SPONSOR: Rep. S. Moore & Rep. Phillips & Rep. Wilson-Anton
Reps. Burns, Lambert, Gorman

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE RESOLUTION NO. 18

REQUESTING THAT NEW CASTLE COUNTY, KENT COUNTY, AND SUSSEX COUNTY EACH STUDY, RESPECTIVELY, THE VIABILITY OF IMPLEMENTING A PROPERTY TAX FREEZE FOR DELAWARE RESIDENTS WHO ARE SENIORS.

WHEREAS, the first statewide property assessment in over 40 years was recently completed, resulting in many Delawareans seeing significant increases in their property tax bills; and

WHEREAS, Delawareans who are most burdened by increased property taxes should be provided the opportunity to seek relief from that burden; and

WHEREAS, each county of this State has the sole authority to grant property tax exemptions within that county, as provided in Section 1 of Article VIII of the Delaware Constitution; and

WHEREAS, the Superior Court affirmed each county's sole authority to grant property tax exemptions within the respective county in *State ex rel. Sec'y of Dep't of Highways & Transp. v. New Castle County*, 340 A.2d 171 (Del. Super. Ct. 1975) and *Bd. of Assessment Review v. Silverbrook Cemetery Co.*, 378 A.2d 619 (Del. Super. Ct. 1977).

NOW, THEREFORE:

BE IT RESOLVED that the House of Representatives of the 153rd General Assembly of the State of Delaware requests that New Castle County, Kent County, and Sussex County study the viability of implementing a property tax freeze in each county, respectively, for senior Delawareans who are primary residents of the county and meet household income thresholds that each county establishes.

BE IT FURTHER RESOLVED that the House of Representatives encourages each county of this State, after studying the viability of a property tax freeze, to discuss and determine whether to implement a property tax freeze.

BE IT FURTHER RESOLVED that the House of Representatives suggests as a possible model for a property tax freeze the following:

(a) Eligibility for property tax freeze include that the taxpayer is a resident of Delaware, is 65 years of age or older by July 1 of the taxable year for which the tax freeze is sought, and has owned and resided in the same primary residence in the county for at least the 3 consecutive years before the taxable year for which the tax freeze is sought.

(b) The property tax freeze applies only to school district taxes, subject to school board approval by resolution, and county property taxes.

(c) The amount of tax frozen remains unchanged regardless of increases in the property's assessed value or tax rate, unless improvements are made to the property that increases the property's assessed value by more than 25%, the taxpayer's ownership of the property changes except for sales or transfers to the taxpayer's spouse, or the taxpayer no longer meets the requirements for eligibility.

(d) Each county adopts, by ordinance or resolution, a maximum household income threshold for eligibility. The income limit may not exceed 80% of the Area Median Income (AMI) as determined by the U.S. Department of Housing and Urban Development (HUD). A county may adopt tiered freeze levels based on income brackets.

(e) After a taxpayer has been granted a property tax freeze, the tax freeze remains in effect if all of the following continue to apply: the property remains the taxpayer's primary residence, the taxpayer continues to meet the requirements for eligibility, and the taxpayer files a certification of continued eligibility with the appropriate county every 2 years.

(f) If the property is sold or transferred, the tax freeze no longer applies, unless the transfer or sale is between spouses and the spouse is also eligible for a tax freeze.

SYNOPSIS

This Resolution requests that each of the counties in this State study, respectively, the viability of implementing a property tax freeze for Delaware residents who are seniors and meet household income thresholds that each county establishes. This Resolution includes a model for the counties to consider in creating property tax freezes.