

## **Senate Executive Committee**

152<sup>nd</sup> General Assembly  
Wednesday, June 26, 2024  
Senate Chamber/ Virtual Meeting  
1:05 pm - 3:06 pm

### **Committee Members Present:**

Senator Bryan Townsend  
Senator Sarah McBride  
Senator Marie L. Pinkney  
Senator S. Elizabeth Lockman  
Senator Gerald W. Hocker  
Senator David P. Sokola

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[Elizabeth.Lockman@delaware.gov](mailto:Elizabeth.Lockman@delaware.gov)  
[Gerald.Hocker@delaware.gov](mailto:Gerald.Hocker@delaware.gov)  
[David.Sokola@delaware.gov](mailto:David.Sokola@delaware.gov)

### **Committee Members Absent:**

Senator Brian Pettyjohn

[Brian.Pettyjohn@delaware.gov](mailto:Brian.Pettyjohn@delaware.gov)

### **Other Legislators Present:**

Senator Russell Huxtable  
Senator Kyle Evans Gay  
Senator Kyra L. Hoffner  
Senator John “Jack” Walsh  
Senator Spiros Mantzavinos  
Senator Nicole Poore  
Representative Kimberly Williams

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### **Senate Staff:**

Valerie McCartan  
Charline Ganthier-Cine  
Kiki Evinger  
Carolyn Martin-Pettaway  
Brandon Williams

*All public registrants, both in-person and virtual are listed in the Appendix A.*

## **Agenda:**

- I. Nominations**
- II. HB 385**
- III. HB 430**
- IV. HB 410**
- V. HB 330 w/ HA 1**
- VI. HB 428**
- VII. HB 423**
- VIII. HB 444**
- IX. HB 433**
- X. HS 1 for HB 147**
- XI. HB 439 w/ HA 1, HA 2**
- XII. HB 440**
- XIII. HB 264**
- XIV. HS 2 for HB 168 w/ HA 1**

## **Introduction**

Senator Sokola commenced the meeting at 1:05 p.m. and reviewed the hybrid meeting protocol. He explained the meeting structure, and the order in which comments would be taken from the committee members and the members of the public. He proceeded to conduct a roll call and noted Senator Pettyjohn was absent; Sen. Sarah McBride was marked present at 1:08 p.m.

### **I. Nominations**

The Committee considered Gubernatorial nominations from 1:08 p.m. to 1:20 p.m., at which time the Committee then moved to the legislative portion of the agenda.

### **II. House Bill 385 (Longhurst) AN ACT TO AMEND TITLE 4, TITLE 5, TITLE 6, TITLE 7, TITLE 9, TITLE 10, TITLE 11, TITLE 14, TITLE 16, TITLE 18, TITLE 19, TITLE 21, TITLE 24, TITLE 26, TITLE 29, AND TITLE 30 OF THE DELAWARE CODE RELATING TO TECHNICAL CORRECTIONS.**

*Synopsis: Throughout 2023, the Code Revisors provided the General Assembly with potential technical corrections for the Delaware Code, reflecting legislation enacted by the 152nd General Assembly or identified during reviews of code titles. While technical, these changes require legislative action. The Act also includes other technical corrections and mandates a greater than majority vote for passage to ensure compliance*

*with the Delaware Constitution. The Act aligns existing laws with the Delaware Legislative Drafting Manual and makes numerous specific corrections across various titles, addressing errors ranging from stylistic issues to substantive misinterpretations, ensuring clarity and consistency in the legal code.*

Senator Sokola introduced the bill and asked questions from the Committee.

Senator Sokola, seeing no comments or questions from members of the Committee, welcomed any public comment.

Senator Sokola, seeing no in-person or virtual public comment, concluded consideration of HB 385.

**HB 385 was reported Out of Committee: 0 Favorable; 5 On Its Merits; 0 Unfavorable**

### **III. House Bill 430 (Longhurst) AN ACT PROPOSING AMENDMENTS TO THE DELAWARE.**

*Synopsis: This Act initiates an amendment to the Delaware Constitution to make technical corrections and ensure gender-neutral language. It follows Senate Bill No. 97, directing the use of gender-neutral techniques to avoid confusion from gender-specific pronouns. Additionally, it officially authorizes section headings, removes section numbers, uses the Oxford comma consistently, standardizes hierarchy, naming, and citations, corrects misspellings and misused words, and makes other specific technical corrections. The amendment requires a two-thirds majority vote in both houses of the General Assembly and must be passed again after the next general election.*

Senator Sokola introduced the bill and asked if there were any questions from the Committee.

