



SPONSOR: Sen. Sokola & Rep. Baumbach
Sens. Hansen, Townsend, Walsh; Reps. Kowalko,
Osienski

DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 83

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO COMPENSATION PAYMENTS FOR CERTAIN TAX EXEMPT PROPERTIES OWNED BY THE STATE.

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

Section 1. Amend § 8318, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8318. Compensatory payments for certain exempt properties owned by the State.

(a)(1) ~~The county seat in each county shall appraise and assess real property taxes on all property owned by the State excluding properties owned by the Delaware Housing Authority, Delaware Solid Waste Authority, Delaware State University, or the University of Delaware, lying within their respective city limits. Each county seat shall annually submit statements of these appraisals and assessments unto the Secretary of the Department of Finance, said assessments and appraisals to be in accordance with their respective procedures for appraising and assessing real property. do all of the following annually:~~

a. Appraise and assess real property taxes on all property lying within the city limits of the county seat that is owned by the State, in accordance with the county seat's procedures for appraising and assessing real property, excluding properties owned by the Delaware Housing Authority or the Delaware Solid Waste Authority.

b. Submit statements of these appraisals and assessments under paragraph (a)(1)a. of this section to the Secretary of the Department of Finance, said assessments and appraisals to be in accordance with their respective procedures for appraising and assessing real property. Finance.

(2) A municipality with a population over 25,000 and having at least 20% of property in the municipality owned by the State shall do all of the following annually:

a. Appraise and assess real property taxes on all property lying within the city limits that is owned by the State, in accordance with the municipality's procedures for appraising and assessing real property, excluding properties owned by the Delaware Housing Authority or the Delaware Solid Waste Authority.

b. Submit statements of the appraisals and assessments under paragraph (a)(2)a. of this section to the Secretary of the Department of Finance.

(b) The Secretary of Finance shall examine and inspect the ~~aforementioned assessment~~ assessments and appraisals under subsection (a) of this section and ~~shall have all rights to~~ may question the assessments and appeal any decisions regarding the same. If the Secretary of Finance is satisfied that the ~~assessments and appraisals~~ county seat's or municipality's assessments and appraisals are accurate, ~~then~~ the Secretary shall direct payment to the ~~County Seat~~ county seat or municipality according to the following schedule:

(1) For ~~those a~~ a county seats ~~seat~~ with a population of 50,000 or less and having no more than 20% tax-exempt property, ~~with a population between 0–50,000 residents, the Secretary shall direct a payment of 30.8%~~ 36.0% of the tax ~~assessed to said county seats.~~ assessed.

(2) For a county seat with a population of 50,000 or less and having more than 20% tax-exempt property, 18.0% of the tax assessed.

(2) (3) For ~~those a~~ a county seats ~~seat~~ with a population above 50,000 residents, ~~the Secretary shall direct a payment of 100.0% of the tax assessed to said county seats.~~ assessed.

(4) For a municipality that meets the requirements in paragraph (a)(2) of this section, 12.0% of the tax assessed.

(c) The total amount of payments made by the Secretary with respect to all ~~county seats~~ county seats and municipalities under subsection (b) of this section may not exceed \$3,900,000 in any ~~state~~ State fiscal year.

(d) In any State fiscal year, if total compensatory payments, as calculated under ~~subsection~~ subsections (a) and (b) of this section, ~~exceeds~~ exceed the amount allocated in ~~subsection~~ subsection (c) of this section, then the payments ~~to be received by each county seat shall be~~ under subsection (b) of this section are the product of ~~\$3,000,000~~ \$3,900,000 multiplied by a fraction, the numerator of which is the payment that would otherwise be due to a ~~county seat~~ county seat or municipality under subsections (a) and (b) of this section and the denominator is the total of all compensatory payments that would otherwise be due to all ~~county seats pursuant to subsections~~ county seats and municipalities under subsections (a) and (b) of this section. The Secretary of Finance has the right to withhold payment to any ~~county seat~~ county seat or municipality until the assessments and appraisals of all ~~3 counties~~ county seats and municipalities under subsection (a) of this section have been submitted and verified.

SYNOPSIS

This Act changes the program for distributing payments to county seats with tax-exempt properties owned by the State. Section 8318 of Title 29 directs compensatory payments for exempt properties owned by the State to the county seats, Wilmington, Dover, and Georgetown. This Act authorizes these compensatory payments to any municipality with a population over 25,000 and more than 20% tax exempt property owned by the State. This Act also adjusts the formula under which distributions to municipalities are made.

This Act improves the formulas to enable the elimination of specific dollar earmarks and to treat all higher education institutions in the State equally. The Act increases the compensatory payments under this section to each of the 3 county seats, and adds Newark to the program at a much lower payment than the payment provided to the county seats.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

Author: Senator Sokola