



151st GENERAL ASSEMBLY
FISCAL NOTE

BILL: HOUSE BILL NO. 287
SPONSOR: Representative Hensley
DESCRIPTION: AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE ELDERLY PROPERTY TAX RELIEF AND EDUCATION EXPENSE FUND BY INCREASING THE ELDERLY PROPERTY TAX CREDIT.

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. This Act increases the current maximum property tax credit for homeowners aged 65 or over authorized in 29 Del. C. §6102 (q)(3) and 14 Del. C. §1917 (c), ("senior property tax credit"), to the lesser of 50% of the school tax levied or \$750.
3. Currently, Section 66 of the Fiscal Year 2022 Budget Act (83 Del. Laws c.54) limits the senior property tax credit to the lesser of 50% of the school tax levied on a principal residence or \$400.
4. Per the Department of Finance, there were 70,373 recipients of the senior property tax credit in Fiscal Year 2021. Of these recipients, 34,070 were in New Castle County, 11,644 in Kent County, and 24,659 in Sussex County. The average credit provided in Fiscal Year 2021 was \$342.
5. The State reimburses local school districts for the cost of the senior property tax credits issued through an appropriation in the annual operating budget. For Fiscal Year 2022, this appropriation is \$24.1 million.
6. Costs are assumed to increase in future fiscal years at a rate of 4.7% per year, which is consistent with recent historical growth.

Cost:

Fiscal Year 2022: \$12.2 million
Fiscal Year 2023: \$12.7 million
Fiscal Year 2024: \$13.2 million

Prepared by Robert Scoglietti
Office of the Controller General