SPONSOR: Sen. Townsend & Sen. Cruce & Sen. Seigfried & Rep. K. Johnson & Sen. Sokola & Sen. Lockman & Rep. Minor-Brown & Rep. Harris & Rep. Osienski & Rep. Morrison
Sens. Hansen, Hoffner, Sturgeon; Reps. Bolden, Bush, Carson, Chukwuocha, Cooke, Gorman, Griffith, Heffernan, Neal, Ortega, Romer, Kamela Smith, Snyder-Hall, K. Williams

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE CONCURRENT RESOLUTION NO. 122

CALLING FOR A COMPREHENSIVE REVIEW OF DELAWARE'S PROPERTY REASSESSMENT PROCESS AND DEVELOPMENT OF IMPROVEMENTS FOR FUTURE REASSESSMENTS.

WHEREAS, for the first time in more than 40 years, Delaware's counties completed a comprehensive property reassessment; and

WHEREAS, this statewide property reassessment was a result of a settlement agreement each county approved to resolve a 2018 lawsuit filed by the ACLU and NAACP that challenged the constitutionality of how Delaware funds its public schools; and

WHEREAS, the lawsuit successfully argued that it was unconstitutional for counties to calculate tax bills with outdated property values that caused funding deficiencies and inadequate and unequal resources for disadvantaged students; and

WHEREAS, to comply with the settlement agreement, counties contracted with Tyler Technologies to conduct a comprehensive reassessment of all parcels in Delaware; and

WHEREAS, though the reassessments were designed to be revenue neutral for counties overall, many individual property owners, particularly those residing in New Castle County, experienced sharp increases in county and school tax burdens, some increasing by over 400%, because of increased and shifting property valuation; and

WHEREAS, a 1972 state law permits school districts to raise property tax revenues by up to 10% following a reassessment without requiring a referendum; and

WHEREAS, some school districts utilized this ability to raise revenues between 1% and 10%; and

WHEREAS, while counties have passed ordinances permitting differential tax rates for residential and non-residential properties, school districts have argued they do not have that same legal authority, causing a greater tax burden on residential properties; and

WHEREAS, on average, but particularly in New Castle County, the assessment showed that residential properties gained significantly more value than commercial; and

WHEREAS, this has shifted more of Delaware's tax burden from corporations to working families than under the prior assessment; and

WHEREAS, the lack of notice from school districts and counties about the pending shift in tax burden and steep increase in property tax has left many Delawareans surprised about their tax bills and concerned about their ability to pay their taxes and remain in their homes; and

WHEREAS, the reassessment results underscore the need to balance fiscal responsibility, education system funding, and homeowner protection within Delaware's overall tax framework to ensure fair outcomes for all residents; and

WHEREAS, the impacts of the recent property reassessment demonstrate an urgent need for a coordinated, statewide effort to evaluate the process, outcomes, and statutory frameworks governing property valuation and taxation in coordination with state, local, and school district officials; and

WHEREAS, after the passage of House Bill 62 in 2023, Delaware counties are required to conduct property reassessments at least every five years; and

WHEREAS, Delaware's shift toward a more frequent and equitable schedule for property reassessments presents both an opportunity and a responsibility for all levels of government to ensure that future reassessments are conducted through a process that is transparent, consistent, and fair; and

WHEREAS, the outcome of this recent reassessment continues to unfold via the appeals process and via immediate investigation by officials at all levels of government; and

WHEREAS, the members of the Delaware General Assembly are committed to a comprehensive response that includes both immediate action through legislation to be considered during the special session on August 12, 2025, and subsequent legislation informed by the outcomes of measures enacted during that session.

NOW THEREFORE:

BE IT RESOLVED, by the Senate of the 153rd General Assembly of the State of Delaware, the House of Representatives concurring therein, that the members of the Delaware General Assembly are committed to legislative action beyond the special session, including the following:

1. Reviewing the methodologies and overall processes of the most recent property reassessment for each county, including:

a. How external contractors determined fair market value, and whether uniform standards were applied across the counties.

b. The property valuation approaches used by external contractors for commercial, industrial, residential, and agricultural properties.

c. The extent to which counties provided direction or oversight to external contractors.

d. The timing of the reassessment appeals process and the resources dedicated to resolving them.

e. The various forms and content of communications to Delawareans regarding the timing and process of reassessments from the counties and tax rate determinations from the counties and school districts.

2. Evaluating property reassessment methodologies and processes in other jurisdictions to identify best practices for Delaware, including consideration of a potential role of the State in conducting reassessments, reviewing or auditing the results, or overseeing the appeals process.

3. Considering reforms to taxation authority, including permitting counties and school districts to implement graduated tax brackets within property classes in addition to maintaining split tax rates across property types.

4. Working through the Public Education Funding Commission to study projected growth in school district budgets and evaluate reforms that could increase districts' flexibility to raise revenues given the new legal requirement for regular reassessments.

5. Exploring targeted support for Delaware seniors, including updates to senior property tax credits and homestead tax exemptions, as well as additional measures that would maintain adequate school funding while accounting for seniors with limited means to absorb immediate tax increases.

BE IT FURTHER RESOLVED, the General Assembly calls on officials from the counties, municipal governments, school districts, and others to work collaboratively with the General Assembly on the development of legislative and operational measures to improve on the recent reassessment and prepare for future reassesments.

SYNOPSIS

This Senate Concurrent Resolution calls for an immediate review of the recent statewide property reassessment by the members of the General Assembly, in collaboration with state, local, and school district officials, to develop legislative and operational measures that ensure future reassessments are conducted fairly, transparently, and equitably.