



Newaygo County Treasurer's Office
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January 17, 2005

Ms. Jean Palmerton
Coldwell Bankers/Schmidt Realtors
1331 West Main Street
Fremont, MI 49412

Dear Jean:

In response to your request for clarification on the year covered by a current tax bill, I offer the following from Public Act 277 of 1968, which was intended to serve as a method for settling accounts between private parties in a real estate transaction in the absence of an agreement.

"In any real estate transaction between private parties in the absence of any agreement to the contrary, the seller shall be responsible for that portion of said annual taxes levied during the 12 months immediately preceeding, but not including, the day title passes, from the levy date or dates to, but not including, the day title passes and the buyer is responsible for the remainder of such annual taxes."

The Treasury Department further clarifies "levy date" to mean July 1 for summer bills and December 1 for winter bills. Since the townships, cities, and County do not have a common fiscal year, it makes a simple answer to what year is covered very difficult to provide. Our recommendation, as I'm sure most realtors will agree, is to always encourage that property tax obligations be clearly defined in all buy/sell agreements.

I trust this letter will be helpful to you as a resource in your discussions with customers. Please feel free to distribute it to your colleagues. If I can be of any further assistance, please feel free to contact me.

Sincerely,

Holly Moon
Newaygo County Treasurer