

SB 228 -- Redline

HA 2 to SS 1 for SB 228 to Bill Text -- AN ACT TO AMEND TITLES 9 AND 14 OF THE DELAWARE CODE RELATING TO COUNTY ASSESSMENTS AND TAX COLLECTION.

Deletions ~~struck~~ · Insertions underlined

Rep. Sen.

~~RomerCruce HOUSE OF Rep. REPRESENTATIVES 153rd GENERAL ASSEMBLY HOUSE AMENDMENT NO.~~

~~2Romer TO Sens. SENATE SUBSTITUTE NO.~~

Hoffner, Huxtable, Lockman, Mantzavinos, Townsend, Walsh;

Reps.

Burns, Chukwuocha, Harris, Minor-Brown, Morrison, Snyder-Hall, K.

Williams DELAWARE STATE SENATE 153rd GENERAL ASSEMBLY SENATE SUBSTITUTE NO.

228 AN ACT TO AMEND ~~Senate~~ TITLES ~~Substitute~~ 9 No. AND 14 OF THE DELAWARE CODE RELATING TO COUNTY ASSESSMENTS AND TAX COLLECTION.

1 WHEREAS, ~~for property~~ ~~Senate~~ taxes ~~Bill~~ play No. a vital role in funding Delaware's school districts and county and local governments;

228 and ~~by~~ WHEREAS, inserting public confidence in the following property after tax line system 38 depends and on before accuracy line of 30: assessed values;

"WHEREAS, and under WHEREAS, current in law, 2024 all and property 2025, subject Delaware's to counties assessment completed must general be property assessed reassessments, at its fair market value as of the county's first most such recent countywide reassessment reassessments base in year, decades, and following the a County court-approved bears settlement responsibility concerning for longstanding ensuring property assessed tax values inequities; reflect that standard;

and "and WHEREAS, particularly in New Castle County, long-term changes in the use and value of commercial properties contributed to significant shifts in assessed values and resulting property tax liabilities following the general reassessment;

FURTHER and AMEND WHEREAS, ~~Senate~~ in ~~Substitute~~ order No. to address sudden, dramatic spikes in New Castle County residents' property tax bills, the General Assembly passed emergency legislation in August 2025;

1 and ~~for~~ WHEREAS, ~~Senate~~ since ~~Bill~~ August No. 2025, the General Assembly has examined measures to strengthen counties' ability to conduct regular reassessments that improve accuracy and predictability in valuation and promote greater fairness in property tax liability;

228 and ~~by~~ WHEREAS, insertings since August 2025, the following General after Assembly line has 81 examined possible measures it can take to provide property tax relief and before fairness line to 82: the most vulnerable Delawareans, and to provide incentives intended to promote outcomes that strengthen key opportunities and supports in Delaware;

"(i) This section is not a limitation on the power of New Castle County to perform quality control and make WHEREAS, revisions and corrections relating to the assessed General value Assembly's of examinations any are tax ongoing; parcel or parcels in its jurisdiction.

In and addition WHEREAS, to based the on categories its set examinations forth to in date, subsection the (a) General of Assembly this concludes section, that New there Castle is County reason may to identify be additional concerned categories about of the tax potential parcels under assessment for of quality commercial control properties, review particularly where in it New appears Castle that County, an arising error from or the mistake recent in general valuation property may reassessment; have occurred."

SYNOPSIS and This SD House: Amendment to Senate Substitute No.

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01/22/2026 11:03 AM WHEREAS, under current law, property owners who believe their properties may be overassessed have a recourse each year to seek a reduction in the assessed value of their property, not having to wait until the next general property reassessment to achieve such individual relief and fairness;

and WHEREAS, current law authorizes county tax-collecting authorities to correct errors identified in the property assessment lists, and the General Assembly intends to create a new mechanism to supplement, not replace, that authority, so that accurate property assessments and equitable, fair taxation can be achieved as quickly as possible following the first countywide reassessments in decades;

and WHEREAS, current law can be clarified and strengthened to ensure assessing authorities, without having to wait until the next general reassessment to achieve relief and fairness for the broader community, have the legal tools to examine independently whether properties might be underassessed and, therefore, not contributing an accurate and fair amount of taxes to the property tax base;

