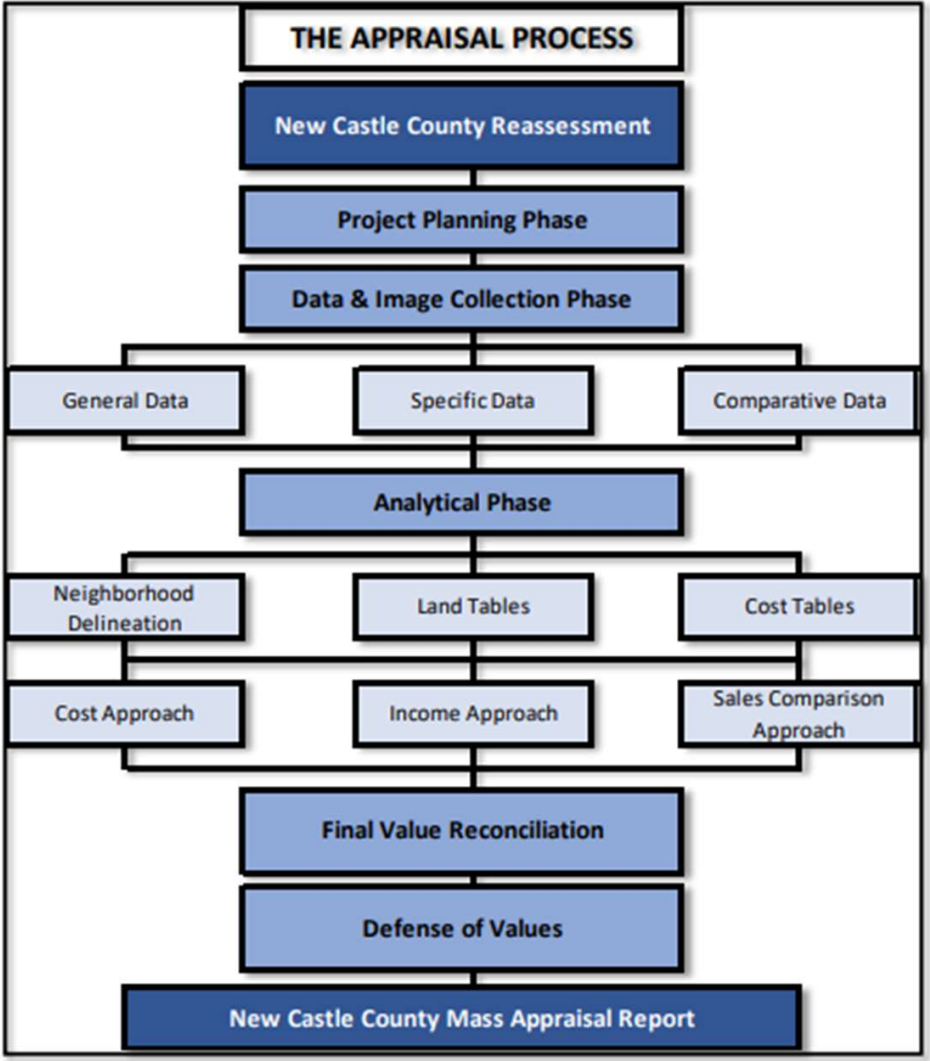




New Castle County Reassessment 2025

Understanding Industry Standards for Mass Appraisal



An Understanding of Mass Appraisal

WHAT IS MASS APPRAISAL? Mass Appraisal is defined as, "The process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing." (*USPAP, 2024 ed.*)

HOW DOES IT DIFFER FROM INDIVIDUAL APPRAISAL? An individual, or fee appraisal, is defined as, "Systematic appraisal of properties one at a time." (*Appraisal Institute – Dictionary of Real Estate Appraisal, 7th Ed., IAAO Glossary for Property Appraisal and Assessment*)

An Understanding of Mass Appraisal

Key Differences Between Mass and Single-Property Appraisal

| Aspect | Mass Appraisal | Single-Property Appraisal |
|----------------------|---|---|
| Scope | Large-scale valuation of a universe of properties | Individual property valuation |
| Data Use | Standardized, statistical, and model-driven | Property-specific data and direct analysis |
| Valuation Models | Cost, Sales Comparison, Income with CAMA & statistical testing | Traditional three approaches applied case by case |
| Testing & Validation | Ratio studies, equity checks, statistical accuracy measures, and reconciliation | Direct market comparison and reconciliation |

An Understanding of Mass Appraisal

WHAT ARE THE STANDARDS FOR MASS APPRAISAL? The standards for Mass Appraisal are guided by two industry-specific texts. The Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board, an arm of the Appraisal Foundation, outline the protocol for Mass Appraisal in Standards 5 & 6, respectively. The Standards for Mass Appraisal, as promulgated by the International Association of Assessing Officers, also outline the generally accepted principles and techniques used in Mass Appraisal.

An Understanding of Mass Appraisal

HOW IS MY PROPERTY'S VALUE DETERMINED? The market value of your

property is determined by using the property characteristic data that was collected earlier in the project by applying at least one of the three approaches to value: sales, cost, or income. Digital photos were taken of all improved properties (parcels with structures), and then data mailers (specific to residential properties, only) have been sent to verify that the observed, collected data is correct. Tyler analyzes recent sales of similar properties, and considered construction costs and income and expense information, where appropriate.

WHAT IS MARKET VALUE? All property subject to assessment shall be assessed at its

fair market value as of the date of the most recent reassessment base year in the county. Fair market value is the price which would be agreed upon by a willing seller and a willing buyer, under ordinary circumstances, neither party being under any compulsion to buy or sell.

Accepted Valuation Approaches

Valuation Approaches

Market Approach: With this method, the property's value is estimated by examining the comparables: recently sold properties that are similar in size and features that are located within a close geographic proximity to the property being valued. The market approach is typically applied to residential properties.

Income Approach: With this method, the income and expense stream of a property is examined from an investor's point of view. The goal is to achieve a market value by estimating what an informed investor would pay for the income stream associated with a particular piece of real estate. The income approach is typically applied to commercial properties, including apartments, office buildings, industrial buildings, and retail buildings.

Cost Approach: With this method, the probable selling price is calculated by estimating how much it would cost to provide a replacement building of similar condition, quality, and utility. Local construction costs are analyzed along with land sales to develop what is called the "replacement cost" method. This method is based on the premise that if land value is added to what it would cost to replace the building new – less an allowance for physical, functional, and economic depreciations – a rational estimate of the market value can be obtained. The cost approach is computed for all types of property. The cost approach is calibrated to the local market using local sales.

