SPONSOR: Rep. Carson & Sen. Bushweller & Sen. Ennis
Reps. Bennett, Outten, Spiegelman, Yearick; Sen. Lawson

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. 117
AS AMENDED BY
HOUSE AMENDMENT NO. 1

AN ACT TO AMEND CHAPTER 17, TITLE 22 OF THE DELAWARE CODE RELATING TO MUNICIPAL TAX INCREMENT FINANCING.

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

Section 1. Amend § 1702, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1702. Definitions.

(k) "Issuing Body" or "issuing body" means a municipality (other than the municipality issuing bonds under this Chapter or Chapter 18 of this title), county or other political subdivision, department or agency of the State when it acts to issue a bond, a note, or other similar instrument.

(l) "Municipality' or "municipality" means any town or city located in the State with a population in excess of ~~50,000~~ 35,000 people.

~~(l)~~(m) "Original assessed value" means the assessed value as of January 1 of that year preceding the effective date of the resolution creating the TIF District under § 1706 of this title.

(n) "Other Obligations" or "Other Obligation" means a bond, a note, or other similar instrument issued by an issuing body for any of the purposes stated in § 1705 of this title.

~~(m)~~(o) "Tax increment" means for any tax year the amount by which the assessed value as of January 1 preceding that tax year exceeds the original assessed value.

~~(n)~~(p) "Tax year" means the fiscal year for the municipality.

~~(o)~~(q) "TIF" District" means an area designated by a resolution described in § 1706(1) of this title.

Section 2. Amend § 1708, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 1708. Uses of special fund; issuance of general obligation bond.

(a) Uses of special fund when no bonds outstanding. – When no bonds authorized by this chapter are outstanding with respect to a TIF District and the governing body of the municipality so determines, moneys in the special fund for that TIF District created pursuant to § 1707 of this title may be:

(4) Used to pay or to reimburse an issuing body for debt service which the municipality is obligated to pay (whether such obligation is general or limited) on Other Obligations under an agreement described in subsection (b) of this section; or

~~(4)~~(5) Paid to the municipality to provide funds to be used for any legal purpose as may be determined by the municipality.

(b) Pledge agreement. – The municipality may pledge, by written agreement, that amounts deposited to the special fund created for the TIF District pursuant to § 1707 of this title shall be paid over to secure the payment, or reimbursement of a payment, of debt service on Other Obligations. Such agreement shall be between the municipality and the issuing body, and shall run to the benefit of and be enforceable on behalf of any holder, of such Other Obligations.

~~(b)~~(c) Restrictions on use of special funds. – When any bonds authorized by this chapter are outstanding with respect to a TIF District and the governing body of the municipality so determines, moneys in the special fund for that TIF District created pursuant to § 1707 of this title may be used as provided in subsection (a) or (b) of this section in any fiscal year by the municipality, but only to the extent that:

Section 3. Amend Chapter 17, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1708A. Pledge of revenue from taxes on tax increment into other fund.

The municipality may pledge, by written agreement, that some or all of its property taxes levied on the tax increment shall be paid into a special fund created by an issuing body for the payment or reimbursement of the debt service on Other Obligations. Such agreement shall be between the municipality and such issuing body and shall run to the benefit of and be enforceable on behalf of any holder of such Other Obligations.

Section 4. Amend Chapter 17, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1716. Special Provision Applicable to the City of Dover, Delaware.

Any ordinance, resolution, or other law enacted by the City of Dover, Delaware under the provisions of this chapter may not pledge the full faith and credit of the City of Dover towards the payment of any bonds authorized by this chapter.

Section 5. This Act shall become effective upon its enactment into law.