Senator Sokola, seeing no comments or questions from members of the Committee, welcomed any public comment.

Senator Sokola, seeing no in-person or virtual public comment, concluded consideration of HB 430.

**HB 430 was reported Out of Committee: 0 Favorable; 5 On Its Merits; 0 Unfavorable**

### **IV. House Bill 410 (Longhurst) AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO ESTABLISHING THE LEGISLATIVE HALL ART AND STORY ADVISORY COMMISSION.**

*Synopsis: Section 1 of this Act establishes the Legislative Hall Art and History Advisory Commission ("Commission"). The Commission is established to advise and make recommendations to Legislative Council regarding art, monuments, and historical exhibits to be displayed in Legislative Hall or on the grounds of Legislative Hall. Section 2 of this Act ensures that the Commission's meetings are open to the public.*

Senator Sokola introduced the bill and welcomed any questions or comments from the Committee.

Senator Sokola, seeing no comments or questions from members of the Committee, welcomed any public comment.

Valerie McCartan detailed the procedures for public comment, and she noted that members of the public would be limited to one minute to provide public comment due to the length of the agenda.

Senator Sokola, seeing no in-person or virtual public comment, concluded discussion on HB 410.

**HB 410 was reported Out of Committee: 5 Favorable; 1 On Its Merits; 0 Unfavorable**

**V. House Bill 330 (Baumbach) with House Amendment 1 AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO APPROPRIATIONS FOR RETIREE HEALTH INSURANCE.**

*Synopsis: This Act increases the amount of the annual appropriation to prefund future State employee retiree health insurance as recommended by the Retiree Healthcare Benefits Advisory Subcommittee of the State Employee Benefits Committee. Like other required contributions to the Other Post-Employment Benefits Fund (OPEB) Fund, this appropriation must be included in the review of and plan for proposed expenditures that the Director of the Office of Management and Budget submits to the Governor and in the Governor's Budget Appropriation Bill. This Act also revises existing law to allow the current practice of making the annual payment to the OPEB Fund of 1% of the operating budget appropriations for the prior fiscal year in a Supplementary Appropriation Bill and makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.*

Senator Sokola invited Sen. Townsend to speak about HB 330.

Sen. Townsend said HB 330 takes a step to ensure we are funding our OPEB Fund in the way we need to fund it.

Sen. Sokola asked if there were questions from the Committee and seeing none, welcomed any public comment.

Elisa Diller, RISE Delaware Board, voiced her support for the bill.

Rick Geisenberger, Secretary of Finance, thanked Senator Townsend for his efforts on the bill and other related pieces of legislation.

Taylor Hawk, Delaware State Education Association, voiced her organization's support the bill and commended the legislators for their work.

Senator Sokola concluded the discussion on HB 330.

**HB 330 w/ HA 1 was reported Assigned to Finance Committee in Senate: 0 Favorable; 6 On Its Merits; 0 Unfavorable**

## **VI. House Bill 428 (Minor-Brown) AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO STATE PROCUREMENT.**

*Synopsis: This Act corrects, clarifies, and amends Title 29, Chapter 69 which articulates state procurement guidelines and procedures. The changes to the chapter realign some responsibilities from the Director of the Office of Management and Budget to the Director of the Section of Government Support Services (Section) within the Office of Management and Budget. Additional chapter amendments include the addition of processes to Subchapter VI, Professional Services, and authorizes the Section to lead some mandatory use Professional Services contracting efforts. The Professional Services changes made are like the processes and procedures as identified in other subchapters of Chapter 69. The changes will not impact the vendor community.*

Senator Sokola invited Sen. Townsend to speak about HB 428.

Sen. Townsend invited Peter Korolyk, Director of Government Support Services from the Office of Management and Budget (OMB), to describe the legislation.

