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Purpose and Scope

To establish procedure for the conduct of selling timber from Cass County administered tax-forfeited land.

Definitions

Oral timber auction	Bidders are required to bid in person
Sealed Bid timber auction	Bidders send in bid form and \$300 bid bond check
Regular auction tracts	Timber tracts on oral or sealed bid auction open to all bidders.
Intermediate auction tracts	Timber tracts on oral or sealed bid auction limited to bidders with 20 full-time equivalent employees or less.
Informal timber sales (Section I sales)	Informal sales are to be used by Resource Managers to accomplish specific goals that cannot be met under a normal sale sold at public auction
Over the Counter Timber Sale	Auction tracts that are unsold after the day of the auction

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1. Oral Timber auction

- 1) Tracts shall be sold to the highest bidder and not less than the appraised value.
- 2) Bidding will be in person.
- 3) Successful bidder will be required to make a down payment amount of 20% of the appraised tract value for each tract the day of the auction. If the bidder had forfeited a sale in the past two years, the down payment will be 25% of the successful bid price. Failure to make down payments will result in forfeiture of the tract. The forfeited tract will then be offered at the next scheduled auction.
- 4) Sales will be for two years unless otherwise specified.
- 5) Up to two one-year extensions may be granted with permission from Resource Manager.
- 6) All blocks that have been forfeit to the County and reoffered at auction will be noted on the Auction tract.
- 7) Any unsold tracts can be purchased the day of the auction by paying the down payment amount before 4:30pm the day of the auction. After the day of the auction, the auction tract will become an over the counter timber sale and can be purchased by paying the timber sale in full for the appraised value.

Intermediate Auction Tracts on oral timber auction:

- a) Limited to bidders with 20 full-time equivalent employees or less.
- b) No bidder may purchase more than 25% of intermediate tracts offered per auction.
- c) Tracts not sold as intermediate auction tracts will be offered as regular auction tracts at the end of the auction.
- d) Approximately 40% to 50% of the combined Regular and Intermediate auction tracts volume of each cover type / tree species offered for sale at a given auction will be through intermediate auction tracts.

Regular Auction Tracts on oral timber auction:

- a) Open to all bidders.
- b) Approximately 40% to 50% of the combined Regular and Intermediate auction tracts volume of each cover type / tree species offered for sale at a given auction will be through regular auction.

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2. Sealed Bid timber auction

- 1) As bids are received into the office, they will be stored in the Lock Box in a folder marked 'sealed bids' until 8:00 AM the day of the Auction
- 2) Tracts shall be sold to the highest bidder and not less than the appraised value.
- 3) Bid form and bid bond of \$300 must be received before the start of the sealed bid timber auction.
- 4) If there is a tie of a sealed bid tract, the tract shall be removed and offered at the next scheduled auction.
- 5) Successful bidder will have 8 days to submit a down payment amount of 20% of the appraised tract value for each tract awarded. If the bidder had forfeited a sale in the past two years, the down payment will be 25% of the successful bid price. Failure to make any or all the down payments will result in forfeiture of the bid bond and tract. The forfeited tract will then be offered at the next scheduled auction.
- 6) Sales will be for two years unless otherwise specified.
- 7) Up to two one-year extensions may be granted with permission from Resource Manager.
- 8) All blocks that have been forfeit to the County and reoffered at auction will be noted on the Timber Sale Auction tract..
- 9) Any tracts unsold can be purchased by paying the down payment amount before 4:30pm the day of the auction. If the tract is not sold the day of the auction it will be available as an over the counter sale and can be purchased for the appraised value.

Intermediate Auction Tracts on sealed bid timber auction:

- a) Limited to bidders with 20 full-time equivalent employees or less.
- b) No bidder may purchase more than 25% of intermediate tracts offered per auction. If a bidder is the high bidder on more than the allowed number of tract(s), they shall be contacted to determine which tract(s) they would like to obtain. The bidder is not to be told any information on what and if there are other bids. The auction is not finalized until the bidder has determined what tract(s) they will obtain. Once the bidder has determined what tract(s) they would like to obtain then the bid for the tract(s) they do not want will be removed from the sealed bid entry. The tract will then go to the next highest bidder. If there is no highest bidder then the tract will become an unsold tract. See number 9 in 2.Sealed Bid Auction
- c) Approximately 40% to 50% of the combined Regular and Intermediate auction tracts volume of each cover type / tree species offered for sale at a given auction will be through intermediate auction tracts.

Regular Auction Tracts on sealed bid timber auction:

- a) Open to all bidders.
- b) Approximately 40% to 50% of the combined Regular and Intermediate auction tracts volume of each cover type / tree species offered for sale at a given auction will be through regular auction.

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3. Over the counter timber sale

- 1) Unsold timber tracts after the day of the auction
- 2) All unsold tracts after the day of the auction are put in the folder marked over the counter timber sales located on the front desk.
- 3) To purchase an over the counter timber sale the sale will need to be paid in full at the appraised price.

4. Purchase of sale by the block

- 1) Payment of each block is determined by the percentage of value in each block after subtracting the down payment from the total price. See the appraisal in the TSM for the percentage value.

5. Informal sales (Section I)

- 1) Informal sales are to be used by Resource Managers to accomplish specific goals that cannot be met under a normal sale sold at public auction.
- 2) No individual may hold more than two informal sales at any one time, unless approved by the resource manager.
- 3) Sales will be for two years unless otherwise specified.
- 4) Up to two one-year extensions may be granted with permission from Resource Manager.
- 5) Pricing for Informal sales:
 - Pricing will reflect market conditions with consideration for access, volume, and quality while still accomplishing the silvicultural goals.
 - This pricing information and procedure are to be placed in the Timber Appraisal document.

6. Fuelwood sales

- 1) Available to all purchasers at a first come first serve basis
- 2) No cutting of live trees
- 3) Sales are for dead or down wood only
- 4) Price to be \$2.00 per cord with a \$25.00 minimum
- 5) All fuelwood sales will close December 31 of the year issued
- 6) The firewood permit must be in possession during wood cutting

7. Letters of credit

- 1) Letters of credit are accepted in lieu of cash payment for opening and extending sales.
- 2) Letters of credit will be submitted for payment 45 days after date initiated.
- 3) All letters of credit will be submitted for payment on or before noon on the last business day of the year issued.

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8. Timber sale bids and bid bonds

- 1) No bids or bid bonds will be accepted after the date and time a sealed bid auction is listed on the auction. No bids will be accepted without a bid bond as specified in the auction.
- 2) Bid bonds will be applied to the first tract if more than 1 tract is awarded on sealed bid auction.

9. Payments

- 1) The Cass County Land Department is not authorized to hold payment of any kind for any amount of time. All payment and checks will be deposited on the day they are received or the next business day as working hours permit. All payments received will be documented with a receipt. It is the responsibility of all Resource Managers to process payments as needed in the absence of other staff.

10. Extensions

- 1) No permit shall be extended except for good and sufficient reason. In the event an extension is granted, it shall be for one (1) additional year with an increase in the down payment equal to 25% of the bid up price.
- 2) An additional one (1) year extension will require the permit to be paid in full.
- 3) No extensions will be granted on any sale that is two years past the original expiration date.