Residential v. Commercial Valuation

The IAAO suggests the following approaches to value by property class:

| Type of Property | Valuation Methodology |
|--|-----------------------|
| Residential | Cost & Market |
| Commercial & Industrial properties, including Apartments | Cost & Income |
| Special purpose properties | Cost |
| Exempt properties | Cost |

Residential v. Commercial Valuation

Residential

For residential properties, property characteristics that were collected and analyzed include:

- Lot Size
- Topographical Influences
- Site Specific Influences
- Building Style/Design
- Building Quality/Grade
- Building Condition
- Year Built
- Building Square Footage
- Total Livable Area
- # of Dwelling Units
- Number of Total Rooms
- Number of Bedrooms
- Number of Bathrooms
- Total Fixtures
- Foundation
- Basement Type & Area
- Fuel Type
- Central or Unit A/C
- Attached Additions
- Detached Improvements
- Miscellaneous Features
- Percent Complete

New Castle County's residential properties were analyzed with the following units of comparison:

- Price per Square Foot of Total Living Area
- Price per Square Foot (or Acre) of Land

Residential v. Commercial Valuation

Non-Residential

For non-residential properties, property characteristics that were collected and analyzed include:

- Lot Size
- Topographical Influences
- Site Specific Influences
- Property Use (for each space, if multiple)
- Building Style/Design
- Building Quality/Grade
- Building Condition
- Year Built
- Gross Leasable Area
- Net Leasable Area
- # of Dwelling Units (where applicable)
- Foundation
- Fuel Type
- Central or Unit A/C
- Attached Additions
- Detached Improvements
- Miscellaneous Features
- Percent Complete

New Castle County's commercial and industrial properties were analyzed with the following units of comparison:

- Price per Square Foot (or Acre of Land)
- Price per Square Foot (of Building)
- Price per Apartment Unit
- Price per Parking Space
- Price per Hotel Room
- Price per Nursing Bed

Reassessment Appeals

HOW MANY FORMAL APPEALS WERE FILED RELATED TO THE REASSESSMENT?

About 5,200 parcels filed an appeal. There are ~215,000 parcels in New Castle County. This represents an appeal rate of 2.4%.

WHAT IS THE TYPICAL APPEAL RATE FOLLOWING A REASSESSMENT?

Most jurisdictions experience appeal rates between 5-10% although that number can fluctuate based on:

- magnitude of assessment increase
- market conditions (stable v. volatile)

Why Reassess?



A countywide reassessment values all properties at their current market value, restoring equity to all classes of property.



Phases of Reassessment



**Aerial
Imaging**

Spring 2022



**Data
Collection**

2022–2023



**Data Analysis
& Review**

2022–2024



**Informal
Meetings**

Fall/Winter 2024

Tyler's Role in the Process

Tyler was contracted by New Castle County to establish the market value for all parcels as of July 1st, 2024.

Tyler provided the final tax roll to New Castle County in mid-February 2025 per the terms of the contract.

Tyler's role was to provide assessment data enabling our client to calculate the taxes associated with the revised assessed values.

It is not part of Tyler's analysis to consider tax burdens.



THANK YOU

We would be happy to answer any questions at this time.



Presentation to the Property Reassessment Joint Committee Meeting

Office of Mayor John Carney

September 2025

Key Challenges



Shortcomings in the methodology used for mass appraisals produced statistical abnormalities in the City of Wilmington, with predominately low-income neighborhoods shouldering the steepest tax burdens.

- > Lack of Wilmington-specific data included in model**
- > Lack of interior assessments conducted in the city**
- > Short appeals windows and lack of public awareness about the reassessment process**

Data



Coefficient of Dispersion

Quantifies the degree to which a set of data is dispersed compared to a standard statistical model; **measures consistency**

Price Related Bias

Assesses the fair market value; **measures accuracy**

Data



Coefficient of Dispersion

Quantifies the degree to which a set of data is dispersed compared to a standard statistical model; **measures consistency**

