

Summary of New Law Repealing the Mortgage Registration Tax

Mortgage Registration Tax Phased Out Over Five Years Beginning on January 1, 2015

- (1) Beginning on January 1, 2015, the mortgage registration tax will be phased out over a period of five years. This will ensure that each county continues to collect the full 0.26% amount of mortgage tax revenue (\$260 per \$100,000 borrowed) through the end of 2014. In future years, the phase-out would:
- After January 1, 2015, the tax rate will drop to 0.20%;
 - After January 1, 2016, the tax rate will drop to 0.15%;
 - After January 1, 2017, the tax rate will drop to 0.10%;
 - After January 1, 2018, the tax rate will drop to 0.05%; and
 - After January 1, 2019, the tax rate drops to zero and the tax is repealed.

Document Recording Fees Increased in Phases Over Four Years Beginning on January 1, 2015

- (2) Increases the per page document recording fees already found in current law by \$12 per page over four years beginning on January 1, 2015. This will provide revenue for counties to offset the loss of the revenue from the mortgage registration tax and a dedicated revenue source of \$0.50 for County Clerks and \$0.50 for County Treasurers to upgrade equipment associated with filing mortgages and other documents.

Changes to Document Recording Fees Found in Existing Law	First Page of Mortgages and Other Documents	All Additional Pages of Mortgages and Other Documents	Per Page Surcharge for the Register of Deeds/ County Clerk/ County Treasurers Technology Fund	Per Page Surcharge for the Heritage Trust Fund	Total First Page and Additional Page Document Recording Fees
Current Law	\$6	\$2	\$2	\$0	\$8 first page – \$4 other pages
January 1, 2015	\$6 + \$2 = \$8	\$2 + \$2 = \$4	\$2 + \$1 = \$3	\$1	\$12 first page – \$8 other pages
January 1, 2016	\$8 + \$3 = \$11	\$4 + \$3 = \$7	\$2 + \$1 = \$3	\$1	\$15 first page – \$11 other pages
January 1, 2017	\$11 + \$3 = \$14	\$7 + \$3 = \$10	\$2 + \$1 = \$3	\$1	\$18 first page – \$14 other pages
January 1, 2018 (Final change)	\$14 + \$3 = \$17	\$10 + \$3 = \$13	\$2 + \$1 = \$3	\$1	\$21 first page – \$17 other pages

Document Recording Fees Capped at \$125 for All Residential Mortgages Valued at Less than \$75,000

- (3) In order to ensure that low-income borrowers are not burdened by the increased document recording fees, the amendment establishes a \$125 cap on the total document recording fees that would be paid by a homeowner for all mortgage loans of less than \$75,000 in value. If a home owner files a mortgage that is valued at less than \$75,000, they will never pay more than \$125 to file their mortgage documents.

Funding for Historic Preservation through the Heritage Trust Fund Protected

- (4) Finally, the law protects and fully funds the Heritage Trust Fund with a \$1 per page surcharge on all recorded documents, which will actually result in a slight increase in funding. On January 1, 2015, the 0.01% portion of the mortgage registration tax that funded the Heritage Trust Fund will be eliminated. In every calendar year, the amount of money that goes into the fund from each county is capped at \$30,000, which will provide more revenue to counties to mitigate the loss of revenue.