email. The information provided will be used to request the state deed. Writing must be legible and free of errors before submitting.
- A PAYMENT WORKSHEET will also be provided. This will detail the final purchase price along with additional costs and fees. All payments must be made in full. No contracts or payment plans are accepted.
- Once the paperwork and figures are received, the paperwork must be signed and returned to Renville County with the additonal fees within ten (10) business days.
- Once the PAYMENT AND PAPERWORK is received, Renville County will request the state deed from the Minnesota Department of Revenue. It may take up to six weeks to receive the deed from the state.
- The deed will be recorded on the property and the original will be mailed to the buyer.

\*Renville County is currently not using online auctions for tax-forfeited property sales. Sales are in- person only.





## TAX-FORFEITED LAND: CONTACTS and RESOURCES

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# **Municipality Contacts**

City of Bird Island	<u>https://www.birdislandcity.com/</u>	320-365-3371
City of Buffalo Lake	<u>http://www.buffalolakemn.govoffice3.com/</u>	320-833-2272
City of Danube	<u>https://www.cityofdanube.com/</u>	320-826-2563
City of Fairfax	<u>https://fairfax-mn.gov/</u>	507-426-7255
City of Franklin	<u>https://franklinmn.us/</u>	507-557-2259
City of Hector	<u>https://hector.govoffice.com/</u>	320-848-2122
City of Morton	<u>https://mortonmn.gov/</u>	507-697-6912
City of Olivia	<u>https://olivia.mn.us/</u>	320-523-2361
City of Renville	<u>https://ci.renville.mn.us/</u>	320-329-8366
City of Sacred Heart	<u>https://www.sacredheartmn.org/</u>	320-765-2559