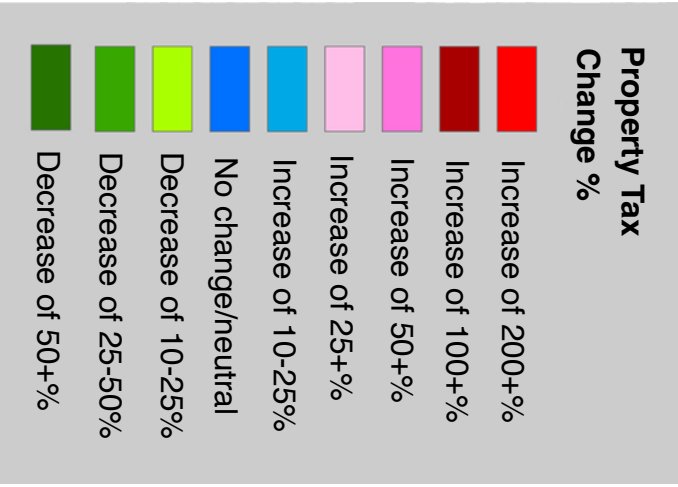
Price Related Bias

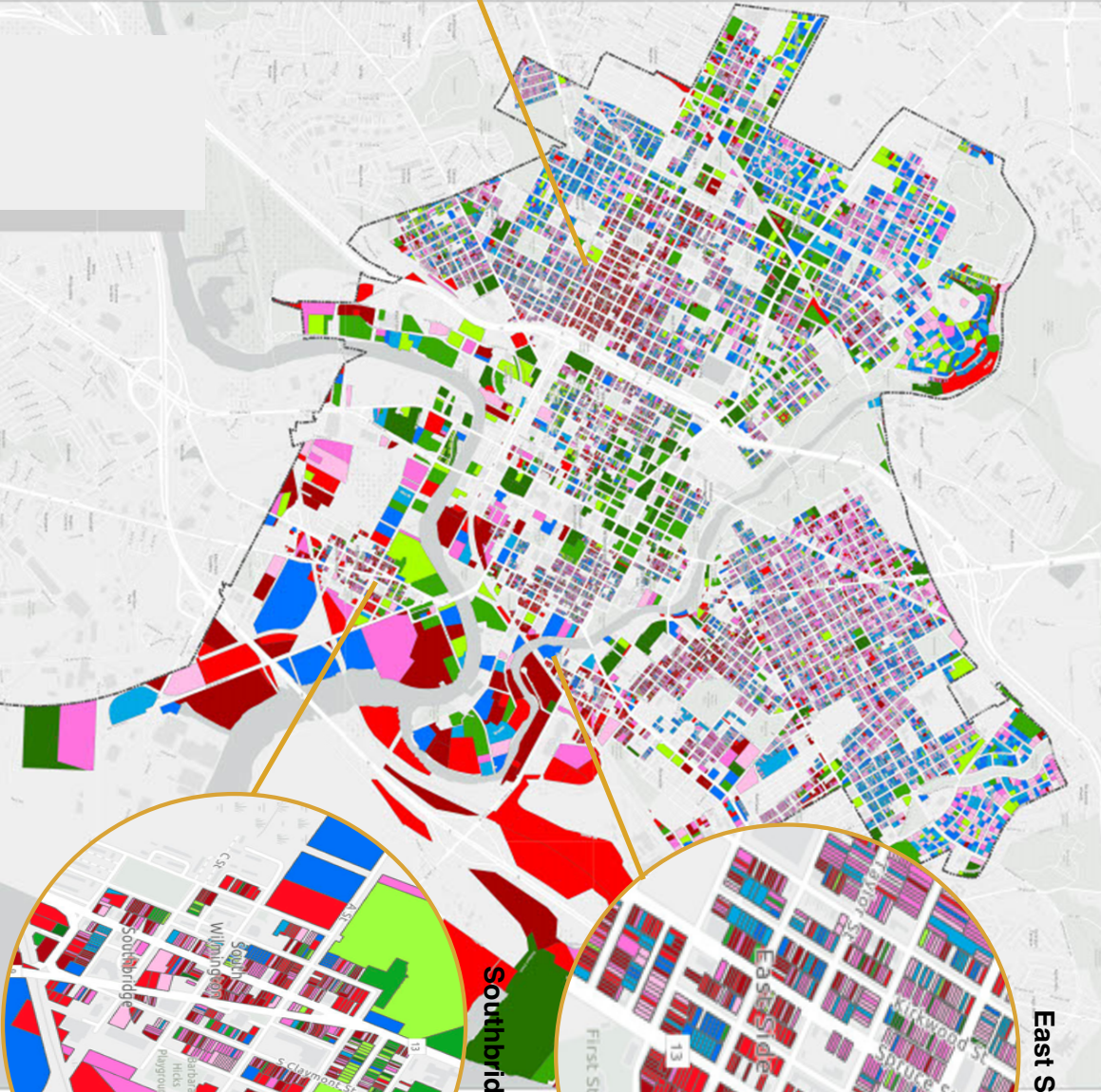
Assesses the fair market value; **measures accuracy**

Tyler Technologies Mass Appraisal Report

| MODEL | Count | Median | Mean | Wtd. Mean | COD | Wtd. COD | PRD | PRB |
|----------|-------|--------|------|-----------|-------|----------|------|-------|
| 1 | 1,231 | 0.96 | 0.98 | 0.96 | 9.7 | 9.3 | 1.02 | -0.09 |
| 2 | 450 | 0.99 | 1 | 0.98 | 12.38 | 12.33 | 1.02 | -0.04 |
| 3 | 1,078 | 0.99 | 1.05 | 0.98 | 22.68 | 19.74 | 1.07 | -0.22 |
| 4 | 1,521 | 0.95 | 0.97 | 0.95 | 10.2 | 9.92 | 1.01 | -0.05 |
| 5 | 1,024 | 0.93 | 0.96 | 0.93 | 11.89 | 11.1 | 1.02 | -0.14 |
| 6 | 2,162 | 0.97 | 0.98 | 0.96 | 9.74 | 9.31 | 1.01 | -0.08 |
| 7 | 1,189 | 0.98 | 0.98 | 0.97 | 8.39 | 8.42 | 1.01 | -0.04 |
| 8 | 235 | 1.08 | 1.1 | 1.08 | 13.11 | 13 | 1.02 | -0.02 |
| Combined | 8,890 | 0.97 | 0.99 | 0.97 | 11.88 | 10.68 | 1.02 | -0.05 |

“The aggregate model performance is congruent with LAAO’s standards. However, the performance of models for Zones three (3) and eight (8) have CODs slightly above the acceptable limits. For Zone 3, **the COD of 22.68 is above the acceptable upper threshold of 15.0, being 22.68**. Several iterations of the Zone 3 model were conducted with little to no improvement to the COD. Additionally, **the PRB of -0.22 is elevated relative to the other models.**”





Hilltop

Southridge

East Side

Timeline



April 2025

The City received the Mass Appraisal report from Tyler Technologies

September 2025

Mayor announced budget amendment and interior assessment plan
City extended payment deadline to September 30

November 2025

City to begin interior reassessment program

March 2025

The City's deadline to set revenue projections

July 2025

New Castle County shared finalized data with the City

October 2025

City extended payment deadline again, set new date of October 31

Deadline for homeowners to appeal assessments to New Castle County

The Path Forward



On September 25th, City officials announced a budget amendment that will fund:

1 INTERIOR ASSESSMENTS

The City will hire a third-party organization to conduct a random sample of interior assessments. No code violations will be issued to participating property owners

2 VERIFY COMMERCIAL METHODOLOGY

Verifying methodology used by Tyler Technologies to assess commercial properties was appropriate per industry standards and yielded results that reflect true market value

3 APPEALS ASSISTANCE

The City will provide financial support for residents who cannot afford to undergo the appeals process



The Path Forward



Standardize rules for appeals

Considerations

The Path Forward



Standardize rules for appeals

Ensure that a percentage of assessments are interior

Considerations

The Path Forward



Standardize rules for appeals

Ensure that a percentage of assessments are interior

Complete assessments one year before they are effective

Considerations

The Path Forward



Standardize rules for appeals

Ensure that a percentage of assessments are interior

Complete assessments one year before they are effective

Account for City of Wilmington permitting data

Considerations

The Path Forward



Standardize rules for appeals

Ensure that a percentage of assessments are interior

Complete assessments one year before they are effective

Account for City of Wilmington permitting data

Ensure reassessments are conducted regularly and that the same methodology is used

Considerations

Subject: Question regarding reassessment

Date: Friday, September 26, 2025 at 9:43:53 PM Eastern Daylight Time

From: Walt Husar

To: SpecialPropertyReassessment

Understanding the law suit and the need to update property values. As properties differ from commercial, residential, that include apartments, condominiums and manufactured homes. One thing is constant with all structures, and that is the cost of building and replacement. Whether the 2X4 is in New Castle, Kent or Sussex county, whether in Monchanin or East Wilmington, the building costs are equal. The insurance industry already has a data base regarding replacement cost for a building.

If fairness is the goal of the reassessment, then this methodology does not discriminate from the slumlord or the conscientious home or business owner. Granted this only takes into consideration of structures, and “adder” for the land can be adjusted for the total assessment.

Thank you for your time,
Vsevolod Husar

Subject: Citezen Property Tax Complaint

Date: Sunday, September 28, 2025 at 11:10:12 PM Eastern Daylight Time

From: dlking122@aim.com

To: SpecialPropertyReassessment

To the Property Tax Committee,

For the official record,

I submit my complaint on the Property assessment increase.

As a citezen of Delaware, I am voicing my complaint against the property tax assessments increases.

