SPONSOR: Sen. Cruce & Rep. Romer
Sens. Hoffner, Huxtable, Lockman, Mantzavinos, Townsend, Walsh; Reps. Burns, Chukwuocha, Harris, Minor-Brown, Morrison, Snyder-Hall, K. Williams

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1
FOR
SENATE BILL NO. 228
AS AMENDED BY
HOUSE AMENDMENT NO. 2

AN ACT TO AMEND TITLES 9 AND 14 OF THE DELAWARE CODE RELATING TO COUNTY ASSESSMENTS AND TAX COLLECTION.

WHEREAS, property taxes play a vital role in funding Delaware's school districts and county and local governments; and

WHEREAS, public confidence in the property tax system depends on accuracy of assessed values; and

WHEREAS, in 2024 and 2025, Delaware's counties completed general property reassessments, the first such countywide reassessments in decades, following a court-approved settlement concerning longstanding property tax inequities; and

WHEREAS, particularly in New Castle County, long-term changes in the use and value of commercial properties contributed to significant shifts in assessed values and resulting property tax liabilities following the general reassessment; and

WHEREAS, in order to address sudden, dramatic spikes in New Castle County residents' property tax bills, the General Assembly passed emergency legislation in August 2025; and

WHEREAS, since August 2025, the General Assembly has examined measures to strengthen counties' ability to conduct regular reassessments that improve accuracy and predictability in valuation and promote greater fairness in property tax liability; and

WHEREAS, since August 2025, the General Assembly has examined possible measures it can take to provide property tax relief and fairness to the most vulnerable Delawareans, and to provide incentives intended to promote outcomes that strengthen key opportunities and supports in Delaware; and

WHEREAS, the General Assembly's examinations are ongoing; and

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WHEREAS, based on its examinations to date, the General Assembly concludes that there is reason to be concerned about the potential underassessment of commercial properties, particularly in New Castle County, arising from the recent general property reassessment; and

WHEREAS, under current law, property owners who believe their properties may be overassessed have a recourse each year to seek a reduction in the assessed value of their property, not having to wait until the next general property reassessment to achieve such individual relief and fairness; and

WHEREAS, current law authorizes county tax-collecting authorities to correct errors identified in the property assessment lists, and the General Assembly intends to create a new mechanism to supplement, not replace, that authority, so that accurate property assessments and equitable, fair taxation can be achieved as quickly as possible following the first countywide reassessments in decades; and

WHEREAS, current law can be clarified and strengthened to ensure assessing authorities, without having to wait until the next general reassessment to achieve relief and fairness for the broader community, have the legal tools to examine independently whether properties might be underassessed and, therefore, not contributing an accurate and fair amount of taxes to the property tax base; and

WHEREAS, inaccurate property assessments can shift the tax burden unfairly, causing some properties to be under-taxed while others are over-taxed; and

WHEREAS, in the wake of the first general property reassessment in decades, and significant frustration and confusion in the community, the General Assembly concludes that counties, particularly New Castle County, should have the clear authority to undertake as thorough and reasonable an effort as possible to ensure the next tax year’s property tax bills are fair and based on accurate property assessments; and

WHEREAS, under current law, all property subject to assessment must be assessed at its fair market value as of the county’s most recent reassessment base year, and the County bears responsibility for ensuring assessed values reflect that standard; and

WHEREAS, Delawareans deserve government officials' best efforts to promote fairness and accuracy at all levels of government in Delaware; and

WHEREAS, members of the General Assembly value and respect the voices of constituents who have taken the time and effort to share their experiences, knowledge, and ideas to help identify problems in the property reassessment process and to suggest practical solutions.

NOW, THEREFORE:

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

Section 1. Amend Chapter 83, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8345. Quality-control mechanism for general property reassessments; New Castle County.

(a) Notwithstanding any other provision of the Code, to ensure the accuracy of a general reassessment, the Office of Finance for New Castle County may conduct a quality control review of a tax parcel's new assessed value from a general reassessment when any one of the following circumstances exist:

(1) A clerical, mathematical, or factual mistake occurred during the new general reassessment process.

(2) A non-residential tax parcel whose assessed value from the new general reassessment is at least $300,000 but decreased from its previous assessed value.

(3) A non-residential tax parcel's assessed value from the new general reassessment is at least $300,000 and the percentage change in its newly assessed value from its assessed value prior to the new general reassessment is no greater than 50% of the median increase of non-residential properties in that county from the new general reassessment.

(4) A non-residential tax parcel's assessed value from the new general reassessment is at least 25% less than the actual sale price from that parcel's most recent sale within the 5 years preceding the new general reassessment, whenever the actual sale price is determinable by public records.

(b) A quality control review of a tax parcel's assessed value must adhere to the standards of § 8306(a) of this title. After conducting a quality control review, the Office of Finance may make revisions and corrections to the parcel's assessed value from the new general reassessment.

(c) Any revisions and corrections made after a quality control review by the Office of Finance are subject to the notice and appeal requirements of §§ 8312 and 8321 of this title.

(d) Any revisions and corrections made by the Office of Finance under this section must be made no later than September 30, 2026.

(e) Notwithstanding the provisions of § 8601(1) of this title, all taxes assessed and levied subject to this section shall be due and payable on October 12, 2026. Notwithstanding the requirements of § 8602(b) of this title, New Castle County shall mail to all taxables in the county a statement of their taxes collectible by New Castle County, including school taxes, no later than November 16, 2026, and the due date for said taxes shall be December 31, 2026.

(f) Notwithstanding the provisions of § 8604(a)(1) of this title, the tax collecting authority of New Castle County shall, after January 1, 2027, add thereto a penalty of 6 percent of the current charge and 1 percent of the unpaid principal balance as of the first day of every month thereafter until the same shall be paid. Penalty shall accrue at the same rate on

any supplemental tax bill issued pursuant to § 8340 of this title, beginning on the first day of the third month from the date upon which the tax liability became due and payable.

(g) For purposes of this section, any subpoena of records issued by the Office of Finance is subject to § 8304A of this title.

(h) This section does not create any private cause action to force, mandate, or otherwise require the Office of Finance conduct a quality control review upon any specific parcel.

(i) This section is not a limitation on the power of New Castle County to perform quality control and make revisions and corrections relating to the assessed value of any tax parcel or parcels in its jurisdiction. In addition to the categories set forth in subsection (a) of this section, New Castle County may identify additional categories of tax parcels for quality control review where it appears that an error or mistake in valuation may have occurred.

Section 2. Amend Chapter 19, 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.

(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.

(e) Notwithstanding the provisions of subsection (d) of this section, the school board of any district within New Castle County shall, no later than October 22, 2026, 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. In the event a school district within New Castle County experiences a shortfall of local school funds as a result of this subsection for the 2026-2027 school tax year, the school district may request, and the State shall advance, monies from State Division I funds.

Section 3. This Act expires on March 31, 2027, unless otherwise provided by a subsequent act of the General Assembly.