



SPONSOR: Sen. Townsend & Rep. Brady  
Sens. Bonini, Lavelle, Marshall; Reps. B. Short, M.  
Smith

DELAWARE STATE SENATE  
148th GENERAL ASSEMBLY

SENATE BILL NO. 186

AN ACT TO AMEND TITLE 14 AND TITLE 29 OF THE DELAWARE CODE RELATING TO SCHOOL TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fourths of all members elected to each house thereof concurring therein):

1           Section 1. Amend § 6102, Title 29 of the Delaware Code by making deletions as shown by strike through and  
2 insertions as shown by underline as follows:

3           § 6102. Composition of General Fund; Delaware Higher Education Loan Program Fund.

4           (w) A special fund of the State is created in the Department of Finance to be known as the "Disabled Veteran  
5 School Tax Refund Fund" to which shall be deposited \$3,000,000 received in any revenue source not otherwise committed  
6 to a special fund and from which shall be paid claims made under §§ 1917(d) and 1919(e) of Title 14. If such claims exceed  
7 \$3,000,000 during any fiscal year, the Secretary of Finance, with the approval of the Director of the Office of Management  
8 and Budget and the Controller General, may transfer moneys from the general contingency appropriation in the Department  
9 of Education to the Disabled Veteran School Tax Refund Fund in the amount of such reasonably foreseen additional  
10 claims. Any balance remaining in the Disabled Veteran School Tax Refund Fund at the conclusion of a fiscal year shall  
11 revert to the General Fund.

12           Section 2. Amend § 1917, Title 14 of the Delaware Code by making deletions as shown by strike through and  
13 insertions as shown by underline as follows:

14           § 1917. Collection and deposit of school taxes.

15           (a) The receiver of taxes and county treasurer shall collect school taxes in the same manner and at the same time as  
16 provided by law for the collection of taxes for other purposes, and, except as provided in ~~subsection (e)~~ subsections (c) and  
17 (d) of this section, shall allow no abatement or discount upon any taxes levied for school purposes required to be collected  
18 by them. The Receiver of Taxes and County Treasurer for New Castle County only shall, after September 1 in the year in  
19 which the tax rolls shall be delivered to them, assess a penalty of 5% to taxes which are due and owing but unpaid, and  
20 shall each month thereafter add to such unpaid taxes a penalty of 1% per month until the same shall be paid. The Receiver

21 of Taxes of Kent and Sussex Counties only shall, after September 30 in the year in which the tax rolls shall be delivered to  
22 them, assess a penalty of 1% per month until the same shall be paid.

23 (d)(1) The receiver of taxes and county treasurer of each county shall use funds appropriated to the Disabled  
24 Veteran School Tax Refund Fund under § 6102(w) of Title 29 and provided to the receiver of taxes and county treasurer  
25 under § 1919(e) of this title to provide to a qualified individual a refund against taxation imposed under this chapter on the  
26 valuation of any qualified property.

27 (2) An individual is a “qualified individual” under this subsection if all of the following are met:

28 a. The individual is, regardless of age, determined by the United States Department of Veterans Affairs to  
29 be a disabled veteran as of June 30 immediately prior to the beginning of the county fiscal year.

30 b. The individual has a disability rating as determined by the United State Department of Veterans Affairs  
31 as of June 30 immediately prior to the beginning of the county fiscal year.

32 c. The individual owns a qualified property. For the purposes of this subsection, “qualified property”  
33 means property owned and occupied as a dwelling by and as the individual’s principal residence.

34 d. The individual is legally domiciled in this State. For the purposes of determining domicile under this  
35 subsection, mere seasonal or temporary residence within the State, of whatever duration, does not constitute  
36 domicile, and an individual’s absence from this State for a period of 12 months is prima facie evidence of  
37 abandonment of domicile in this State. The individual bears the burden of establishing that the individual is legally  
38 domiciled within this State.

39 (3) The maximum refund available to a qualified individual under this subsection is as follows:

40 a. \$200 for a qualified individual with a disability rating of 10% to 20%.

41 b. \$350 for a qualified individual with a disability rating of 30% to 50%.

42 c. \$500 for a qualified individual with a disability rating equal to or greater than 60%.

43 (4) If a qualified individual is eligible to receive a refund under this subsection and to receive a credit under  
44 subsection (c) of this section, the individual may receive the greater of either the refund or the credit, but not both.

45 (5) A qualified individual must file a written application to receive a refund against taxation on the valuation  
46 of a qualified property under this subsection. A qualified individual must file the application with, and it must be  
47 received by, the receiver of taxes or the county treasurer for the county in which the qualified individual resides no  
48 later than April 30 immediately prior to the beginning of that tax year.