These increases were made without public citezen majority vote,

These increases were made during an unfair timeframe of market increase due to the scam pandemic, false inflation man made,

These increases were made against citezens that were still in recovery from job and great economy losses,

These increases should be banned due to taxation without appropriate allowance of representation, i.e. ref. The Tea Party history; illegal taxation,

The state of DE Legislators and Tax Commettee should be should be seeking legislation to help DE citezens, reduce burdens, aid the economy in reducing residents expenses vs increased hardship and burdens of tax increases.

As our President has stated, and many others, including legislators, property tax should be eliminated, allowing citezens to own their property, vs be in debt to the state. These increases in property taxes not only increase costly unfair burdens to DE Citezens, they take away ownership and freedom of our DE Citezens at every ecconimic level.

Please revoke these taxes, consider removal of all property taxation and provide freedom as our US Constitution and Founding Father's designed, being leaders to aid our state, supporting and building our citezens, granting more freedom as other states are also recognizing, that which is far overdue and much needed.

Thank you,

Diana King

USA Citezen,

DE Resident,

and Veteran

Subject: Written comments for the September 30 meeting
Date: Monday, September 29, 2025 at 9:31:24 AM Eastern Daylight Time
From: Jonathan Justice
To: SpecialPropertyReassessment

Please note that the following comments are my own views, and do not necessarily represent the opinion of my employer:

After delaying for four decades or more the property-tax reassessments that many other jurisdictions handle more routinely to maintain uniformity and fairness in property taxation, Delaware's counties have completed mass reassessments. Complaints have followed, leading to a recent special legislative session and the enactment of several laws in response.

None of the recently enacted laws addresses the fundamental reasons why this process has been so messy, or the reasons why the Council on State Taxation and International Property Tax Institute gave Delaware's property tax system a [D in their 2019 study](#), down from our [D+ score in 2014](#). Before the political urgency of fixing problems with our property tax assessments passes, I have three suggestions for action to prevent recurrence of the problems.

Among the many complaints and concerns expressed in the special session and other venues, three things stood out:

1. There were a few glaring errors, and many appeals of actual or perceived overassessments are backlogged. Conspicuous errors in a few cases can distract us from the bigger picture. Errors are inevitable when we wait four decades to update values and then have to reappraise all of each county's parcels at once. The scope of the task, and its extreme infrequency, required counties to delegate it to an out-of-state vendor with limited local knowledge. Additionally, inaccurate reporting of many transaction values, permitted by legal loopholes distinctive to Delaware, undermines the comparable-sales method used to estimate market values for residential properties.
2. Some property owners experienced "sticker shock" when four decades of accumulated disparities were adjusted all at once. This is not because reassessment in and of itself increases tax revenues. Over four decades, some properties and neighborhoods, including mine and my neighbors', gained more value than others. But our assessed values did not change to keep pace. We got used to paying less than our fair share of school, county, and municipal taxes. The owners of less rapidly appreciating properties subsidized us by paying more than their fair share. Presented with four decades of corrections virtually overnight, some have been vocally unhappy. I'm not thrilled by the 61% increase in my own school tax bill, but it simply means I'm now paying a fairer share, not that I'm a victim of malice or incompetence.
3. Some residents and legislators expressed concern that the sudden end of that longstanding disparity could be a hardship for income-constrained owners of previously underassessed homes. This is less likely to drive people from their homes in Delaware than it might be in nearby states where effective tax rates are often two or three times as great as ours, but it might create challenges for Delawareans whose property values have

grown much more than their incomes since the 1980s.

There are three things the state legislature could do right now, while we are all alert to the concerns and there is some political momentum, to address the current complaints, prevent recurrent political panics in the future, and move us off the list of the world's worst places for property tax administration:

1. Mandate a three-year rolling reassessment cycle, as Maryland does. By requiring the counties (or the state, for that matter) to reassess a third of parcels every year, we can make the process less error prone, less disruptive, and more equitable. This would also even out the workload of managing the process so that the state, the counties, or even an interlocal compact among the counties could do rather than contracting with outside firms. This could reduce error rates through local knowledge and a more orderly workflow and prevent the shock of having decades' worth of adjustments happen overnight. Previous General Assemblies paid for expert reports from which mapped out precisely such an approach and were endorsed by the [League of Women Voters of Delaware](#) in 2010 although their recommendations were ignored.
2. Adopt a means-tested "circuit breaker" provision to replace the state's current status-tested property tax subsidies. Rather than continuing to give generous subsidies to all 65+ homeowners regardless of need, we can target tax relief to those who really need it. The Lincoln Institute of Land Policy report [Property tax circuit breakers: Fair and cost-effective relief for taxpayers](#) is a good resource for learning more.
3. Promote better, more transparent reporting of actual fair market values by eliminating some of all of the current loopholes that allow buyers and sellers to conceal the actual prices paid in real property transactions. Inaccurate reporting prevents assessors from accessing enough valid market pricing information to establish accurate values using the comparable-sales method.

In this past summer's special session, our state government adopted several well-intended short-term fixes. They have an opportunity during the upcoming regular session to adopt long-term solutions for a fair and efficient property tax system for generations to come. I hope they will do so while we have enough political energy and attention on the problem to support real change.

--

Jonathan B. Justice (He/him), Professor
[University of Delaware](#)
[Joseph R. Biden, Jr. School of Public Policy & Admin.](#)
justice@udel.edu
+1-302-831-1682
<https://sites.google.com/udel.edu/jbj/>

Subject: Reassessment testimony
Date: Monday, September 29, 2025 at 11:37:56 AM Eastern Daylight Time
From: Gale Marie
To: SpecialPropertyReassessment
Attachments: IMG_0786.jpeg

THIS IS AN OVER 55 COMMUNITY

2510 Chopin Drive Middletown DE

I Paid \$300 for an inside unit 1 car garage town house. It is literally 15 feet wide. You assessed me at \$530. Nothing has sold over \$420k in the neighborhood.

Tax bill went from \$2900 to \$4500

This is wrong. I was hoping my taxes would go down because a friend in Wawaset park has a \$1.2 mil home that has had a smaller tax bill. You are extorting the fixed income seniors.

Gale Kenny

Subject: The Delaware Glide Path
Date: Monday, September 29, 2025 at 4:08:40 PM Eastern Daylight Time
From: Brad Siegfried
To: SpecialPropertyReassessment
Attachments: Delaware_Glide_Path_20250824_03.pdf

Joint Special Property Reassessment Committee,

Attached please find the document Delaware_Glide_Path_20250824_03.pdf.

The intent of the Delaware Glide Path concept is not to resolve the underlying issues relating to the reassessment process but rather to provide an immediate mitigation of the present destabilizing effects of reassessment. Here's an introduction to the concept:

After 40 years without a tune-up, reassessment is like straightening a bent board: pull it all at once and it cracks—apply steady pressure and it sets true. Delaware can do the same with property taxes: **use the new values now to fund schools fairly, and let individual tax bills reach those targets over time** so families aren't hit with a one-year shock.

