

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1242

DATE: February 21, 2012

Version: As introduced

Authors: Doepke and others

Subject: Hennepin county mortgage registry and deed tax

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This bill allows Hennepin County to continue to impose its mortgage registry and deed tax through December 31, 2017. These taxes were initially authorized by the legislature in 1997 and the authority to impose them has been extended by the legislature three times, most recently in 2008. Absent an extension, the taxes will expire at the end of calendar year 2012.

Background. The rate of the county mortgage registry tax is 0.0001 of the principal amount of the mortgage loan and the rate of the county deed tax is 0.0001 of the property transferred on the deed. Revenues from the taxes are placed in the county's environmental response fund and must be used for (aside from 3 percent that may be used for the county's administrative costs):

- Acquisition of polluted or contaminated lands;
- Indemnification or insurance related to ownership or cleanup of the land;
- Cleanup or remediation of the acquired land and associated costs; or
- Improving the property for economic development, recreational, housing, transportation or rail traffic