SPONSOR: Rep. Shupe & Sen. Buckson
Sens. Lawson, Pettyjohn, Wilson

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 2
FOR
HOUSE BILL NO. 246

AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO LIMITATION ON PUBLIC SCHOOLS' TAX RATE AFTER GENERAL REASSESSMENT.

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

Section 1. Amend § 1916, Title 14 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1916. Tax collection warrant and assessment list; tax rate after general reassessment.

(a) Based on the total value of all taxable property as shown on the county assessment list and on the amount to be raised, the board of the district shall fix the rate of taxation plus 10% for delinquencies.

(b) Whenever the qualified voters of a reorganized school district have approved a specific rate of taxation or specified amount of taxation under § 1903 of this title and a subsequent general reassessment of all real estate in the county changes the total assessed valuation of the school district, the local board of education of each such local school district that can demonstrate that because of the general reassessment it will suffer a loss of projected revenue from the amount of revenue it received the property tax year immediately before the general assessment may calculate new real estate tax rates, which at a maximum, would realize no more than 2% increase in revenue per year, for each of the next 5 years or until the projected revenue loss per year has been fully realized, whichever occurs first ~~shall calculate a new real estate tax rate which, at its maximum, would realize no more than 10% increase in actual revenue over the revenue derived by real estate tax levied in the fiscal year immediately preceding such reassessed real estate valuation~~. In the event the qualified voters of a reorganized school district approve a specific rate of taxation or specified amount of taxation under § 1903 of this title to be collected, and there is a reassessment effective after voter approval, but before actual revenue is derived from increased taxation resulting from such voter approval, the local board of education of each such local school district shall calculate a new real estate tax rate which, at its maximum, would realize no more than a ~~10%~~ 2% increase in actual revenue over the revenue announced, projected or calculated to be derived by such voter approval and prior voter approvals. ~~Any subsequent increase in~~ After the rate of taxation is increased under this subsection, the rate of taxation ~~shall be achieved~~ may only be

increased by an election of the qualified voters in such local school district ~~according to the procedures in~~ under § 1903 of this title or after a subsequent general reassessment of all real estate in the county under this subsection.

(c) Notwithstanding any other provisions of this title to the contrary, the school board of the district whose jurisdiction traverses county boundary lines and whose local school taxes are made different as a result of property reassessment shall levy real estate taxes in the following manner:

(1) In the county not reassessed, at a rate authorized by law and referendum.

(2) In the county recently reassessed, at a newly calculated rate based on the newly established assessments which at its maximum would bring in revenue equal to the amount authorized by law and by referendum, based on the previous year's assessment~~, plus the quarterly updates and the 10% increase as authorized by subsection (b) of this section~~.

(d) The board shall, no later than the second Thursday in July, deliver its warrant, with a duplicate of the assessment list, to the receiver of taxes and county treasurer of the county or counties where the district is located.

SYNOPSIS

This Act removes the 10% increase in school property tax revenue and replaces it with a school district that can demonstrate that it will suffer a loss of projected revenue resulting from the general reassessment being allowed to increase its rate of taxation up to 2% per year for 5 years or until the district's projected revenue loss per year has been fully realized, whichever comes first.