Peter Korolyk, Director of Government Support Services for OMB. His section is in charge of central contracting for the State. He said HB 428 corrects issues that otherwise redirects authority from the Director of OMB to the Director of the section as it relates to cooperative use contracts. This bill includes technical corrections to professional services contracts. However, there is no inclusion of procedures in this bill that otherwise create additional work, barriers, or cost to agencies in the execution of doing professional services for the state.

Senator Sokola, seeing no questions or comments from the Committee, welcomed any public comment.

Senator Sokola, seeing no members of the public wishing to provide public comment, concluded discussion on HB 428.

**HB 428 was reported Out of Committee: 0 Favorable; 6 On Its Merits; 0 Unfavorable**

**VII. House Bill 423 (Schwartzkopf) AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO FARM WINERIES.**

*Synopsis: This Act permits a farm winery to apply for a license for use of a portion of the farm winery premises as a restaurant.*

Sen. Sokola invited Senator Huxtable to speak about the bill.

Sen. Huxtable said we allow farm winery licenses and this extends their ability to operate not just as a caterer but also to have an on-site restaurant.

Senator Sokola, seeing no questions or comments from the Committee, welcomed any public comment.

Senator Sokola, seeing no members of the public wishing to provide public comment, concluded discussion on HB 423.

**HB 423 was reported Out of Committee: 0 Favorable; 6 On Its Merits; 0 Unfavorable**

**VIII. House Bill 444 (Schwartzkopf) AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE COCKTAIL.**

*Synopsis: This Act designates the Orange Crush as the State cocktail.*

Sen. Sokola invited Senator Huxtable to speak about HB 444.

Sen. Huxtable said designates the official state cocktail as the Orange Crush.

Senator Sokola, seeing no questions from the Committee, welcomed any public comment.

Sherry Long voiced her husband's support for the bill.

**HB 444 was reported Out of Committee: 0 Favorable; 6 On Its Merits; 0 Unfavorable**

**IX. House Bill 433 (Osienski) AN ACT TO AMEND TITLE 19 OF THE DELAWARE CODE RELATING TO UNEMPLOYMENT COMPENSATION.**

*Synopsis: This Act revises the experience rating methodology for assigning unemployment assessment rates to employers under the Unemployment Insurance Code in Delaware, replacing the current benefit wage ratio methodology with the benefit ratio methodology used by 19 other states. The new methodology is meant to be more responsive to changes in the economy over time, to better sustain the solvency of the Unemployment Trust Fund, and to be easier to administer. The unemployment assessment rate for an employer under this new methodology would be calculated by combining a benefit ratio assessment, an employer size add-on, and an employer industry add-on. The supplemental tax for operations and technology costs that is already included in the Unemployment Code would continue to be added to each employer's overall assessment rate. This bill also reduces new employer unemployment assessment rates and phases in a permanent taxable wage base over three years- \$12,500 for calendar year 2025, \$14,500 for calendar year 2026, and \$16,500 for calendar year 2027 and thereafter. The new methodology would be in effect beginning calendar year 2027. Until the effective date of that new tax rate structure, this Act would also provide temporary relief to employers who pay unemployment tax assessments in calendar year 2025 and 2026 by reducing new employer tax rates, simplifying tax rate schedules, reducing or holding constant overall employer tax rates, and reducing the maximum earned rate. This Act also makes technical corrections to existing Code to conform to the Legislative Drafting Manual and reinserts a historical provision that applied only to 2023.*

Sen. Sokola invited Sen. Walsh to speak about HB 433.

Senator Walsh said the bill was brought by the Department of Labor regarding the Unemployment Insurance tax methodology. They worked on it with business and labor stakeholders. This legislation addresses system updates for certain outdated criteria. It is also the desired simplification for the Department to administer as well as employers. The current tax table has 7,900 different rate employers that can be assigned, and this bill reduces that to 128 rates. This bill also increases the taxable wage base over a three year period and moves away from a variable taxable wage base. Compared to neighboring states, this bill maintains Delaware as the lowest UI taxes for employers and primes us to make additional changes to increase the minimum and maximum weekly benefits to make sure we are competitive with our neighbors.

Senator Sokola, seeing no questions from the Committee, welcomed any public comment.

Bob Byrd, Byrd Gomes, voiced support for HB 433. He explained that he is a member of the Unemployment Insurance Advisory Council and that the legislation is a compromise between all members of the Council.