Do two things at once:

- **Fair funding now:** Run state education formulas on the updated assessed roll immediately—Equalization, any fiscal-capacity index, and **Weighted Student Funding (WSF)**—so aid reflects real ability to pay and student need.
- **Predictable bills:** Glide each parcel's bill from its **Base** (old bill) to its **Target** (bill under new assessments) over **G years** using transparent **Transition Credits/Charges**.

Why this works:

- **Uniformity-compliant:** One statewide **G**, uniform within each class (e.g., residential vs. non-residential), and **symmetric**—parcels that would jump receive credits; parcels that would drop carry charges—each moves in equal annual steps toward its Target.
- **Revenue-neutral over time:** Credits equal charges each year at the district level, keeping **aggregate cash flow whole** without special appropriations.
- **Rolling, no-cliff design:** Reassessments occur every 5 years. **The Glide Path rebases at each reassessment: the parcel's then-current bill becomes the new Base, the reassessment bill becomes the new Target, and the parcel continues gliding over the next G years without ever "falling off a cliff."**

What it is not:

- Not a rate cut or cap; **rates still set the Target**.
- Not a carve-out; it applies **uniformly** and moves both increases and decreases on the

same timetable.

The ask:

1. **Adopt the Delaware Glide Path** with Transition Credits/Charges (**single statewide G; uniform by class; symmetric up/down**).
2. **Direct agencies** to compute state education funding on the full updated roll immediately while bills glide via credits/charges.
3. **Codify the Rolling Glide with Five-Year Rebase** so Base/Target reset at each reassessment and the glide continues.
4. **Publish an annual ledger** of credits/charges and progress-to-Target by class and district to verify **cash-flow neutrality** and transparency.

Bottom line: Students get timely, needs-based funding. Residents get predictability instead of a hard landing—every year, every cycle.

Please let me know your thoughts. Thank you.

Brad Siegfried
2677 McCoy Rd
Bear, DE 19701

302-547-3597
bradsiegfried@gmail.com

The Delaware Glide Path: Stabilizing Property Tax Bills While Preserving Fairness

*The Delaware Glide Path is a single statewide rule that phases a parcel's reassessment-driven change from its property tax **Base** bill to its **Target** bill in **equal annual steps over G years**, using revenue-neutral formula-based **Transition Credits/Charges** so the **uniform rate and total revenue stay unchanged**.*

Property taxation must balance two goals that often pull in opposite directions:

- **Fairness:** After a reassessment, each parcel should carry its updated share.
- **Stability:** Annual bills should change predictably, without shocks that disrupt household budgets or distort market values.

A “glide path” is the dial between these goals: **shorter glides** prioritize fairness speed (bigger annual jumps); **longer glides** prioritize stability (smaller annual changes).

Proposal at a glance (uniform, simple)

- **Single statewide glide period (G):** Phases reassessment-driven changes into the net bill via **balanced, zero-sum adjustments**.
- **Zero-sum, per bucket:** Transition Credits on “up” parcels offset Transition Charges on “down” parcels **within each levy bucket** each year. Revenues remain whole; the uniform rate remains intact. Implemented as parcel-specific credits/charges on the bill (analogous to existing senior credits), preserving the uniform rate while staying revenue-neutral **within each levy bucket (county; each school line; vo-tech)**.
- **5-year recalibration:** Recalculate only at each reassessment; a new glide starts then.

Non-glided one-time charges: Voter-approved referendum or other legally scheduled one-time amounts must be billed and paid in full in the year scheduled. They are not part of the glide calculation.

Why choose $G \geq 10$ (and give 20 a serious look)

- **Backlog reality:** A ~40-year gap created today's shock. Anything under 40 years leans toward fairness and away from stability. A 10–20 year glide meaningfully smooths changes while still moving toward fair shares much faster than those shares diverged.
- **5-year cadence interaction:** With reassessments every 5 years, a 10–20-year glide smooths year-to-year bills and recalibrates regularly: when a parcel keeps **overperforming** the market, the reset **accelerates** progress toward the updated target; when the trend flips to **underperformance**, the reset **decelerates** progress—acting as a shock absorber without one-year spikes.
- **Household planning (large increases):** A sudden, outsized Year-1 increase can force immediate budget cuts, missed payments, or deferred maintenance—especially for fixed-income households. A glide smooths the jump into steady, predictable steps so people can adjust over time without crisis.
- **Market price distortion (NPV effect):** Large, immediate tax changes create a price response in the **opposite direction** (the NPV effect). A glide spreads that response over time, so market prices don't immediately **counteract** the reassessment—reducing the “self-unfulfilling prophecy” and keeping assessed values closer to reality.
- **Administrative simplicity:** One statewide G is easy to explain, implement, and audit; it preserves uniformity and avoids locality-by-locality variability.

The Delaware Glide Path — Examples

Concrete examples (Base = last year's bill = \$3,025)

Interpreting the percentage: The “±50%” refers to the parcel's **target tax** (its share of the levy) after reassessment **relative to last year's bill**. Under a uniform, revenue-neutral rate, this corresponds to the parcel's **assessed value moving ±50% relative to the jurisdiction-wide average**.

Example A:

Target tax +50% vs Base → Target **\$4,537.50**

| Glide (G) | Year-1 Property Tax | Annual Increment (until Target reached) |
|-----------|---------------------|---|
| 5 | \$3,327.50 | +\$302.50 (+10.0%) per year |
| 10 | \$3,176.25 | +\$151.25 (+5.0%) per year |
| 15 | \$3,125.83 | +\$100.83 (+3.3%) per year |
| 20 | \$3,100.62 | +\$75.62 (+2.5%) per year |

Example B:

Target tax -50% vs Base → Target **\$1,512.50** (*glide avoids a windfall decrease by phasing it in*)

| Glide (G) | Year-1 Property Tax | Annual Decrement (until Target reached) |
|-----------|---------------------|---|
| 5 | \$2,722.50 | -\$302.50 (-10.0%) per year |
| 10 | \$2,873.75 | -\$151.25 (-5.0%) per year |
| 15 | \$2,924.17 | -\$100.83 (-3.3%) per year |
| 20 | \$2,949.38 | -\$75.62 (-2.5%) per year |

Examples show one bucket; the same glide runs per bucket.