and WHEREAS, inaccurate property assessments can shift the tax burden unfairly, causing some properties

to be under-taxed while others are over-taxed;

and WHEREAS, in the wake of the first general property reassessment in decades, and significant frustration and confusion in the community, the General Assembly concludes that counties, particularly New Castle County, should have the clear authority to undertake as thorough and reasonable an effort as possible to ensure the next tax year's property tax bills are fair and based on accurate property assessments;

and WHEREAS, Delawareans deserve government officials' best efforts to promote fairness and accuracy at all levels of government in Delaware;

and WHEREAS, members of the General Assembly value and respect the voices of constituents who have taken the time and effort to share their experiences, knowledge, and ideas to help identify problems in the property reassessment process and to suggest practical solutions.

NOW, THEREFORE:

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

Section 1.

Amend Chapter 83, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Sec. 8345.

Quality-control mechanism for general property reassessments:

New Castle County.

(a) Notwithstanding any other provision of the Code, to ensure the accuracy of a general reassessment, the Office of Finance for New Castle County may conduct a quality control review of a tax parcel's new assessed value from a general reassessment when any one of the following circumstances exist:

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01/22/2026 11:03 AM (1) A clerical, mathematical, or factual mistake occurred during the new general reassessment process.

(2) A non-residential tax parcel whose assessed value from the new general reassessment is at least \$300,000 but decreased from its previous assessed value.

(3) A non-residential tax parcel's assessed value from the new general reassessment is at least \$300,000 and the percentage change in its newly assessed value from its assessed value prior to the new general reassessment is no greater than 50% of the median increase of non-residential properties in that county from the new general reassessment.

(4) A non-residential tax parcel's assessed value from the new general reassessment is at least 25% less than the actual sale price from that parcel's most recent sale within the 5 years preceding the new general reassessment, whenever the actual sale price is determinable by public records.

(b) A quality control review of a tax parcel's assessed value must adhere to the standards of Sec. 8306(a) of this title.

After conducting a quality control review, the Office of Finance may make revisions and corrections to the parcel's assessed value from the new general reassessment.

(c) Any revisions and corrections made after a quality control review by the Office of Finance are subject to the notice and appeal requirements of Sec. Sec. 8312 and 8321 of this title.

(d) Any revisions and corrections made by the Office of Finance under this section must be made no later than September 30, 2026.

(e) Notwithstanding the provisions of Sec. 8601(1) of this title, all taxes assessed and levied subject to this section shall be due and payable on October 12, 2026.

Notwithstanding the requirements of Sec. 8602(b) of this title, New Castle County shall mail to all taxables in the county a statement of their taxes collectible by New Castle County, including school taxes, no later than November 16, 2026, and the due date for said taxes shall be December 31, 2026.

(f) Notwithstanding the provisions of Sec. 8604(a)(1) of this title, the tax collecting authority of New Castle County shall, after January 1, 2027, add thereto a penalty of 6 percent of the current charge and 1 percent of the unpaid principal balance as of the first day of every month thereafter until the same shall be paid.

Penalty shall accrue at the same rate on any supplemental tax bill issued pursuant to Sec. 8340 of this title, beginning on the first day of the third month from the date upon which the tax liability became due and payable.

(g) For purposes of this section, any subpoena of records issued by the Office of Finance is subject to Sec. 8304A of this title.

(h) This section does not create any private cause action to force, mandate, or otherwise require the Office of Finance conduct a quality control review upon any specific parcel.

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01/22/2026 11:03 AM Section 2.

Amend Chapter 19, Title 14 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Sec. 1916.

Tax collection warrant and assessment list;

tax rate after general reassessment.

(d) The board shall, no later than the second Thursday in July, deliver its warrant, with a duplicate of the assessment list, to the receiver of taxes and county treasurer of the county or counties where the district is located.

(e) Notwithstanding the provisions of subsection (d) of this section, the school board of any district within New Castle County shall, no later than October 22, 2026, deliver its warrant, with a duplicate of the assessment list, to the receiver of taxes and county treasurer of the county or counties where the district is located.