Tyler Micik, Delaware State Chamber of Commerce, voiced his support for the bill due to the Governor's decision to use federal money to replenish the Unemployment Trust Fund, and how the changes will be easier for smaller businesses to understand.

Bryon Short, Delaware Contractors Association, voiced his organization's support for the bill. He characterized the bill as a much-needed modernization, and he thanked the Department for their outreach with his organization's members.

**HB 433 was reported Out of Committee: 0 Favorable; 6 On Its Merits; 0 Unfavorable**

**X. House Substitute 1 for House Bill 147 (Baumbach) AN ACT TO AMEND TITLE 12, TITLE 25, AND TITLE 30 OF THE DELAWARE CODE RELATING TO THE UNIFORM REAL PROPERTY TRANSFER ON DEATH ACT.**

*Synopsis: This Act, a substitute for House Bill No. 147, allows nonprobate transfer of real estate via a transfer on death (TOD) deed, enabling owners to designate a beneficiary who will receive the property automatically upon the owner's death without probate. The beneficiary has no interest in the property during the owner's lifetime. This Act adopts the Uniform Real Property Transfer on Death Act, already enacted in 18 states and pending in 3 more. It differs from House Bill No. 147 by clarifying that a TOD deed supersedes conflicting will instructions, integrating forms into digital databases, allowing Registers of Wills to adopt notification forms, authorizing filing of death certificates, and ensuring TOD deed properties are excluded from probate inventories. It takes effect 90 days after enactment and includes technical corrections for legislative clarity.*

Senator Sokola invited Senator Gay to present HS 1 for HB 147.

Senator Gay introduced the bill and added that it provides a mechanism for the non-probate transfer of real estate. She explained that this would be done by permitting an owner of, or an owner of an interest in, real estate to execute and record a transfer on death (TOD) deed by designating a beneficiary who will automatically receive the real estate on the owner's death without a probate procedure during the owner's lifetime. She stressed that the owner retains full power to transfer or encumber the real estate or revoke the TOD deed. She noted that the bill had passed unanimously in the House, and that the bill adopts a recommendation from the Uniform Law Commission. She called Mike Kozikowski as a witness.

Mike Kozikowski, New Castle County Recorder of Deeds, shared the backstory that prompted the bill, and the process in which it was developed. He noted that when the process began only 24 percent of states had similar statutes, and that 64 percent now have similar statutes. He voiced his support for the bill.



Senator Gay asked for Gene Thornton to come forward as a witness.

Gene Thornton, Kent County Recorder of Deeds, noted the challenges that Delawareans face in passing property to their loved ones after death. She stressed that the TOD deed is a simple and cost-effective means to pass on property that would save time, money, and effort. She noted existing practices in the state for bank accounts, annuities, and other assets, and how current practices to address transfer of property can have unintended and often negative consequences. She stated that there is broad support for TOD deeds, and she thanked the Committee.

Senator Gay requested that Mark Cutrona speak to concerns that have been expressed that the bill could lead to fraud.

Mark Cutrona, Director of the Division of Research, stated that the widespread and ongoing adoption of the law throughout the country since it was first enacted in 1989 is evidence that the law does not cause significant amounts of fraud. He clarified that the bill would offer the same protections to elderly and vulnerable homeowners as through the probate and probate alternative process.

Senator Gay requested that Mr. Cutrona speak to potential concerns related to the constitutionality of the bill.

Mark Cutrona explained that the basis of the concern is that the Register of Wills is a constitutional office. He stated that he did not believe that there is a good faith argument for this stance, and he noted that there are Delaware Court cases that state that the General Assembly is free to change the jurisdiction of the Registers office, and he noted the range of ways in which the state has changed the jurisdiction of the Registers office in other contexts.

Senator Gay concluded that there are communities that lack access to legal knowledge or to an attorney, and that the bill would benefit those who have traditionally lacked access to the legal means to protect their property and promote the accumulation of generational wealth.

Senator Sokola, seeing no questions from the Committee, welcomed any public comment.