Bottom line

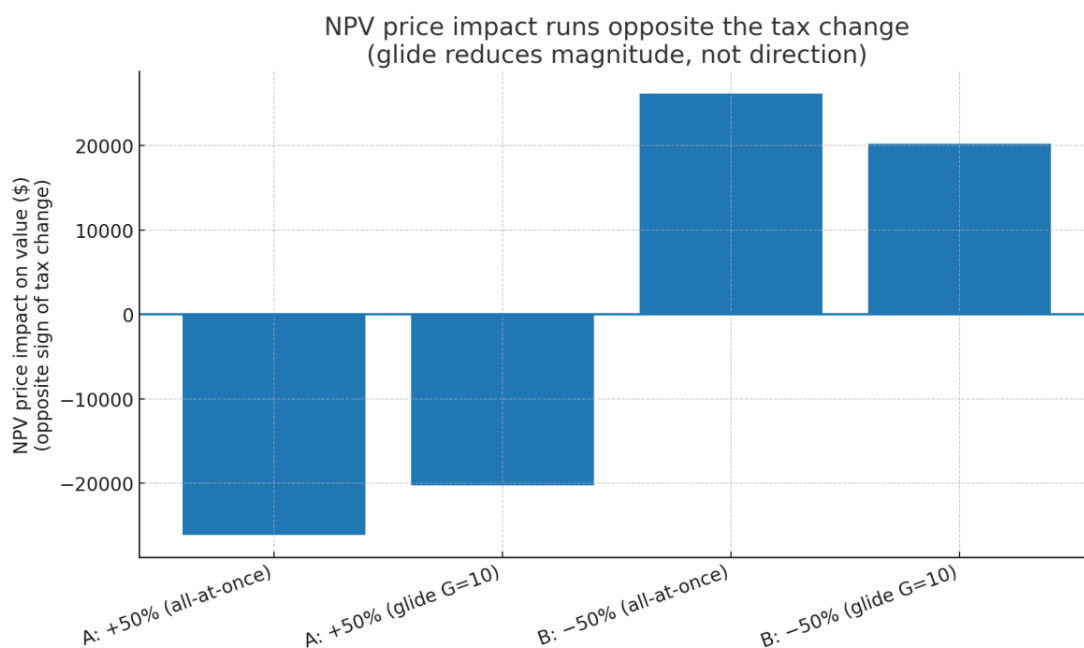
- **Adopt one statewide G:** At least 10 years; 20 deserves a hard look.
- **Keep 5-year reassessments:** Start a new glide each time from the then-current net.
- **Never glide one-time charges:** They must be fully billed and paid when scheduled.
- **Net effect:** Preserves the uniform rate, keeps budgets whole, stabilizes household bills, and moves Delaware toward fairness without repeating one-year shocks.

The Delaware Glide Path — Supplemental Q&A

Q1. How does the NPV effect work as described?

- **A home before and after a change in its annual property tax:** Buyers capitalize recurring taxes into price. If the annual tax goes up, the home is worth less; if it goes down, the home is worth more. That price response is the net present value (NPV) of the tax change over time.
- **Present-value logic (why timing matters):** Earlier dollars weigh more than later dollars. Imposing a full change immediately has a larger present value than phasing it in. That is why the NPV effect runs opposite the tax change: an increase tends to push prices down; a decrease tends to push prices up.
- **Glide path implication:** Directionality is the point: the NPV price impact moves **opposite** the tax change. Gliding doesn't change the sign; it spreads the change so the near-term price impact is smaller.

| Case | Tax change vs Base | NPV price impact (all-at-once) | NPV price impact (glide G=10) |
|-----------|--------------------|--------------------------------|-------------------------------|
| Example A | +\$1,512.50 | -\$26,154 | -\$20,238 |
| Example B | -\$1,512.50 | +\$26,154 | +\$20,238 |



Note: Illustration uses a 30-year horizon and a 4% discount rate. Changing these shifts the magnitudes but not the direction: price moves opposite the tax change; gliding lowers the near-term magnitude.

The Delaware Glide Path — Supplemental Q&A

Q2. How do 5-year resets affect convergence?

Concept (plain language)

At each reassessment, the glide restarts from the then-current net toward the updated target. If values keep moving in the same direction, the reset recomputes the step from where you are now, so the path reaches the new target faster—without a one-year spike. If values reverse, the recomputed step shrinks and the change slows—acting as a shock absorber.

Rule of thumb (why acceleration or deceleration happens)

Rule of thumb (why acceleration or deceleration happens). New step after reset = (Updated target – Level at reset) ÷ G. Acceleration occurs when **resetting now (Year 6)** reaches the updated target earlier than **waiting to recompute the step at Year 11**. Sustained rises (A) usually accelerate with a reset; sustained drops (B) usually decelerate (by design) to avoid windfalls.

Inputs:

- Base (last year): \$3,025.00
- Example A target (+50%): \$4,537.50 (gap +\$1,512.50); old step = +\$151.25 (+5.0% of base/yr)
- Example B target (-50%): \$1,512.50 (gap -\$1,512.50); old step = -\$151.25 (-5.0% of base/yr)
- Levels at end of Year 5: A = \$3,781.25; B = \$2,268.75

Example A Base +50% (Target \$4,537.50)

| Subcase | Updated target | Year-6 step | Reach year — Reset@Y6 | Reach year — Wait@Y11 |
|----------------------------|----------------|-------------------------------|--------------------------|--------------------------|
| A1: Trend continues (+10%) | \$4,991.25 | +\$121.00 (~+4.0% of base/yr) | Y15 | Y20 |
| A2: Trend reverses (-10%) | \$4,083.75 | +\$30.25 (~+1.0% of base/yr) | Y15 | Y7 |

Example B Base -50% (Target \$1,512.50)

| Subcase | Updated target | Year-6 step | Reach year — Reset@Y6 | Reach year — Wait@Y11 |
|----------------------------|----------------|------------------------------|--------------------------|--------------------------|
| B1: Trend continues (-10%) | \$1,361.25 | -\$90.75 (~-3.0% of base/yr) | Y15 | Y11 |
| B2: Trend reverses (+10%) | \$1,663.75 | -\$60.50 (~-2.0% of base/yr) | Y15 | Y9 |

The Delaware Glide Path — Supplemental Q&A

Q3. Year-1 bills went out at the full target. How do you implement the glide retroactively?

- **Short answer:** Nothing changes in the glide formula. In Year 2, set the net to the “as-if” Year-2 value you would have had if the glide had begun in Year 1, then keep stepping by the same amount.
- **One-time items:** Still billed in full when scheduled — never glided.

