



150th GENERAL ASSEMBLY
FISCAL NOTE

BILL: HOUSE BILL NO. 37
SPONSOR: Representative Ramone
DESCRIPTION: AN ACT TO AMEND VOLUME 81, CHAPTER 58, SECTION 97 OF THE LAWS OF DELAWARE RELATING TO THE SENIOR REAL PROPERTY TAX CREDIT.

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. This Act indicates implementation to begin in Fiscal Year 2019, which ended on June 30, 2019. This Act does not specify retroactive payment applicability to the State, so costs are assumed to begin in Fiscal Year 2021.
3. This Act changes the maximum allowable school property tax credit for eligible homeowners age 65 or over (senior property tax credit) to be the lesser of 50% of the tax, or \$500, up from the current maximum of \$400.
4. Per data collected by the Department of Finance, there are approximately 67,320 property owners currently participating in the senior property tax credit. The statewide average senior property tax credit received is \$332.34, which is below the current maximum.
5. In accordance with 14 Del. C. § 1919 and 29 Del. C. § 6102 (q), the State provides allocations from the Elderly Property Tax Relief and Education Expense Fund to school districts who would otherwise have collected school property taxes without the senior property tax credit.
6. The total estimated allocation to school districts from the Elderly Property Tax Relief and Education Expense Fund in Fiscal Year 2021 is \$24,500,000. Upon implementation of this Act, this allocation is estimated to increase by \$4,100,000.
7. Costs are assumed to increase at a rate of 4% annually to reflect historical growth trends.

Cost:

Fiscal Year 2021: \$4,100,000
Fiscal Year 2022: \$4,264,000
Fiscal Year 2023: \$4,436,000

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Office of the Controller General