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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 3338**

February 21, 2008

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; exempting certain mortgages from mortgage registry tax;  
1.3 amending Minnesota Statutes 2006, section 287.04.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2006, section 287.04, is amended to read:

1.6 **287.04 EXEMPTIONS.**

1.7 The tax imposed by section 287.035 does not apply to:

1.8 (a) A decree of marriage dissolution or an instrument made pursuant to it.

1.9 (b) A mortgage given to correct a misdescription of the mortgaged property.

1.10 (c) A mortgage or other instrument that adds additional security for the same debt  
1.11 for which mortgage registry tax has been paid.

1.12 (d) A contract for the conveyance of any interest in real property, including a  
1.13 contract for deed.

1.14 (e) A mortgage secured by real property subject to the minerals production tax of  
1.15 sections 298.24 to 298.28.

1.16 (f) The principal amount of a mortgage loan made under a low and moderate  
1.17 income or other affordable housing program, if the mortgagee is a federal, state, or local  
1.18 government agency.

1.19 (g) Mortgages granted by fraternal benefit societies subject to section 64B.24.

1.20 (h) A mortgage amendment or extension, as defined in section 287.01.

1.21 (i) An agricultural mortgage if the proceeds of the loan secured by the mortgage are  
1.22 used to acquire or improve real property classified under section 273.13, subdivision 23,  
1.23 paragraph (a), or (b), clause (1), (2), or (3).

1.24 (j) A mortgage on an armory building as set forth in section 193.147.

2.1           (k) A mortgage, including one that replaces or refinances an existing mortgage, on  
2.2 property located in a disaster area as declared under federal law by the president of the  
2.3 United States or the administrator of the Small Business Administration, and which was  
2.4 damaged by that disaster. This paragraph applies to the extent that the new or additional  
2.5 indebtedness was used to repair or replace property damaged by the disaster. For a  
2.6 mortgage that replaces or refinances an existing mortgage, this exemption also applies to  
2.7 the debt replaced or refinanced. A form, prepared by the commissioner of revenue, must  
2.8 be signed by the property owner and the county assessor in which the property is located,  
2.9 stating that the property qualifies under this paragraph and must be available prior to or at  
2.10 the time of closing, to receive the exemption under this paragraph. The exemption under  
2.11 this paragraph is effective for one year from the date of the disaster declaration.

2.12           **EFFECTIVE DATE.** This section is effective for mortgages acknowledged and  
2.13 recorded on or after July 1, 2008.