



SPONSOR: Rep. Ramone & Sen. Hocker  
Reps. Briggs King, Collins, Michael Smith; Sen. Wilson

HOUSE OF REPRESENTATIVES  
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 234

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE ELDERLY PROPERTY TAX RELIEF AND EDUCATION EXPENSE FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 6102, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 6102. Composition of General Fund; Delaware Higher Education Loan Program Fund.

(q) (1) A special fund of the State is created in the Department of Finance to be known as the "Elderly Property Tax Relief and Education Expense Fund," to which shall be deposited \$13,000,000 received in any revenue source not otherwise committed to a special fund and from which shall be paid claims made under this subsection and § 1919(d) of Title 14. Should such claims exceed \$13,000,000 during any fiscal year, the Secretary of Finance, with the approval of the Director of the Office of Management and Budget and Controller General, may transfer from the general contingency line in the Department of Education to the Elderly Property Tax Relief and Education Expense Fund the amount of such reasonably foreseen additional claims. Any balance remaining in the Elderly Property Tax Relief and Education Expense Fund at the conclusion of any fiscal year shall revert to the General Fund.

(2) Sums appropriated pursuant to this subsection shall be allocated to school districts using a method that recognizes factors including, but not limited to, the number of primary residential households owned by persons 65 or over who meet the durational residency requirement of § 1917(c) of Title 14 in each school district, the relative value of residential property owned by persons 65 and over, the relative property values of each school district, the school tax rates of each school district, and the average rate of application for tax relief pursuant to this subsection. The final method and allocation of these moneys shall be approved by the Secretary of Finance in consultation with the Controller General.

(3) Local school boards shall decide through majority vote of the whole school board whether to authorize a credit against taxation imposed pursuant to Chapter 19 of Title 14 on the valuation of any qualified property, as defined in § 1917(c) of Title 14. The maximum such credit shall be the lesser of 50% of such tax remaining after taking into account any exemption pursuant to Title 9 and Title 22, or ~~\$500~~ \$1,000 for owners of real property valued less than

23 \$500,000, or \$500 for owners of real property valued between \$500,000 and \$1,000,000. No credit will be authorized  
24 for owners of real property valued over \$1,000,000. The receiver of taxes and county treasurer shall apply such credit  
25 after any change to the current expense tax rate pursuant to this section. Should the local school board decide to  
26 authorize less than the maximum amount of credit against taxation, the local school board shall develop a plan for  
27 using moneys received pursuant to this subsection, provide appropriate and reasonable public notice and comment on  
28 the proposed plan, and approve the plan through majority vote of the local school board. Local school boards shall  
29 submit the approved plan to the Secretary of Finance, the Secretary of Education, the Director of the Office of  
30 Management and Budget and the Controller General. In the event that local school boards choose not to authorize the  
31 aforementioned credit against taxation, the sums appropriated herein will result in increased state funding for  
32 education-related expenses of the school districts. Education-related expenses for the purposes of this subsection shall  
33 be defined as including, but not being limited to, computer hardware and software, library resources and other  
34 instructional materials, and minor capital improvements to school facilities. Local school boards and all other  
35 responsible parties under this paragraph are hereby directed to cause such conditions to be met as soon as practicable  
36 after the enactment of this section, but in no event later than October 30, 1999, and shall notify the Secretary of  
37 Finance and the Controller General as soon as such conditions are met. Notwithstanding any of the foregoing to the  
38 contrary, funds received pursuant to this section shall not be used for major capital improvements or debt service.

#### SYNOPSIS

This Act amends the Senior Tax Credit to \$1000 for Real Property valued less than \$500,000, \$500 for Real Property valued between \$500,000 and \$1,000,000. This Credit will not be extended to Real Property valued above \$1,000,000.