



SPONSOR: Rep. K. Williams & Sen. Walsh
Reps. Baumbach, Bennett, Q. Johnson, Keeley, Kowalko,
Longhurst, Lynn, Matthews, Mulrooney, Osienski,
Paradee, Spiegelman, Wilson; Sens. Hocker, Simpson

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. 99

AN ACT TO AMEND TITLES 14 AND 29 OF THE DELAWARE CODE RELATING TO ADMINISTRATION OF
SCHOOL PROPERTY TAX CREDITS.

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

Section 1. Amend Section 1917, Title 14 of the Delaware Code by making deletions as shown by strike through
and insertions as shown by underline as follows:

§ 1917. Collection and deposit of school taxes.

(c)(1) If authorized by majority vote of the whole school board of the local school district pursuant to §
6102(q) of Title 29, there shall be allowed a credit against taxation imposed pursuant to this chapter on the valuation of
any qualified property. For purposes of this subsection, "qualified property" shall mean property owned and occupied
as a dwelling by and as the principal residence of a qualified person. A "qualified person" is a person who, as of June
30 immediately prior to the beginning of the county fiscal year, is of the age of 65 or more. For claimants establishing
legal domicile in this State after December 31, ~~2012~~ 2014, only claimants who, as of June 30 immediately prior to the
beginning of the county fiscal year, have been legally domiciled within the State for a period of at least ~~3~~ 10
consecutive years are eligible to receive a credit. Mere seasonal or temporary residence within the State, of whatever
duration, shall not constitute domicile within the State for the purposes of this section. Absence from this State for a
period of 12 months shall be prima facie evidence of abandonment of domicile in this State. The burden of establishing
legal domicile within the State shall be upon the claimant. The maximum such credit authorized by vote of local school
boards shall be the lesser of:

a. 50% of such tax remaining after taking into account any exemption pursuant to Title 9 and Title 22 and
any tax reduction pursuant to § 6102 of Title 29; or

b. \$500.

The receiver of taxes and county treasurer shall apply such credit after any change to the current expense tax
rate pursuant to § 6102 of Title 29.

(2) No credit against taxation on the valuation of real property as provided in this subsection shall be allowed except in accordance with a form of written application prescribed by the Secretary of Finance in consultation with the receiver of taxes and county treasurer and provided by the receiver of taxes and county treasurer for use by the claimants under this subsection. Such application shall be filed with and received by the receiver of taxes or county treasurer as follows:

a. ~~For tax years beginning on or after May 1, 2000, but before May 1, 2001, no later than February 16, 2001.~~

b. ~~For all subsequent tax years,~~ no later than April 30 immediately prior to the beginning of that tax year.

Section 2. Amend Section 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 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 section 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 Section 1917 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 section. 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 herein in Section 1914 of Title 14, owned by a person who, as of the beginning of the tax year, is of the age of 65 or more. 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. The receiver of taxes and county treasurer shall apply such credit

51 after any change to the current expense tax rate pursuant to this section. Should the local school board decide to
52 authorize less than the maximum amount of credit against taxation, the local school board shall develop a plan for
53 using moneys received pursuant to this subsection, provide appropriate and reasonable public notice and comment on
54 the proposed plan, and approve the plan through majority vote of the local school board. Local school boards shall
55 submit the approved plan to the Secretary of Finance, the Secretary of Education, the Director of the Office of
56 Management and Budget and the Controller General. In the event that local school boards choose not to authorize the
57 aforementioned credit against taxation, the sums appropriated herein will result in increased state funding for
58 education-related expenses of the school districts. Education-related expenses for the purposes of this subsection shall
59 be defined as including, but not being limited to, computer hardware and software, library resources and other
60 instructional materials, and minor capital improvements to school facilities. Local school boards and all other
61 responsible parties under this paragraph are hereby directed to cause such conditions to be met as soon as practicable
62 after the enactment of this section, but in no event later than October 30, 1999, and shall notify the Secretary of
63 Finance and the Controller General as soon as such conditions are met. Notwithstanding any of the foregoing to the
64 contrary, funds received pursuant to this section shall not be used for major capital improvements or debt service.

65 Section 3. This Act shall be effective for county tax and fiscal years beginning after January 1, 2017.

SYNOPSIS

This bill would require that a resident 65 years of age or older claiming a tax credit against school taxes must be a resident of the state for at least 10 years before qualifying for such credit. The current requirement is only for 3-year residency. This bill makes a conforming change in the Code provision governing reimbursements from the General Fund. It also eliminates language related to 2001 taxes, which is no longer relevant. This change will be effective for tax and fiscal years after January 1, 2017. Those residents who would have become eligible over the last three years under the prior version of the statute will remain eligible.