Greg Fuller Sr., Sussex County Register of Wills, stated that he did not agree that the bill would benefit individuals with less means or minority communities. He stressed that Delaware has the best probate system in America, and that TOD deeds will limit access to justice and eliminate safeguards for the most vulnerable in the state. He stated that Delaware lacks several taxes, which he feels makes the bill unjustifiable, that the process to challenge a will would be more expensive, and that he was concerned about the potential for elderly and vulnerable homeowners to be exploited. He stressed that the bill would cause complications, and that all Registers of Wills were united against the bill.

Senator Hocker asked Mr. Fuller how the bill would affect Delaware's senior population.

Greg Fuller Sr. stated that there are many cases where seniors are being exploited, specifically by family members, and he thinks the bill will create another avenue for seniors to be financially exploited.

Senator Hocker asked how the bill will negatively affect the minority population.

Greg Fuller Sr. stated that he does not understand how the bill will benefit Delaware's minority populations. He stressed that Delaware has the best probate system in the country, and he stressed that the bill will not eliminate the probate process.

Senator Hocker asked if Mr. Fuller was a part of the meetings that led to the drafting of the legislation.

Greg Fuller Sr. stated that he was a part of an in-person meeting in August.

Senator Sokola stressed that there was no evidence of fraud in other states that have adopted similar legislation. He continued that the bill was introduced in 2023, and that the substitute was a result of input from stakeholders.

Gina Cook, New Castle County Chief Deputy Register of Wills, thanked the Committee. She expressed that she believed that, for the bill to work, the gatekeeper must be the Offices of the Register of Wills. She requested that the bill be tabled to allow for greater input from the Offices of the Register of Wills.

Italo Carrieri-Russo, Senior Director of Community Affairs for the New Castle County Register of Wills, voiced his concerns over the bill. He stated that the bill would expand the constitutional role of the Office of Register of Wills, and that this process would be burdensome for the Register of Wills. He urged the Committee to table the bill.

Alexandra Reed Baker, Sussex County Recorder of Deeds, expressed concerns over the bill. She noted that there is not currently a process for a clear and accurate transfer of property in Sussex County, and that it would affect multiple county departments. She thinks there should be a clearer and concise process. She continued that the bill would create an opportunity for fraud, that deed fraud is a concern nationwide, and that the existing system provides checks and balances prior to recording a deed.

Charline Ganthier-Cine welcomed the virtual public comment.

Jaclyn Quinn, Delaware Community of Reinvestment Action Council, expressed her concerns that the bill may be one of the self-help tools that families turn to, but that does not address the underlying issue.

Jane Sternecky, Legislative Counsel for the Uniform Law Commission, supported the bill. She explained that her organization participated in numerous conversations with Delaware Registers of Wills, Records of Deeds, and legislators. She stressed that TOD deeds would create a more predictable process for Delawareans, and that her organization has not heard fraud concerns from

any of the other states who have adopted this process. She also noted that TOD deeds are not for everyone and are a tool available for small estates whose main asset is their home. She urged the Committee to support the bill.

Christine Tate voiced her opposition to the bill. She cited that all three Offices of the Registers of Wills are opposed to this bill, and she raised concerns over how the bill may lead to fraud.

William Jones voiced his concern that none of the three Offices of the Register of Wills support the legislation. He stated that he would like to see the bill tabled to allow for greater input from the Offices of the Register of Wills.

Andrea Smith, Legal Aid at New Castle County Register of Wills, stated that the bill does not solve the problem of eliminating probate.

Senator Sokola, seeing no additional public comment, concluded the discussion on HS 1 for HB 147

**HS 1 for HB 147 was reported Out of Committee: 1 Favorable; 3 On Its Merits; 0 Unfavorable**

**XI. House Bill 439 w/ House Amendment 1, House Amendment 2 (Phillips) AN ACT TO AMEND TITLES 6 AND 25 OF THE DELAWARE CODE RELATING TO HOUSING STATUS DISCRIMINATION IN HOUSING AND PROPERTY.**

*Synopsis: Delaware law prohibits discrimination on the basis of protected characteristics in housing and property transactions. This Act would add "housing status" as a protected characteristic.*

Senator Sokola invited Sen. Hoffner to speak about HB 439.

Senator Hoffner introduced House Bill 439 w/ House Amendment 1 and House Amendment 2. She explained the definition of “housing status” and stressed that HB 439 only addresses housing and that HB 440 addresses employment.

