

HB 214 -- Redline

HA 1 to HB 214 to Bill Text -- AN ACT TO AMEND TITLES 14 AND 29 OF THE DELAWARE CODE RELATING TO DISABLED VETERANS' SCHOOL TAX CREDIT.

Deletions ~~struck~~ · Insertions underlined

Carson ~~HOUSE~~ OF Rep. ~~REPRESENTATIVES 151st GENERAL ASSEMBLY HOUSE AMENDMENT NO.~~

~~1~~ Bush ~~TO~~ HOUSE ~~Rep.~~ ~~BILL NO.~~

~~214~~ Dorsey ~~AMEND~~ Walker ~~House~~ Rep. ~~No.~~

~~214~~ Ramone ~~by~~ inserting Rep. ~~after line 3 and before line 4 the following:~~

~~"(a) D. The receiver of taxes and county treasurer shall collect school taxes in the same manner and at the same time as provided by law for the collection of taxes for other purposes, and, except as provided in subsection (c) and (d) of this section, shall allow no abatement or discount upon any taxes levied for school purposes required to be collected by them.~~

~~The~~ Short ~~Receiver~~ of Rep. ~~Taxes and County Treasurer for New Castle County only shall, after September 1 in the year in which the tax rolls shall be delivered to them, assess a penalty of 5% to taxes which are due and owing but unpaid, and shall each month thereafter add to such unpaid taxes a penalty of 1% per month until the same shall be paid.~~

~~The~~ Michael ~~Receiver~~ Smith ~~of~~ Taxes ~~Sen.~~ ~~of Kent and Sussex Counties only shall, after September 30 in the year in which the tax rolls shall be delivered to them, assess a penalty of 1% per month until the same shall be paid."~~ FURTHER AMEND House Bill No.

~~214~~ Ennis ~~on~~ line Sen. ~~10 by inserting after "in this State" and before the period:~~

~~"for~~ Lawson ~~a~~ Reps. ~~period of at least 3 consecutive years"~~

~~FURTHER~~ Brady, AMEND Briggs ~~House~~ King, Bill Gray, No. Griffith, Hensley, Mitchell, Morrison, Shupe, Vanderwende, Yearick;

~~214~~ Sens. ~~by deleting "The burden of establishing legal domicile within the State shall be upon the claimant," as it appears on lines 12 and 13 and inserting in lieu thereof "The burden of establishing that the claimant meets the definition of qualified person shall be upon the claimant."~~

~~FURTHER~~ Bonini, AMEND Brown, House Gay, Bill Hansen, No. Hocker, Lockman, Lopez, Mantzavinos, S.

~~214~~ McBride, by Paradee, inserting Pettyjohn, after Pinkney, the Poore, period Richardson, at Sokola, the Sturgeon, and Townsend, of Walsh, line Wilson 48 HOUSE and OF before REPRESENTATIVES line 151st 49 GENERAL the ASSEMBLY following HOUSE BILL NO.

~~"A~~ 214 ~~claimant~~ AN ~~must~~ ACT ~~notify~~ TO ~~the~~ AMEND ~~receiver~~ TITLES ~~of~~ 14 ~~taxes~~ AND ~~or~~ 29 ~~county~~ OF ~~treasurer~~ THE ~~of~~ DELAWARE ~~any~~ CODE ~~modification~~ RELATING ~~into~~ status DISABLED ~~that~~ VETERANS' ~~results~~ SCHOOL ~~in~~ TAX ~~the~~ CREDIT. ~~claimant no longer meeting the definition of qualified person set forth in paragraph (d)(1) of this section.~~

~~e-~~ BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

~~To~~ Section ~~the~~ 1. ~~extent that a claimant qualifies for a credit pursuant to both this subsection and subsection (c) of this section, the claimant shall be entitled to the credit authorized under this subsection and shall have no right to claim a credit authorized under subsection (c) of this section."~~ FURTHER AMEND House Bill No.

