



**152nd GENERAL ASSEMBLY
REVISED FISCAL NOTE**

BILL:	HOUSE BILL NO. 30
SPONSOR:	Representative Bush
DESCRIPTION:	AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO THE DISABLED VETERAN PROPERTY TAX CREDIT.

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. This Act removes the 3-year residency requirement to qualify for the disabled veteran property tax credit.
3. There are 711 disabled veteran homeowners who have received this credit since its inception. Of this amount, 242 recipients are in New Castle County, 307 are in Kent County, and 162 are in Sussex County. The average actual credit received is \$2,204.30 in New Castle County, \$1,187.32 in Kent County, and \$999.05 in Sussex County.
4. As of January 2019, there were approximately 2,270 disabled veterans living in Delaware with a 100% disability rating. Specifically, it is estimated that there are 987 in New Castle County, 767 in Kent County, and 516 in Sussex County. This figure shows a growth of approximately 14% annually, or 279 more eligible disabled veterans than the 1,991 eligible disabled veterans living in Delaware in 2018. (Source: National Center for Veterans Analysis & Statistics' January 2019 & 2021 report on VA Disability Compensation Recipients.) For purposes of this analysis, it is assumed that the 14% annual growth of eligible disabled veterans will continue.
5. Current utilization of the disabled veteran property tax credit indicates a homeownership rate of approximately 36% among the overall eligible population. The United States Department of Veterans Affairs estimates that 75% of all veterans own a home. It is assumed that because this credit is relatively new, the actual homeownership rate will fall between 36% - 75%. Based on this information, both homeownership rates are included in the potential impact calculations.
6. For this analysis, because actual data is still a relatively low sample of the overall population, calculations were performed utilizing current property assessment figures. Upon completion of statewide property reassessments, future year fiscal impacts may vary.
7. Upon enactment, school districts may authorize a disabled veteran property tax credit regardless of the length of residency. Using median home values (per the 2017-2021 Median Value of Owner-Occupied Housing Units, U.S. Census Bureau), average assessment ratios, and average school property tax rates by county, the average additional residential school property tax impacts are as follows:

County	Average Residential School Property Tax	Eligible Veteran Homeowners		Total School Property Tax Impact Potential	
		36%	75%	36%	75%
New Castle	\$1,644.72	84	175	\$138,184.42	\$287,884.20
Kent	\$803.90	65	136	\$52,486.47	\$109,346.80
Sussex	\$854.24	44	92	\$37,521.44	\$78,169.68
Totals:		193	403	\$228,192.33	\$475,400.68

8. Upon enactment, vocational and technical (“vo-tech”) school districts may authorize a disabled veteran property tax credit regardless of the length of residency. Using median home values (per the 2017-2021 Median Value of Owner-Occupied Housing Units, U.S. Census Bureau), average assessment ratios, and average school property tax rates by county, the average additional residential vo-tech property tax impacts are as follows:

County	Average Residential School Property Tax	Eligible Veteran Homeowners		Total School Property Tax Impact Potential	
		36%	75%	36%	75%
New Castle	\$132.12	84	175	\$11,100.32	\$23,125.68
Kent	\$99.30	65	136	\$6,483.28	\$13,506.83
Sussex	\$70.82	44	92	\$3,110.68	\$6,480.59
Totals:		193	403	\$20,694.28	\$43,113.09

9. Upon enactment, it is assumed that school districts who authorize a disabled veteran property tax credit will be reimbursed through the state Veterans Tax relief Education Expense Fund.
10. The capacity to handle the additional projected costs exists within the current appropriation.

Cost:

Fiscal Year 2024: \$248,886.61 - \$518,513.77
Fiscal Year 2025: \$283,730.73 - \$591,105.70
Fiscal Year 2026: \$323,453.04 - \$673,860.49

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