Senator Lockman asked how the bill would impact residency requirements, specifically those for the City of Wilmington.

Cara Wilson, Division of Research believes Sen. Lockman’s question is relevant to the next bill on the agenda, HB 440.

Senator Townsend voiced his gratitude to Senator Hoffner and Representative Phillips for continuing to advance the issue.

Senator Sokola, noting that members of the public may wish to provide comment on both House Bill 439 and House Bill 440, invited Senator Hoffner to present House Bill 440, and then allow for public comment to be heard for both bills.

**XII. House Bill 440 (Phillips) AN ACT TO AMEND THE DELAWARE CODE RELATING TO HOUSING STATUS DISCRIMINATION IN EMPLOYMENT AND PROFESSIONAL ACTIVITIES.**

*Synopsis: Delaware law prohibits discrimination on the basis of protected characteristics in employment and professional activities. This Act would add "housing status" as a protected characteristic.*

Senator Sokola invited Sen. Hoffner to speak about HB 440.

Senator Hoffner introduced House Bill 440. She clarified that hygiene is not directly correlated to housing status, and, as a result, hygiene would still be permitted as a determining factor in the hiring process. She reiterated that the bill only relates to an individual's housing status.

Senator Lockman asked how the bill would impact residency requirements, specifically those for the City of Wilmington.

Cara Wilson, Division of Research, explained that the term residence was used as a synonym for housing, and, to address this, the definition of housing status could be defined to refer to a type of structure as opposed to geographic location.

Senator Lockman asked if Ms. Wilson felt that it would be meritorious to add that clarification.

Senator Hoffner said that is the legislative intent to have housing status refer to a structure and not geographic location. She stated that she will talk to the attorney offline.

Senator Sokola welcomed any public comment.

Bill Murray voiced his support for both House Bill 439 and House Bill 440. He explained that the bill addresses discrimination in another form, and that this discrimination needs to be eradicated. He urged the Committee to support the bills.

Sonya Starr, Housing Alliance Delaware, urged the Committee to support House Bill 439 and House Bill 440. She cited recent statistics for the number of people in Delaware experiencing homelessness, and she described disparate treatment that individuals experiencing homelessness face. She stated that the bills will not entirely address the problem, but the bills will remove two discriminatory obstacles to people who are trying desperately to become housed.

Elaine Ansah, Policy Coordinator for the Delaware Coalition Against Domestic Violence, explained how victims of domestic violence may experience homelessness as they separate from

abusive partners, and she cited statistics indicating that domestic violence is a main cause of homelessness. She urged the Committee to support the bill.

Tyler Micik, State Chamber of Commerce, voiced concerns over whether HB 440 would require businesses to violate federal law if an individual is unable to provide an address, and that the address of either a shelter or a state address would not be acceptable. He stated that it was necessary to discuss these concerns, and he requested that the bill be tabled.

Lisa Rice voiced her support for House Bill 439 and House Bill 440. She shared her family's story on needing assistance from the government, and she stressed that one's housing status does not reflect the virtues of the individual. She noted the vetting process for support services in Delaware, and that the bills will help to protect Delaware families seeking a way out of homelessness.

Becca Cotto, YWCA Delaware, voiced her organization's support for House Bill 439 and House Bill 440 because they create justice. She voiced her disappointment that House Bill 55 did not pass, but she stressed that these two bills address a critical gap in the state laws, and how discriminatory legal practices has disproportionately impacted people of color. She described the impact of the two bills in addressing discrimination, described housing as a human right, and the importance of employment to breaking the cycle of homelessness.

Michael Donahue shared his story living in transitional housing, and the impact that being able to find housing made for him. He expressed his support for both bills.

Jacqueline Poquette, Delaware State Council – SHRM (Society for Human Resource Management), reiterated Tyler Micik's concerns. She stressed that her organization did not oppose HB 440, but that her organization feels that more detail is necessary before the provisions in the bill become effective. She thanked the Committee.

Senator Sokola concluded the discussion for HB 439 and HB 440.