In the event a school district within New Castle County experiences a shortfall of local school funds as a result of this subsection for the 2026-2027 school tax year, the school district may request, and the State shall advance, monies from State Division I funds.

Section 3.

This Act expires on March 31, 2027, unless otherwise provided by a subsequent act of the General Assembly.

SYNOPSIS This Act is a substitute bill for Senate Bill No.

228.

It combines Senate Bill No.

228 and Senate Amendment No.

~~228~~228. ~~clarifies that the quality control review parameters articulated in Senate Substitute No.~~

~~1~~This to Act differs from Senate Bill No.

228 ~~are by not~~intending ~~limitations to on~~maximize the ~~power~~amount of time New Castle County will have in 2026 to ~~otherwise~~conduct ~~make a revisions~~quality and ~~control~~ correctionsreview ~~to of~~ non-residential property assessments ~~in and then~~make ~~county any and~~adjustments ~~that to New~~assessed ~~Castle values~~ Countywhile ~~may also~~ ~~conduct~~ensuring ~~additional~~sufficient ~~quality~~time ~~control~~for ~~review~~the ~~where~~preparation ~~it of~~ ~~appears~~county ~~that and a~~school ~~error~~tax or ~~bills~~ mistake ~~in valuation~~New ~~may~~Castle ~~have~~County occurred ~~with a December 31, 2026 payment deadline:~~

~~The 1. amendment also adds a whereas clause that references the existing "fair market value" standard for valuation contained in the Delaware Code.~~

~~HD~~Adjusts ~~the~~the date by which New Castle County must complete its Quality Control review and make any adjustments to assessed values to September 30, 2026.

~~KL~~2. ~~the~~

~~SCD~~Adjusts ~~Page the 1~~tax of "due ~~1~~and ~~Released~~payable" date, which is an existing statutory term that is different from a payment deadline, to October 12, 2026.

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Adjusts the date by which New Castle County must mail out tax statements to November 16, 2026.

4.

Adjusts the deadline for payment of tax bills to December 31, 2026.

5.

Confirms that penalties for unpaid amounts do not begin until January 1, 2027.

This Act also differs from Senate Bill No.

228 by changing the date by which a school board in New Castle County must deliver its warrant to New Castle County to October 22, 2026, and clarifying the State shall advance monies to any school district that experiences a shortfall as a result of the changes in this Act.

Like Senate Bill No.

228, this Senate Substitute 1 for Senate Bill No.

228 is designed to promote fairness in property assessments and property taxation in New Castle County. The Act provides New Castle County the authority to conduct a quality control review of a tax parcel's new assessed value after a general reassessment when any of the following conditions exist:

1.

A clerical, mathematical, or factual mistake occurred during the new general reassessment.

2.

A non-residential tax parcel whose assessed value from the general reassessment is at least \$300,000 but decreased from its previous assessed value.

3.

A non-residential tax parcel's assessed value from the new general reassessment is at least \$300,000 and the percentage change in its newly assessed value from its assessed value prior to the new general reassessment is no greater than 50% of the median increase of non-residential properties in that county from the new general reassessment.

4.

A non-residential tax parcel's assessed value from the new general reassessment is at least 25% less than the actual sale price from the parcel's most recent sale within the 5 years preceding the new general reassessment, whenever the actual sale price is determinable by public records.

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01/22/2026 11:03 AM The quality control review grants the Office of Finance the power to make revisions and corrections to a tax parcel while adhering to the standards of Sec.Sec. 8306(a), 8312, and 8321 of Title 9.

The Act sets deadlines for the Office of Finance to make adjustments to assessed values and to finalize and mail tax statements.

This Act also amends Title 14 to provide a deadline for school boards in New Castle County to deliver their warrants and directs the State to advance funding if a school district experiences a shortfall of funding as a result of the changes in this Act.

This Act expires on March 31, 2027, unless otherwise provided by a subsequent act of the General Assembly.

Author:

Senator Cruce SD :

JH :

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