153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 246**
SPONSOR:	**Representative Shupe**
DESCRIPTION:	**AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO LIMITATION ON PUBLIC SCHOOLS' TAX RATE AFTER GENERAL REASSESSMENT.**

Assumptions:

1. This Act becomes effective upon signature of the Governor and shall be retroactive to July 1, 2025.

2. This Act reduces the amount school districts may increase local revenue through rate changes from 10% to 2% annually over five years, effective for all rates after July 1, 2025.

3. Estimated loss of local revenue was compiled by projected revenue increases provided by each school district. Rate increases from July 1, 2025, and earlier were excluded, as well as rate increases that were approved by a voter referendum. A table of all school districts with rate increases after July 1, 2025, are shown below.

School District	Planned Revenue Increase	2% Limit for Annual Increase	Local School Revenue Loss		
			2026	2027	2028
Appoquinimink	$ 5,000,000	$ 1,000,000	$ 4,000,000	$ 3,000,000	$ 2,000,000
Capital	$ 1,424,000	$ 284,800	$ 1,139,200	$ 854,400	$ 569,600
Christina	$ 18,200,000	$ 3,640,000	$ 14,560,000	$ 10,920,000	$ 7,280,000
Colonial	$ 5,373,448	$ 1,535,271	$ 3,838,177	$ 2,302,906	$ 767,635
Delmar	$ 99,664	$ 24,916	$ 74,748	$ 49,832	$ 24,916
Indian River	$ 4,675,625	$ 935,125	$ 3,740,500	$ 2,805,375	$ 1,870,250
Laurel	$ 211,000	$ 42,200	$ 168,800	$ 126,600	$ 84,400
Milford	$ 617,000	$ 123,400	$ 493,600	$ 370,200	$ 246,800
Polytech	$ 564,000	$ 115,102	$ 448,898	$ 333,796	$ 218,694
Seaford	$ 625,433	$ 125,087	$ 500,346	$ 375,260	$ 250,173
Smyrna	$ 623,711	$ 623,711	$ -	$ -	$ -
Woodbridge	$ 365,000	$ 73,000	$ 292,000	$ 219,000	$ 146,000
Total	**$ 37,778,881**	**$ 8,522,612**	**$ 29,256,270**	**$ 21,357,369**	**$ 13,458,469**

4. As the Act does not permit new rates to provide any revenue growth, the estimate may include amounts that would have occurred from annual revenue growth prior to the rate change.

5. As no county will undergo a new assessment within the three years of this fiscal note, a 2% annual increase until the target revenue increase has been met can be assumed for fiscal years 2026-2028.

Cost:

	Local School Revenue Loss
Fiscal Year 2026:	$ 29,256,270
Fiscal Year 2027:	$ 21,357,369
Fiscal Year 2028:	$ 13,458,469

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