

HOUSE RESEARCH

Bill Summary

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Authors: Rifenberg and others

Subject: Exempts agricultural loans from the mortgage registry tax

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Overview

Exempts certain agricultural loans from the mortgage registry tax; effective for documents recorded on or after July 1, 2001.

Section

- 1 **Agricultural mortgage.** Exempts agricultural mortgages from the mortgage registry tax if the proceeds of the loan secured by the mortgage are used for:
 - acquiring or improving real property that is classified agricultural homestead or non-homestead and timber, or
 - producing agricultural products (the definition of agricultural products is the one used for property tax purposes), **and**
 - the mortgagor signs a statement provided by the county stating that the proceeds of the loan secured by the mortgage will be used for the above purposes.Under current law these loans are subject to the mortgage registry tax which is 23 cents per \$100 of principal debt. For example, the tax on a \$50,000 loan would be \$115.
- 2 **Effective date.** Provides that section 1 is effective for documents recorded on or after July 1, 2002.