



SPONSOR: Sen. Sokola & Rep. Baumbach & Rep. Osienski &
Rep. Romer
Sens. Hoffner, Pettyjohn, Poore, Sturgeon, Townsend

DELAWARE STATE SENATE
152nd GENERAL ASSEMBLY

SENATE CONCURRENT RESOLUTION NO. 167

ESTABLISHING A STUDY GROUP TO REVIEW AND RECOMMEND COMPENSATORY PAYMENTS FOR CERTAIN TAX-EXEMPT PROPERTIES OWNED BY THE STATE.

1 WHEREAS, § 8318 of Title 29 provides compensatory payments to county seats with tax-exempt properties
2 owned by this State (“compensatory payments”), using a formula based on the population of the municipality and the
3 percentage of that tax-exempt property located in the municipality; and

4 WHEREAS, the percentage of tax-exempt property under § 8318 of Title 29 does not include property owned by
5 the Delaware State Housing Authority, Delaware Solid Waste Authority, Delaware State University, or the University of
6 Delaware; and

7 WHEREAS, § 8318 of Title 29 was revised in July 2005 by the enactment of House Bill No. 314 (143rd General
8 Assembly), which implemented recommendations from the Task Force on Financial Options for the City of Wilmington
9 created by Governor Minner through Executive Order No. 42; and

10 WHEREAS, the City of Newark does not receive a compensatory payment under § 8318 of Title 29 despite the
11 large amount of State-owned property located within the municipality; and

12 WHEREAS, for the past several years, the City of Newark has received a State appropriation through Grants-in-
13 Aid; and

14 WHEREAS, the amount and value of State-owned property changes over time as real property is purchased, sold,
15 improved, and periodically re-assessed; and

16 WHEREAS, § 8318 of Title 29 should be reviewed this year, and periodically in the future, to evaluate the
17 eligibility criteria used to determine which municipalities should receive compensatory payments, the amount that should
18 be appropriated for compensatory payments, and the formulas that should be used for these calculations.

19 NOW, THEREFORE:

20 BE IT RESOLVED by the Senate of the 152nd General Assembly of the State of Delaware, the House of
21 Representatives concurring therein, that the Study Group to Review and Recommend Compensatory Payments for Certain
22 Tax-Exempt Properties Owned by the State (“Study Group”) be created.

23 BE IT FURTHER RESOLVED that the Study Group shall review § 8318 of Title 29, the current distribution of
24 compensatory payments to county seats with tax-exempt properties owned by this State, to evaluate which municipalities
25 should be eligible to receive compensatory payments, the amount that should be appropriated for compensatory payments,
26 and the formulas that should be used for these calculations.

27 BE IT FURTHER RESOLVED that the Study Group consider how to periodically review the amount appropriated
28 for compensatory payments, eligibility to receive compensatory payments, and the formulas used for these calculations no
29 less than every 10 years.

30 BE IT FURTHER RESOLVED that the Study Group shall make recommendations regarding the compensatory
31 payments under § 8318 of Title 29, including for the eligibility criteria for municipalities, the amount appropriated for
32 compensatory payments, the formulas used to calculate these payments, and a process to periodically conduct a similar
33 review no less than every 10 years.

34 BE IT FURTHER RESOLVED that the Study Group is comprised of the following voting members, or a designee
35 selected by the member serving by virtue of position:

36 (1) A State Senator from the majority caucus, appointed by the President Pro Tempore of the Senate, who
37 serves as co-chair.

38 (2) A State Senator from the minority caucus, appointed by the President Pro Tempore of the Senate.

39 (3) A State Representative from the majority caucus, appointed by the Speaker of the House of
40 Representatives, who serves as co-chair.

41 (4) A State Representative from the minority caucus, appointed by the Speaker of the House of
42 Representatives.

43 (5) The Secretary of the Department of Finance.

44 (6) The Mayor of the City of Wilmington.

45 (7) The Mayor of the City of Dover.

46 (8) The Mayor of the Town of Georgetown.

47 (9) The Mayor of the City of Newark.

48 BE IT FURTHER RESOLVED that the President Pro Tempore of the Senate and the Speaker of the House of
49 Representatives shall make appointments to the Study Group so that there is at least 1 member of the General Assembly
50 serving as a member of the Study Group from each county and the City of Wilmington.

51 BE IT FURTHER RESOLVED that the Study Group also has the following non-voting members, or a designee
52 selected by the member serving by virtue of position:

53 (1) The Controller General.

54 (2) The Director of the Office of Management and Budget.

55 BE IT FURTHER RESOLVED that a quorum of the Study Group is a majority of its members.

56 BE IT FURTHER RESOLVED that:

57 (1) Official action by the Study Group, including making findings and recommendations, requires the
58 approval of a quorum of the Study Group.

59 (2) The Study Group may adopt rules necessary for its operation.

60 (3) The co-chairs of the Study Group may invite individuals with relevant expertise to participate in Study
61 Group discussions.

62 (4) A member of the Study Group with the ability to designate another individual to attend a Study Group
63 meeting must provide the designation in writing to the co-chairs. An individual attending a meeting for a member as a
64 designee has the same duties and rights as the member.

65 BE IT FURTHER RESOLVED that the co-chairs of the Study Group are responsible for guiding the
66 administration of the Study Group by doing, at a minimum, all of the following:

67 (1) Setting a date, time, and place for the initial organizational meeting.

68 (2) Notifying the individuals who are members of the Study Group of the formation of the Study Group and, if
69 applicable, notifying a person of the need to nominate or appoint a member.

70 (3) Supervising the preparation and distribution of meeting notices, agendas, minutes, correspondence, and
71 reports of the Study Group.

72 (4) Sending to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the
73 Director of the Division of Research of Legislative Council, after the first meeting of the Study Group, a list of the
74 members of the Study Group as follows:

75 a. By position, including if serving as a designee of a member serving by virtue of position.

76 b. By appointment, including the caucus the member represents.

77 (5) Providing meeting notices, agendas, and minutes to the Director of the Division of Research of Legislative
78 Council.

79 (6) Ensuring that the final report of the Study Group is submitted to the President Pro Tempore of the Senate
80 and the Speaker of the House of Representatives, with copies to all members of the General Assembly, the Governor,
81 the Governor-elect, the Director and the Librarian of the Division of Research of Legislative Council, and the
82 Delaware Public Archives.

83 BE IT FURTHER RESOLVED that the Study Group must hold its first meeting no later than August 31, 2024.
84 BE IT FURTHER RESOLVED that the General Assembly is responsible for providing reasonable and necessary
85 support staff, including a legislative attorney, and materials for the Study Group to carry out its mission.
86 BE IT FURTHER RESOLVED that the co-chairs of the Study Group must compile a final report containing a
87 summary of the Study Group's work regarding the issues assigned to it under this Resolution, including any findings and
88 recommendations, and submit the report no later than December 31, 2024.

SYNOPSIS

This Act creates the Study Group to Review and Recommend Compensatory Payments for Certain Tax-Exempt Properties Owned by the State to review and evaluate § 8318 of Title 29 and make recommendations regarding the eligibility criteria that should be used to determine which municipalities to receive compensatory payments for tax-exempt property owned by this State ("compensatory payments"), the amount that should be appropriated for compensatory payments, the formulas used to calculate compensatory payments, and how to periodically review this appropriation, eligibility criteria, and formulas no less than every 10 years.

Author: Senator Sokola