~~214~~ Amend at Sec. line 1917, 57 Title ~~by~~ 14 ~~striking of "Sec. the 1919(c) Delaware and Code (d)" by making deletions as it shown appears by thereon strike through and substituting~~ insertions in as lie shown thereof by "Sec. underline 1919 as (e)" follows.

~~FURTHER~~ Sec. ~~AMEND~~ 1917. ~~House Bill No.~~

~~214~~ Collection ~~at line 57 by inserting "which" after the word "for" and before~~ deposit "the of Secretary" school taxes.

(d) (1) If authorized by majority vote of the whole school board of the local school district pursuant to Sec. 6102(r) of Title 29, there shall be allowed a credit against taxation in the full amount of tax liability imposed pursuant to this chapter on the valuation of any qualified property.

For purposes of this subsection, "qualified property" shall mean property owned and occupied as a dwelling by and as the principal residence of a qualified person.

A "qualified person" means a veteran who receives from the United States Department of Veterans Affairs or its successor agency 100% disability compensation due to a service-connected, permanent and total disability based on individual unemployability or a 100% disability rating, who is legally domiciled in this State.

Mere seasonal or temporary residence within the State, of whatever duration, shall not constitute domicile within the State for the purposes of this section.

Absence from this State for a period of 12 months shall be prima facie evidence of abandonment of domicile in this State.

The burden of establishing legal domicile within the State shall be upon the claimant.

The receiver of taxes and county treasurer shall apply such credit after any change to the current expense tax rate pursuant to Sec. 6102 of Title 29.

(2) No credit against taxation on the valuation of real property as provided in this subsection shall be allowed except in accordance with a form of written application prescribed by the Secretary of Finance in consultation with the receiver of taxes and county treasurer and provided by the receiver of taxes and county treasurer for use by the claimants under this subsection.

Such application shall be filed with and received by the receiver of taxes or county treasurer no later than April 30 immediately prior to the beginning of that tax year.

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~~06/17/2021~~06/02/2021 12:13:06:45 PM ~~FURTHER~~(3) ~~AMEND~~The ~~House~~Secretary ~~Bill~~of ~~No.~~Finance shall have the authority to waive the date of application in the case that an individual is financially disabled defined herein as unable to manage such individual financial affairs by reason of a medically determinable physical or mental impairment (excluding impairment caused by voluntary use of alcohol or unlawful use of a controlled substance as defined in Chapter 47, Title 16) which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, but shall not include individuals for whom an individual's spouse, guardian, or any other person is authorized to act on behalf of such individual in financial matters.

~~214(4) by a. striking "May 1, 2000," as it appears on line 72 and substituting in lieu thereof "May 1, 2022,"~~

~~FURTHER~~Where ~~AMEND~~title ~~House~~to ~~Bill~~property ~~No.~~on which a credit is claimed is held by claimant and another or others, either as tenants in common or as joint tenants, claimant shall not be allowed a credit against that claimant's interest in said property in excess of the assessed valuation of that claimant's proportionate share in said property, which proportionate share, for the purposes of this subsection, shall be deemed to be equal to that of each of the other tenants unless it is shown that the interests in question are not equal, in which event claimant's proportionate share shall be as shown.

~~214b. by striking "section" as it appears on lines 90 and 94 and substituting in lieu thereof "section subsection"~~

~~FURTHER~~Nothing ~~AMEND~~in ~~House~~this ~~Bill~~subsection ~~No.~~shall preclude more than 1 tenant, whether title be held in common or joint tenancy, from claiming a credit against the property so held, but no more than the equivalent of 1 full credit in regard to such property shall be allowed in any year, and in any case in which the claimants cannot agree as to the apportionment thereof, the credit shall be apportioned between or among them in proportion to their interests.

~~214~~Property held by ~~striking~~husband "\$2,500,000"and wife as ~~it~~tenants ~~appears~~by ~~on~~the ~~lines~~entirety ~~116~~shall ~~and~~be ~~118~~deemed ~~and~~wholly ~~substituting~~owned by each tenant, but not more than 1 credit in ~~lieu~~regard ~~thereof~~to "\$1,000,000",such property shall be allowed in any year.