Example A (retro: G=20, first 5 years) — Base \$3,025.00 → Target \$4,537.50 (+50%)

| Year | As-If Glide Net (G=20) | Retro Implementation Net | Annual Step |
|------|------------------------|--------------------------|---------------------------|
| Y1 | \$3,100.62 | \$4,537.50 | — (Year-1 shock billed) |
| Y2 | \$3,176.25 | \$3,176.25 | +\$75.62 (+2.5%) per year |
| Y3 | \$3,251.88 | \$3,251.88 | +\$75.62 (+2.5%) per year |
| Y4 | \$3,327.50 | \$3,327.50 | +\$75.62 (+2.5%) per year |
| Y5 | \$3,403.12 | \$3,403.12 | +\$75.62 (+2.5%) per year |

Example B (retro: G=20, first 5 years) — Base \$3,025.00 → Target \$1,512.50 (-50%)

| Year | As-If Glide Net (G=20) | Retro Implementation Net | Annual Step |
|------|------------------------|--------------------------|---------------------------|
| Y1 | \$2,949.38 | \$1,512.50 | — (Year-1 shock billed) |
| Y2 | \$2,873.75 | \$2,873.75 | -\$75.62 (-2.5%) per year |
| Y3 | \$2,798.12 | \$2,798.12 | -\$75.62 (-2.5%) per year |
| Y4 | \$2,722.50 | \$2,722.50 | -\$75.62 (-2.5%) per year |
| Y5 | \$2,646.88 | \$2,646.88 | -\$75.62 (-2.5%) per year |

Q4: Why is the Glide Path calculated separately for each tax line-item “bucket” instead of once countywide?

Each bucket (County Property, Crossing Guard, School District, Vo-Tech) has its **own** annual revenue target. Running the Glide Path **inside** a bucket keeps that fund fully funded while smoothing **who pays** within it. If properties in District A rose faster than others, District A’s **distribution** changes (as it should), but its **total** still equals its required amount each year. Credits on some parcels are offset by charges on others **inside the same bucket**, so budgets stay whole and there are **no cross-subsidies** across buckets.

One-line takeaway: *Glide per bucket = predictable bills for taxpayers, full funding for every line item, no cross-subsidies.*

The Delaware Glide Path — Supplemental Q&A

Q5: Can Delaware use the current reassessment values immediately for Equalization and similar state formulas while individual tax bills glide?

Yes. The Glide Path adjusts only the **billing line** via **Transition Credits/Charges**; it does not change the assessed roll or the uniform rate. That means Equalization, fiscal-capacity indices, and weighted student-funding elements can run on the **current assessed roll now**. Meanwhile, each tax line-item **bucket** stays fully funded because credits on some parcels are offset by charges on others **within the same bucket** each year (zero-sum by bucket). One-time voter-approved charges remain outside the glide and are billed in full when scheduled.

One-line takeaway: *Formulas use full-value assessments immediately; bills glide by bucket without shifting totals.*

Subject: The Reassessment Process

Date: Monday, September 29, 2025 at 9:49:49 PM Eastern Daylight Time

From: WINNIE BRAUN

To: SpecialPropertyReassessment

09/29/2025

Memorandum TO: Senate Special Property Reassessment & House Special Property Reassessment Joint Committee

By email To: specialpropertyreassessment@delaware.gov

Want to know how I would describe the current tax assessment process- It's

Unfair, Deceitful, Unscrupulous, Fraudulent. Let me give you an example-In December 2019, I bought an Office Condo Unit at a cost of \$97,450. Three months later the City of Dover's appraiser (also Kent County's Appraiser) said the assessment should be \$207,500, over \$110,000 more than I had just paid. At the "informal" appeal conference I documented my purchase price and showed that the property couldn't be sold at a listing price of \$139,500, so how could it have an appraised value of over \$200,000? At the end of the informal appeal, I asked the appraiser if I could expect a significant reduction in the proposed assessment. I heard him say "not likely", and true to his word the original appraised amount was unchanged without explanation. I had to hire an appraiser and a lawyer to go to the formal appeal hearing. The hearing did result in an appraisal reduction of over HALF of the original appraisal, although my lawyer told me the appraiser had to be told to adjust his value.

But there's more. Sometime after the City of Dover's assessment, the Couty appraised that same property with the same appraisal company. They let stand the City's appraisal, but this property has the Basement deeded separately. The assessment on the basement parcel was raised by about \$100,000 so that the Unfinished Basement has a significantly higher (more than 150%) square foot "value" than the first and second floor finished office space.

But there's more. This building has 4 "units" in it. Two have exactly the same floorplan and two have a slightly smaller but very similar floorplan. As noted above the "listing price" for my unit at the time I bought it was \$139,500 and at the same time the listing price for one of the smaller units was \$135,000. I contend that this establishes that all 4 units have roughly the same value. But each of the other Units in the building were assessed at around \$90,000 while my unit's proposed assessment was OVER \$100,000 greater than even the identical other unit.

But there's more. In this case I jumped through all the hoops, established that the original proposed assessment was GROSSLY excessive. I believe I have even made a strong case that the Appraiser's actions were intentional and designed to harm me but

at the end of the day, no one cared. There are no penalties imposed on appraisers and even though I made a claim to get my costs back it went nowhere.

Pick a term to describe the Assessment Process from the list above. They all stink. In Delaware the deck is stacked against property owners. The taxing authorities will not "show their work" so property owners like me need to get expensive appraisers to challenge values. The process is compressed so the workload required to appeal multiple properties is impossibly high. At the end of the day, the government simply raises the value and tax on somewhere else, so you are always fighting a losing battle.

Respectfully,

MICHAEL W. BRAUN

Subject: Full Public Comments

Date: Tuesday, September 30, 2025 at 4:49:35 PM Eastern Daylight Time

From: Phil Meyerson

To: SpecialPropertyReassessment

I'm making comments today based on the situation of our family friends who are on fixed income, have medical issues, and extremely limited computer access. They purchased a foreclosure as-is for 200K around 2008, assessed at 288. They are now assessed at over 340!! There's no way that's even close until needed repairs are made. We all live in New Castle County.

First, the legislature must be more involved next time BEFORE an assessment cycle is completed, to be sure that issues can be uncovered and addressed before it becomes an issue for the public. How can you make this happen? I couldn't listen to everything, but the longer I did the sicker I felt.

The residential appeal forms are longer and more difficult to complete than for commercial property owners. No instructions, and no contact information are provided for help. The questions seem to assume that the property owner has access to a computer to look up information, which is an unnecessary burden. This process is unacceptable and must be corrected.

The language in the form is actively hostile towards those attempting to fill it out, and the information asked for is irrelevant in our case.

It's not clear to me why a property owner should have to do property value / assessment research on their own when the government already has this information available. This is unnecessarily burdensome.

Did anyone at the county review these forms? Did they ask a senior without computer access?

Neither us nor our friends recall receiving anything in the mail, although that's easy to miss. Please have the county send more than one notice next time.

Finally and somewhat related, please explain to me how it makes sense that our friends, who are seniors with medical issues and limited computer access, need to file ANOTHER FORM to get a senior tax credit. Why are you passing laws that constantly require MORE FORMS. The state should ALREADY KNOW they are seniors and living on fixed income.

This type of legislation leaves behind those who most need the help. The government needs to stop asking for information it already has. Please change your mindset. If the government can't be bothered to keep the information on its own, then maybe the information is not necessary in the first place.

