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HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE BILL NO. 241
AS AMENDED BY
HOUSE AMENDMENT NO. 3
AND
HOUSE AMENDMENT NO. 7
AND
HOUSE AMENDMENT NO. 10

AN ACT TO AMEND TITLE 9 AND TITLE 14 OF THE DELAWARE CODE RELATING TO PROPERTY TAX COLLECTION.

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

Section 1. Amend § 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.

(a) (1) The receiver of taxes and county treasurer shall collect school taxes in the same manner and at the same time as provided by law for the collection of taxes for other purposes, and, except as provided in subsection (c) and (d) of this section, shall allow no abatement or discount upon any taxes levied for school purposes required to be collected by them.

(2) a. ~~The Receiver of Taxes and County Treasurer for New Castle County only shall, after September 1 in the year in which the tax rolls shall be delivered to them, assess a penalty of 5% to taxes which are due and owing but unpaid, and shall each month thereafter add to such unpaid taxes a penalty of 1% per month until the same shall be paid. The~~ Except as provided under paragraph (a)(2)b. of this section, the Receiver of Taxes of Kent and Sussex Counties and the Receiver of Taxes and County Treasurer for New Castle County ~~only~~ shall, after ~~September 30~~ the date the tax is due in the year in which the tax rolls shall be delivered to them, assess a penalty of 1% per month until the same shall be paid.

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b. The county tax collection authority shall waive the penalties described in paragraph (a)(2)a. of this section for any residential taxpayer who enters into and complies with a payment plan authorized under § 8604 of Title 9.

Section 2. Amend § 8604, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8604. Abatement of taxes; penalty for the late payment; removal of delinquent real estate taxes from tax ~~roll.~~ roll; payment plan for taxes.

(c) (1) The tax collecting authority of each county, upon being authorized by ordinance adopted by County Council or Levy Court, may allow an abatement of or discount upon any tax or penalty for late payment, exclusive of school taxes, required to be collected by them.

(2) Notwithstanding paragraph (c)(1) of this section, The tax collecting authority of each county shall waive any penalty for late payment of county taxes, school taxes, or both for any residential taxpayer who enters into and complies with a payment plan under subsection (d) of this section.

(d) (1) The tax collecting authority of each county shall allow a taxpayer to enter into a payment plan for the payment of county taxes, school taxes, or both if all of the following conditions are met:

a. The property is zoned for residential use and is the primary residence of the taxpayer.

b. The taxpayer's property tax bill exceeds the immediately preceding year's property tax bill by $300 or more.

(2) A payment plan under this subsection must allow the taxpayer to submit payment of school taxes to the county in at least 3 equal installments and provide that if payments are timely made the taxpayer will not be charged any interest, penalty, or late fee.

(3) A county may set additional eligibility and administrative criteria for a payment plan under this subsection, so long as the criteria are not unduly restrictive or burdensome.

(4) In the event of a cash flow shortfall of local school funds due to taxpayers in a school district entering payment plans under this subsection, the school district may request, and the State may advance, monies from State Division I funds.

Section 3. Amend § 8610, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8610. Written demand for delinquent taxes in New Castle County.

(a) The Office of Finance for New Castle County shall on or before December 15 of each year, make at least 1 demand in writing upon every person or corporation liable for the payment of any taxes collectible by the County and due and then remaining unpaid for the payment thereof, stating the amount due and that, if the same are not paid during the month of December, legal proceedings will be instituted for the collection thereof. The failure to give notice shall not constitute a bar to any of the proceedings hereinafter authorized and directed. The notice shall be mailed in a sealed postpaid envelope directed to the last known address of the person or corporation, and the day of the mailing shall be deemed the day of the giving of notice.

(b) The Office of Finance for New Castle County is not required to send the written demand under subsection (a) of this section if the taxpayer has entered a payment plan authorized under § 8604 of this title or any other law.

Section 4. Amend § 8701, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8701. Collection permitted from personal property or real property.

(d)(1) Notwithstanding subsection (a) of this section or any other State or county law to the contrary, if a taxpayer enters into a payment plan authorized under § 8604(d) of this title or any other law and complies with the payment plan, New Castle County's tax collecting authority may not collect the taxes owed out of the taxpayer's real or personal property, including by doing any of the following:

a. Filing a civil action.

b. Garnishing a taxpayer's wages.

c. Seizing the taxpayer's real or personal property.

d. Issuing a monition.

e. Filing for a writ of venditioni exponas.

f. Instituting attachment proceedings under Subchapter III, Chapter 87 of this title.

g. Selling the taxpayer's real or personal property through a sheriff sale or any other legal proceeding.

h. Filing an action to collect on a tax lien.

(2) This subsection applies to New Castle County taxes and school taxes assessed on residential property for the 2025-2026 tax year.

Section 4. Amend § 8603, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8603. ~~Quarterly payments.~~ Tax payments.

The receiver of taxes and county treasurer or director of finance of any county may accept payment of all taxes due and payable on real estate on a quarterly or more frequent basis. ~~This section shall not apply with respect to New Castle County.~~

Section 5. Sections 1 through 3 of this Act expire 3 years after enactment into law, unless otherwise provided by a subsequent act of the General Assembly.