~~FURTHER~~c. ~~AMEND~~ House Bill No.

~~214~~Right to claim a credit under this subsection shall extend to property the title to which is held by ~~striking~~a "Veteran"partnership to the extent of the claimant's interest as ~~it~~a ~~appears~~partner ~~on~~therein, ~~lines~~or ~~120~~by ~~and~~a ~~121~~guardian, ~~and~~trustee, ~~substituting~~committee, ~~in~~conservator ~~lieu~~or ~~thereof~~other "Veterans",fiduciary for any person who would otherwise be entitled to claim a credit under this subsection, but not to property the title to which is held by a corporation.

~~FURTHER~~d. ~~AMEND~~ House Bill No.

~~214~~Right ~~by~~to ~~striking~~claim "section"credit ~~as~~under ~~it~~this ~~appears~~subsection ~~on~~shall ~~lines~~be ~~123~~withdrawn ~~and~~for ~~127~~the ~~and~~subsequent ~~substituting~~tax year from any taxpayer who has not paid in ~~lieu~~full ~~thereof~~such "subsection",taxpayer's property tax bill by the end of the tax year for which a credit was reported for that taxpayer to the Secretary of Finance by the receiver of taxes and county treasurer.

~~FURTHER~~Taxpayers ~~AMEND~~who ~~House~~fail ~~Bill~~to ~~No.~~pay in full their property tax bill by the end of the tax year for which a credit was reported for that taxpayer to the Secretary of Finance by the receiver of taxes and county treasurer may qualify for credits under this subsection in subsequent tax years upon the payment in full of property taxes and penalties owed prior to the beginning of the subsequent tax year.

~~214 by deleting "may" as it appears on line 131 and substituting in lieu thereof "shall".~~

~~FURTHER~~ ~~AMEND~~ House Bill No.

~~214 by deleting lines 133 through 140 and substituting in lieu thereof the following:~~

~~"change to the current expense tax rate pursuant to this subsection.~~

~~In the event that local school boards choose not to authorize the aforementioned credit against taxation, the sums appropriated herein will revert to the General Fund.~~

~~In the first year after a school board authorizes a credit, the Secretary of Finance, in consultation with the receiver of taxes or county treasurer, shall determine the effective date of such credit based~~

~~upon reasonable implementation requirements and operational capacity.~~

~~Section 4.~~

~~This Act takes effect upon enactment.~~

~~Section 5.~~

~~In FY 2022, the Secretary of Finance may use up to 5% of the amount appropriated for the Disabled Veterans Property Tax Relief and Education Expense Fund established pursuant to this Act to offset administrative expenses.~~

~~The Secretary of Finance shall pay over to each receiver of taxes and county treasurer an amount equal to 2% of the amount appropriated for the Disabled Veterans Property Tax Relief and Education Expense Fund established pursuant to this Act to offset administrative expenses." SYNOPSIS This amendment does the following:~~

~~1.~~

~~Makes technical corrections.~~

~~2.~~

~~Lowere the reserve amount for the Disabled Veterans Property Tax Relief and Education Expense Fund to \$1 million.~~

~~3.~~

~~Establishes that where an individual qualifies for both the Disabled Veterans and the Senior Property Tax Credit, they shall receive only the Disabled Veterans Credit which entitles them to 100% tax relief on their school tax obligation and prevents the possibility of being credited an amount greater than the tax liability.~~

~~4.~~

~~Provides an allocation of funds for administrative expenses of the counties and the Department of Finance.~~

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06/17/2021 06/02/2021 12:13:06:45 PM 5-(5) The Secretary of Finance may, in consultation with the receiver of taxes and county treasurer, promulgate such rules and regulations and prescribe such forms as the Secretary shall deem necessary to implement this subsection.

Clarifies ~~The Secretary may require that any school return board or may other choose~~ writing required to adopt the filed 100% with respect to the credit set allowed forth under in authority of this subsection be signed by the bill maker but of not such a return portion or thereof, writing under oath or affirmation, subject to the penalties of perjury.