Please instruct the county to perform an annual audit of seniors who are missing the tax credit so they can be notified... or better yet send them a filled out form for them to sign since you already have the information.

Appreciate your response and efforts!

Phil Meyerson

Subject: Written Comments - September 30 Special Committee Hearing
Date: Tuesday, September 30, 2025 at 7:30:31 PM Eastern Daylight Time
From: David Keller
To: SpecialPropertyReassessment
CC: Brittany Keller, David Keller

To Whom It May Concern:

It is our understanding you are accepting comments regarding Tyler Technologies gross negligence in coming up with home values during its reassessment process.

Here are the facts:

- My wife and I live at 1511 West 14th Street in the Trolley Square neighborhood with our two young kids.
- We bought our home for just over \$400k in 2017.
- Tyler reassessed it at \$630,000.
- One of the questions they asked is if you could sell your home at the reassessment value, would you? We would have sold our home in a heartbeat if we could've sold it for \$630,000. Unfortunately that is totally unrealistic and absurd. No houses on our block have sold remotely close to that sale price.
- The main critique we have is that when Tyler provided us with the comp list they used to assess our home, they did not take into account ANY properties on our street that recently sold. One house located a few down from us on the same side of the street (#1503) sold for \$430,500. Another one across the street (#1510) sold for \$355,000.
- Tyler also did not take into account the state of other homes on our block. Literally right across the street from us (when looking out our front door) there is a home where the owner neglects to keep her yard in order. This has been going on for several years. Weeds grow all summer long and a tarp covers her front yard, which flaps and ripples in the wind. This drives down the value of ALL homes on our block and is called external obsolescence.

We urge that there be a reassessment of our homes so that it is a fair and equitable process. Otherwise, we will be paying an increase in taxes that is totally unfair and blatantly negligent.

Thank you for considering.

David & Brittany Keller

Sent from my iPhone

Subject: Full text public comments from 9/30/24

Date: Tuesday, September 30, 2025 at 8:41:33 PM Eastern Daylight Time

From: Kristina Pansa

To: SpecialPropertyReassessment

My name is Kristina Pansa, I am a resident of Wilmington, and almost everyone here has heard from me. To those who took the time to reply, engage, or sit down with me—thank you. One thing that I love about Delaware is the social intimacy. We are a small, working-class state, and we know each other—as neighbors, co-workers, and community partners.

As we are identifying the many inconsistencies in this process and acknowledge that the IAAO issued a statement on disparity for how mass appraisals affect low-income properties, I urge the State, the County, and the City to address them without penalty to constituents. To that end, here are my suggestions:

First, extend the window for appeals through June 2026. There is already a backlog of appeals; bills have been delayed; and many residents did not understand the implications of the appeals process. Meaning, there is still time for residents to jump in line and identify their properties as mis-valued. Additionally, make the appeals form simpler and in English and Spanish, and provide staffing and resources to help people submit their paperwork. The formal appeals process was designed for one-off property evaluations, not mass appraisals. It's too complicated and places too much research burden on residents.

As appeals are being processed, identify ways in the Computer Assisted Mass Appraisal system (CAMA) to re-calibrate neighborhoods based on appeals. If 3 or 5 residents in a neighborhood all appeal successfully, that data should rightfully be applied to the remainder of the neighborhood, and residents should be notified. Despite what Tyler Technologies said today, neighborhood adjustments did not occur.

Provide clear guidelines for refunds and credits if people have overpaid this fiscal year due to either the tax rates changing or their property value being lowered retroactively at the City and County level.

Extend the refund or credit window to a 2-year period. Meaning, if in 2026, a home value is

identified as over-assessed and the value lowered from the 2025 value, residents should still get their 2025 overpayment back.

Address land values immediately— businesses and homeowners on land sizes under one-tenth (0.1) of an acre were particularly targeted, especially within the City of Wilmington.

Create a homestead act law that only allows a property's tax rates to increase by a set percentage each year until it reaches full assessed and taxed value. This gives residents many years to appeal assessed values without being decimated by massively inflated bills. Our neighbors in Maryland have such laws in place.

Make sure residents don't pay for budget deficits caused by re-assessment and appeals lowering residential and small business values— residents should not pay the difference for a government mistake.

Communicate. There should be readily available and clear updates posted online, with all previous announcements, tax rates, and hearings archived so that we know what the latest information is.

Long-term, we need to improve the IT system so that more sales data allows for more accurate re-calibrations of the Mass Regression Analysis on a more regular basis.

We need to define Geographic Market Areas for valuation purposes and transparency, especially within the City of Wilmington. Philadelphia has a good example of this.

We need to address corporate, industrial, and agricultural value inconsistencies and clarify zoning laws.

I look forward to the good work this committee is dedicated to achieving.

Thank you.

Subject: Property Reassessment Comments
Date: Wednesday, October 1, 2025 at 10:48:29 AM Eastern Daylight Time
From: Brent Burdge
To: SpecialPropertyReassessment

Dear Legislators,

Given that the property reassessment proposal has always been designed and touted to be "revenue-neutral", I believe the current tax bills should be withdrawn and replaced with last year's values to provide a full year to resolve all the issues that have emerged with inaccuracies in property valuations.

This is an imperfect solution, as the new reassessment resulted in a significant shift of the tax burden from non-residential/commercial properties to residential properties. The current changes have broadly impacted residential property owners and spared commercial property owners. A delay in implementation would extend the historic disparity that the reassessment sought to address and be a burden on commercial property owners, as a result.

There are two separate issues that clash in this circumstance: 1) errors in the assessed values of properties, and 2) the shift in the tax burden from commercial to residential properties that has occurred in recent decades.

The first problem can only be addressed with additional time to address and correct these errors. That is an argument for delaying implementation, but will yield legal challenges from property owners that are disadvantaged by the delay. The second problem may be addressed by additional "splitting" of rates. While complexity is its own problem, we need to create more than two categories to fairly apply the tax burden. Key classes that are likely being treated unfairly include family farms and landlord/corporate residential properties that serve innumerable lower-income residents in the state. It is patently unfair to burden-shift taxes to weigh more heavily on these low-income residents. Taxing the "commercial" landlord simply translates into increased rent burdens on these community residents.

Execution of the property reassessment process has been an embarrassment for our State, especially for New Castle County residents. I have extensive experience in implementing complex projects in the corporate environment - everything from complex software implementations to the construction of manufacturing plants. It is unconscionable that such a complex implementation was done without testing and investigation of the accuracy of the results. Hundreds of thousands of properties were re-evaluated with essentially no checks on the accuracy of the result before bills were issued. This circumstance was clearly aggravated by a political decision to delay the communication and appeal process until after the recent election. Shame on our current Governor (former NCC Executive) for these actions. You earned the results that occurred.

Regards,
Brent Burdge
NCC Resident
(302) 540-4372