49           (6) The Secretary of Finance, in consultation with the receiver of taxes and county treasurer of each county,  
50 shall develop the application required under paragraph (d)(5) of this section. The receiver of taxes and county treasurer  
51 of each county shall make the application available to the public.

52           (7)a. Nothing in this subsection precludes more than 1 qualified individual, whether holding title in common  
53 or joint tenancy, from claiming a refund against the property so held.

54           b. Notwithstanding paragraph (d)(7)a. of this section, no more than the equivalent of 1 full refund in  
55 regard to a qualified property may be allowed in any year.

56           c. If the qualified individuals cannot agree as to the apportionment of a refund under this subsection, the  
57 refund shall be apportioned between or among them in proportion to their interests.

58           d. Qualified property held by spouses as tenants by the entirety shall be deemed wholly owned by each  
59 spouse, but not more than 1 refund in regard to such property shall be allowed in any year.

60           (8)a. A qualified individual may claim a refund under this subsection for qualified property, the title to which  
61 is held by a partnership, to the extent of the qualified individual's interest as a partner in the property.

62           b. A guardian, trustee, committee, conservator, or other fiduciary for any individual who would otherwise  
63 be entitled to claim a refund under this subsection may claim a refund under this section for the qualified  
64 individual.

65           c. Qualified property held by a corporation is not eligible for a refund under this subsection.

66           (9)a. A qualified individual may not claim a refund for a subsequent tax year if the qualified individual fails to  
67 pay in full his or her property tax bill by the end of the tax year for which a refund is reported for that qualified  
68 individual to the Secretary of Finance by the receiver of taxes and county treasurer.

69           b. A qualified individual prohibited from claiming a refund for a subsequent tax year under paragraph  
70 (d)(9)a. of this section may claim a refund for a subsequent tax year if the qualified individual pays his or her  
71 property taxes, and any penalties owed, in full prior to the beginning of the subsequent tax year.

72           (10) The Secretary of Finance may, in consultation with the receiver of taxes and county treasurer of each  
73 county, promulgate such regulations and prescribe such forms as the Secretary determines is necessary to implement  
74 this subsection. The Secretary may require that any application or other writing required to be filed with respect to the  
75 refund allowed under this subsection be signed by the maker of such application or writing under oath or affirmation,  
76 subject to the penalties of perjury.

77           (11) An individual may appeal from the disposition of a claim for a refund under this subsection in the manner  
78 as provided for appeals from property tax assessments under § 8312 of Title 9.

79           (12) If the Secretary of Finance determines that a qualified individual has claimed a refund in disregard of the  
80           conditions under which such claims may be made and that the Secretary has authorized payment under this subsection,  
81           the Secretary may assess such qualified individual for the amount of the refund and, unless it is shown that such  
82           disregard is due to reasonable cause and not due to wilful neglect, with a penalty of 20% of the refund claimed along  
83           with interest at 1% for any month or fraction of a month commencing on the date on which the claim for refund was  
84           filed.

85           Section 3. Amend § 1919, Title 14 of the Delaware Code by making deletions as shown by strike through and  
86           insertions as shown by underline as follows:

87           § 1919. Report of school tax collections and payment of collected taxes.

88           (e)(1) Each receiver of taxes and county treasurer shall report to the Secretary of Finance the amount of refunds  
89           allowed under § 1917(d) of this title for the tax year within 90 days of the date of any property tax billing.

90           (2) Each report required under paragraph (e)(1) of this section shall contain such further information and be in  
91           such form as the Secretary of Finance shall prescribe.

92           (3) No later than 30 days following receipt of a report required under paragraph (e)(1) of this section, the Secretary  
93           of Finance shall pay over to the receiver of taxes and county treasurer for each county an amount from the Disabled Veteran  
94           School Tax Refund Fund, established under § 6102(w) of Title 29, equal to the refunds allowed under § 1917(d) of this  
95           title.

96           (4) The Secretary of Finance may promulgate such regulations and prescribe such forms and reports as the  
97           Secretary of Finance shall deem necessary to implement this subsection.

98           Section 4. This Act is effective for tax years beginning on or after April 30, 2016.

#### SYNOPSIS

This Act creates a Disabled Veteran School Tax Refund Fund to provide property tax refunds of up to \$500 to individuals who are disabled veterans of the United States Armed Forces with a disability rating as determined by the United States Department of Veterans Affairs.

This Act provides that an individual eligible for a refund under this Act and a credit based on being over 65 years of age may receive only the greater of the refund or the credit, not both.

Author: Senator Townsend