6-(6) An aggrieved taxpayer may appeal from the disposition of a claim for credit under this subsection in the same manner as provided for appeals from property tax assessments generally.

Clarifies ~~(7) that Whenever the Act Secretary takes of effect Finance immediately, shall but determine that a qualified credit person has will been not claimed in disregard of the conditions under which such claims may be eligible made and for the credit Secretary until has after authorized payment under Sec. 1919(c) or (d) of this title, the Secretary may assess such claimant for the amount of Finance the credit and, unless it is shown that such disregard is due to reasonable cause and county not officials due implement to wilful neglect, with a penalty of 20% of the credit after claimed a along vote with interest at 1% for any month or fraction of a local month school commencing board, on the date on which the claim for credit was filed.~~

~~7-Section 2.~~

Adds Amend the Sec. requirement 1919, that Title a 14 qualified of person the must be domiciled in Delaware for Code at by least making 3 deletions years as before shown becoming by eligible strike forth through the Disabled Veterans Credit and requires insertions that as if shown ab y person underline ceases as to follows: qualify they must notify the county treasurer or receiver of taxes.

Sec. 1919.

Report of school tax collections and payment of collected taxes.

(d) For tax years beginning on or after May 1, 2000, each receiver of taxes and county treasurer shall report to the Secretary of Finance the amount of credits allowed under Sec. 1917(c) of this title for that tax year within 90 days of the date of any property tax billing.

Such reports shall contain such further information and be in such form as the Secretary shall prescribe.

The Secretary shall pay over to the State Treasurer, no later than 30 days following receipt of such report, an amount from the Elderly Property Tax Relief and Education Expense Fund established pursuant to Sec. 26102(q) of Title 29 equal to the allowable credits which shall be deposited into a separate account in the depository for other school moneys to the credit of the district.

(e) For tax years beginning on or after May 1, 2000, each receiver of taxes and county treasurer shall report to the Secretary of Finance the amount of credits allowed under Sec. 1917(d) of this title for that tax year within 90 days of the date of any property tax billing.

Such reports shall contain such further information and be in such form as the Secretary shall prescribe.

The Secretary shall pay over to the State Treasurer, no later than 30 days following receipt of such report, an amount from the Disabled Veterans Property Tax Relief and Education Expense Fund established pursuant to Sec. 6102(r) of Title 29 equal to the allowable credits which shall be deposited into a separate account in the depository for other school moneys to the credit of the district.

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~~06/17/2021~~06/02/2021 ~~12:13~~06:45 PM ~~2141510347~~79 Section 3.

Amend Sec. 6102, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Sec. 6102.

Composition of General Fund:

Delaware Higher Education Loan Program Fund.

(q) (1) A special fund of the State is created in the Department of Finance to be known as the "Elderly Property Tax Relief and Education Expense Fund," to which shall be deposited \$13,000,000 received in any revenue source not otherwise committed to a special fund and from which shall be paid claims made under this subsection and Sec. 1919(d) of Title 14.

Should such claims exceed \$13,000,000 during any fiscal year, the Secretary of Finance, with the approval of the Director of the Office of Management and Budget and Controller General, may transfer from the general contingency line in the Department of Education to the Elderly Property Tax Relief and Education Expense Fund the amount of such reasonably foreseen additional claims.

Any balance remaining in the Elderly Property Tax Relief and Education Expense Fund at the conclusion of any fiscal year shall revert to the General Fund.

(2) Sums appropriated pursuant to this section shall be allocated to school districts using a method that recognizes factors including, but not limited to, the number of primary residential households owned by persons 65 or over who meet the durational residency requirement of Sec. 1917(c) of Title 14 in each school district, the relative value of residential property owned by persons 65 and over, the relative property values of each school district, the school tax rates of each school district, and the average rate of application for tax relief pursuant to this section.

The final method and allocation of these moneys shall be approved by the Secretary of Finance in consultation with the Controller General.

(3) Local school boards shall decide through majority vote of the whole school board whether to authorize a credit against taxation imposed pursuant to Chapter 19 of Title 14 on the valuation of any qualified property, as defined in Sec. 1917(c) of Title 14.