**HB 439 w/HA 1, HA 2 was reported Out of Committee: 0 Favorable; 5 On Its Merits; 0 Unfavorable**

**HB 440 was reported Out of Committee: 0 Favorable; 5 On Its Merits; 0 Unfavorable**

### **XIII. House Bill 264 (K. Williams) AN ACT TO AMEND TITLE 11 OF THE DELAWARE CODE RELATING TO PATRONIZING A PROSTITUTE.**

*Synopsis: This Act makes the crime of "patronizing a prostitute" a class E felony rather than a misdemeanor where the person from whom prostitution is sought is a minor.*

Senator Sokola invited Senator Poore to present House Bill 264.

Senator Poore introduced the bill. She stated that the bill comes from the Department of Justice's Human Trafficking Unit, and she stressed that, under the bill, it would not be a defense if the minor consented to engage or if the defendant believed that the minor was an adult. She noted that the bill had wide support from stakeholders. She welcomed any questions from the Committee.

Senator Lockman requested to be added as a co-sponsor to the bill.

Senator Sokola welcomed any public comment.

Amanda Mendoza, Delaware Anti-Trafficking Action Council, shared her story as a survivor of sex trafficking, and she stressed the traumatic impact of children being forced into the commercial sex industry. She voiced her support for the bill, and she urged the Committee to support the bill.

Sara Poore, Delaware Anti-Trafficking Action Council, voiced her support for the bill. She cited statistics on online solicitations for sex in the Wilmington area, and that national averages suggest that the large majority of solicitations involve trafficking. She emphasized the need for increased penalties.

Michael Cooksey, Investigation Coordinator at the Office of the Child Advocate, thanked Senator Poore and Representative Williams for sponsoring the legislation. He voiced his support for the bill, because it provides greater protections for minors who are trafficked. He stated that the majority of other states have made patronizing a prostitute who is a minor a felony. He thanked the Committee, and he advocated for stancher penalties for patronizing a prostitute.

Sherry Long stressed the importance of protecting children, and she urged the Committee to support the bill.

Joy Greenley urged the Committee to support the bill.

**HB 264 was reported Out of Committee: 1 Favorable; 4 On Its Merits; 0 Unfavorable**

**XIV. House Substitute 2 for House Bill 168 w/House Amendment 1 (K. Williams) AN ACT TO AMEND TITLES 9 AND 30 OF THE DELAWARE CODE RELATING TO LODGING TAX.**

*Synopsis: House Bill No. 168 creates a short-term rental lodging tax at the rate of 8% of the rent upon every occupancy of a short-term rental within the State. For purposes of collecting the lodging tax on short-term rentals, HB 168 creates an occupational license for a short-term rental listing service. It also authorizes New Castle and Sussex Counties to impose a lodging tax of no more than 3 percent on short-term rentals. House Substitute 2 to House Bill No. 168 is primarily different from House Bill No. 168 in that it decreases the tax rate on short-term rentals and uses different terms and definitions to identify the*

*individuals responsible for collecting short-term rental taxes. Specifically, House Substitute 2 to House Bill No. 168 makes the following changes: (1) Requires accommodations intermediaries to obtain an occupational license and pay an annual licensing fee of \$25.00; (2) Ensures that accommodations intermediaries are responsible for the collection and remittance of taxes under this Act and clarifies responsibilities for the collection and remittance of the tax; (3) Defines an accommodations intermediary; (4) Decreases the short-term rental tax rate from 8% to 4.5%; (5) Establishes the short-term rental tax in a new chapter within Title 30; (6) Clarifies that short-term rental taxes will be distributed as follows: 62.5% to the State General Fund; 12.5% to the Beach Preservation Fund of the Department of Natural Resources and Environmental Control; 12.5% to be designated in the proportion in which collected, to the duly established convention and visitors bureau in each county; and 12.5% to the Delaware Tourism Office; (7) Adds the Georgetown, Millsboro, Milton, Milford, and Western Sussex Chambers of Commerce to those organizations that determine the Sussex County Convention & Visitors Bureau; and (8) Updates effective dates for licensing, tax levy, and related obligations.*

Senator Sokola invited Senator Mantzavinos to present House Substitute 2 for House Bill 168.

Senator Mantzavinos introduced the bill. He described the bill as an issue of equity between short-term rentals, and hotels and motels. He commended Representative Williams for her work on the bill, and he emphasized her outreach with a range of stakeholders.

Senator Sokola, seeing no questions from the Committee, welcomed any public comment.

