

February 24, 2026

	Yes	No
DOR Administrative Costs/Savings		x

Department of Revenue
Analysis of H.F. 3420 (Lee. K.) / S.F. 3589 (Rest)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective for mortgages and deeds acknowledged on or after July 1, 2026.

EXPLANATION OF THE BILL

Current Law: The governing bodies of Hennepin and Ramsey Counties have statutory authority to impose a mortgage registry tax and a deed tax similar to the taxes imposed at the state level. The state mortgage registry tax equals 0.23% of principal debt. The state deed tax generally equals 0.33% of consideration.

For Hennepin and Ramsey Counties, the mortgage registry tax equals 0.01% of the principal, and the deed tax equals 0.01% of consideration. Both taxes are currently set to expire January 1, 2028.

Proposed Law: The bill extends the expiration of the current law to January 1, 2036.

REVENUE ANALYSIS DETAIL

- The bill would have no impact on state revenue.
- The State of Minnesota collected \$81.9 million in mortgage and deed tax revenue from Hennepin and Ramsey counties in fiscal year 2024 and \$92.5 million in fiscal year 2025.
- Hennepin County collected approximately \$2.4 million in mortgage and deed taxes in fiscal year 2024 and \$2.7 million in fiscal year 2025. Ramsey County collected approximately \$600,000 in fiscal year 2024 and \$700,000 million in fiscal year 2025.

Minnesota Department of Revenue
Tax Research Division
<https://www.revenue.state.mn.us/revenue-analyses>