The maximum such credit shall be the lesser of 50% of such tax remaining after taking into account any exemption pursuant to Title 9 and Title 22, or \$500.

The receiver of taxes and county treasurer shall apply such credit after any change to the current expense tax rate pursuant to this section.

Should the local school board decide to authorize less than the maximum amount of credit against taxation, the local school board shall develop a plan for using moneys received pursuant to this subsection, provide appropriate and reasonable public notice and comment on the proposed plan, and approve the plan through majority vote of the local school board.

Local school boards shall submit the approved plan to the Secretary of Finance, the Secretary of Education, the Director of the Office of Management and Budget and the Controller General.

In the event that local school boards choose not to authorize the aforementioned credit against taxation, the sums appropriated herein will result in increased state funding for education-related expenses of the school districts.

Education-related expenses for the purposes of this subsection HD :

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06/02/2021 06:45 PM shall be defined as including, but not being limited to, computer hardware and software, library resources and other instructional materials, and minor capital improvements to school facilities.

Local school boards and all other responsible parties under this paragraph are hereby directed to cause such conditions to be met as soon as practicable after the enactment of this section, but in no event later than October 30, 1999, and shall notify the Secretary of Finance and the Controller General as soon as such conditions are met.

Notwithstanding any of the foregoing to the contrary, funds received pursuant to this section shall not be used for major capital improvements or debt service.

(r) (1) A special fund of the State is created in the Department of Finance to be known as the "Disabled Veterans Property Tax Relief and Education Expense Fund," to which shall be deposited \$2,500,000

received in any revenue source not otherwise committed to a special fund and from which shall be paid claims made under this subsection and Sec. 1919(e) of Title 14.

Should such claims exceed \$2,500,000 during any fiscal year, the Secretary of Finance, with the approval of the Director of the Office of Management and Budget and Controller General, may transfer from the general contingency line in the Department of Education to the Disabled Veteran Property Tax Relief and Education Expense Fund the amount of such reasonably foreseen additional claims.

Any balance remaining in the Disabled Veteran Fund at the conclusion of any fiscal year shall revert to the General Fund.

(2) Sums appropriated pursuant to this section shall be allocated to school districts using a method that recognizes factors including, but not limited to, the number of primary residential households owned by disabled veterans in each school district, the relative value of residential property owned by disabled veterans, the relative property values of each school district, the school tax rates of each school district, and the average rate of application for tax relief pursuant to this section.

The final method and allocation of these moneys shall be approved by the Secretary of Finance in consultation with the Controller General.

(3) Local school boards shall decide through majority vote of the whole school board whether to authorize a credit against taxation imposed pursuant to Chapter 19 of Title 14 on the valuation of any qualified property, as defined in Sec. 1917(d) of Title 14.

The credit may be for the full amount of tax remaining after taking into account any exemption pursuant to Title 9 and Title 22.

The receiver of taxes and county treasurer shall apply such credit after any change to the current expense tax rate pursuant to this section.

Should the local school board decide to authorize less than the maximum amount of credit against taxation, the local school board shall develop a plan for using moneys received pursuant to this subsection, provide appropriate and reasonable public notice and comment on the proposed plan, and approve the plan through majority vote of the local school board.

Local school boards shall submit the approved plan to the Secretary of Finance, the Secretary of Education, the Director of the Office of Management and HD :

KL :

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06/02/2021 06:45 PM Budget and the Controller General.

In the event that local school boards choose not to authorize the aforementioned credit against taxation, the sums appropriated herein will revert to the General Fund.

Section 4.

This Act takes effect for the first full fiscal year after the January 1 following its enactment.

SYNOPSIS This Act creates the Disabled Veterans Property Tax Relief and Education Fund.

Pursuant to this legislation, school districts are authorized to create a credit against school taxes for up to the full amount of school tax liability for property owned by a veteran with a 100% disability rating who is domiciled in this state.

The full amount of such credit will be reimbursed by a transfer from the State's General Fund to the County Receiver for distribution to such school districts.

It has a delayed effective date to allow for implementation of the program.

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