



SPONSOR: Rep. Stone & Sen. Cook;
Reps. Buckworth, Ennis, Outten, Thornburg, Wagner; Sens. Bonini,
Still

HOUSE OF REPRESENTATIVES

143rd GENERAL ASSEMBLY

HOUSE BILL NO. 76

AN ACT TO AMEND TITLE 9 OF THE DELAWARE CODE RELATING TO LIMITATIONS UPON TAXING POWER.

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

Section 1. Amend Subchapter I, Chapter 81, Title 9 of the Delaware Code by adding thereto a new section to read:

"§8111. Proration of yearly taxes when property in Kent County is transferred to an exempt entity.

(a) When real property in Kent County that is not exempt from taxes is transferred to an entity which is eligible for tax exemption pursuant to §8105 or §8106 of this title, tax is due and owing for the property for the tax year in which the transfer takes place, but only for the portion of the year, on a prorated basis, during which the property was owned by the nonexempt transferor. Proration is permitted only if the property is approved for exemption by the Kent County exemption application process. Proration pursuant to this section is permitted, notwithstanding the provisions of §8313 and §8601 of this title.

(b) A proration under subsection (a) of this section is determined by dividing the total amount of property tax for the tax year in question by 365 and by multiplying the resulting number by the number of days in the tax year that the nonexempt transferor owned the property.

(c) If real property is transferred to an exempt transferee by a nonexempt transferor and the nonexempt transferor paid the taxes due for the property for the tax year of the transfer prior to the transfer, the nonexempt transferor may apply for a refund based on a proration pursuant to subsections (a) and (b) of this section of the taxes paid which are designated as County taxes, but not of the taxes paid which are designated as school taxes. If the refund application is approved, the county shall refund the proper amount to the nonexempt transferor."

Section 2. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and, to that end, the provisions of this Act are declared to be severable.

SYNOPSIS

This bill provides that when real property in Kent County that is not exempt from property taxes is transferred to an entity that is eligible for property tax exemption, only the transferor's prorated portion of the yearly tax bill is owed to the county. The bill also provides for a partial refund if the nonexempt transferor paid the yearly tax bill prior to the transfer.