Rick Geisenberger, Secretary of Finance, expressed his appreciation to the sponsors. He emphasized that the bill could be effectively administered by the Division of Revenue.

Senator Townsend voiced his support for the bill.

Benjamin Gray, Delaware Hotel Lodging Association, voiced his organization's support for the bill. He emphasized the need to level the playing field between hotels and short-term rentals. He noted that Delaware was one of only two states in the country to not have short-term rental taxation, and he characterized the legislation as long overdue. He urged the Committee to support the bill.

Joseph Fitzgerald, Greater Wilmington Convention and Visitors Bureau and the New Castle County Chamber of Commerce, expressed his support for the bill. He praised the bill's sponsors and characterized the bill as a good compromise, and he urged the Committee to support the bill.

**HS 2 for HB 168 w/ HA 1 was reported Out of Committee: 0 Favorable; 5 On Its Merits; 0 Unfavorable**

Senator Sokola asked if there was a motion to adjourn the meeting.

Senator Lockman made a motion to adjourn the meeting.

Senator Hocker seconded the motion.

Senator Sokola adjourned the meeting at 3:06 p.m.

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**Meeting Minute Preparation**

Gabrielle Travis, Senate Majority Intern

**Approval of Meeting Minutes**

Motion made by Sen. Pettyjohn; Second by Sen. Hocker, Senate Executive Committee meeting,  
7/17/2024

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**Appendix A:** *Members of the public pre-registered for webinar and in-person sign-in sheet attendees*

Elisa Diller, RISE Delaware Board	Rick Geisenberger, Secretary of Finance
Taylor Hawk, Delaware State Education Association (DSEA)	Peter Korolyk, Director of Government Support Services (GSS)
Sherry Long	Bob Byrd, Byrd Gomes
Tyler Micik, Delaware State Chamber of Commerce	Bryon Short, Delaware Contractors Association (DCA)
Mike Kozikowski, New Castle County Recorder of Deeds	Gene Thornton, Kent County Recorder of Deeds
	Greg Fuller Sr., Sussex County Register of Wills
Gina Cook, New Castle County Chief Deputy Register of Wills	Italo Carrieri-Russo, Senior Director of Community Affairs for the New Castle County Register of Wills
Alexandra Reed Baker, Sussex County Recorder of Deeds	Jaclyn Quinn, Delaware Community of Reinvestment Action Council (DCRAC)
Jane Sternecky, Legislative Counsel for the Uniform Law Commission (ULC)	Christine Tate
William Jones	Andrea Smith, Legal Aid at New Castle County Register of Wills
Bill Murray	Sonya Starr, Housing Alliance Delaware
Elaine Ansah, Policy Coordinator for the Delaware Coalition Against Domestic Violence (DCADV)	Lisa Rice
Becca Cotto, YWCA	Michael Donahue, University of Delaware graduate student
Jacqueline Poquette, Delaware State Council – SHRM (Society for Human Resource Management)	Amanda Mendoza, Delaware Anti-Trafficking Action Council (DATAC)
Sara Poore, Delaware Anti-Trafficking Action Council (DATAC)	Michael Cooksey, Investigation Coordinator at the Office of the Child Advocate
Joy Greenley	Joseph Fitzgerald, Greater Wilmington Convention and Visitors Bureau
Karen Brown	Rony Baltazar-Lopez, Delaware Department of State
Aleyshia Young, Kent County Register of Wills	
Diane Rager, Kent County Register of Wills	Sheila Grant, AARP Delaware
Shari Collins, Sussex County Government Recorder of Deeds	Sherry Long
Ben Gray, Delaware Hotel Lodging Association	Candice Horhn, National Coalition of 100 Black Women – Delaware Chapter

Kim Durant, Recovering All Wellness	Steven LePage
Rebecca Goldsmith, Department of Finance	T’Nika Wilmore, Criminal Justice Council
Scott Thomas, Southern Delaware Tourism	Christophe Emmert, Tunnell & Raysor
Mark Cutrona, Division of Research	Carolyn Meier, Division of Research
Debbie Gottschalk, Division of Research	Cara Wilson, Division of Research

**Appendix B:** *Public written testimony submitted on or before the close of business on  
Wednesday June 27, 2024*