



SPONSOR:
Rep. Baumbach; Sens. Lockman,
Sokola, Townsend

Rep. Jaques & Sen. Sturgeon

HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 129

AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO LOCAL SCHOOL TAXES.

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

Section 1. Amend § 1914, Title 14 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1914 Levy of annual school tax without election.

(a) The school board of any district, which has for 1 year levied a local tax under this chapter, may continue annually, without a further election or referendum, to levy such local tax not exceeding in amount the tax originally authorized by an election if said original authorization was on the basis of an amount of tax, or not to exceed the rate of tax originally authorized by an election if said original authorization was on the rate of taxation, each together with an added 10 percent for delinquencies and costs of collection as provided in § 1913 of this title.

(b)(1) Beginning in fiscal year 2021, a school board may increase the rate or amount of tax originally authorized in an election by an amount that does not exceed the higher of either of the following:

a. A rate equal to the percentage change in the CPI-W as determined by the Bureau of Labor Statistics in the Department of Labor.

b. A rate of 2% annually without a further election or referendum.

(2) This subsection (b) of this section does not apply to tax levies for major capital improvements under Chapter 17 of this title or tuition programs under Chapter 6 of this title.

(3) School boards may request a tax increase higher than the provisions in subsection (b)(1) of this section, but will require a referendum approved by the taxpayers. If the tax rate is increased under this subsection, state funding shall not be decreased in any subsequent tax year based on the levy of this tax.

(c) Notwithstanding any other provisions of this title to the contrary, the school board of the district whose jurisdiction traverses county boundary lines and whose local school taxes are made different as a result of property reassessment shall levy real estate taxes in the following manner:

(1) In the county not reassessed, at a rate authorized by law or in accordance with subsection (b) of this section.

(2) In the county recently reassessed, at a newly calculated rate based on the newly established assessments which at its

maximum would bring in revenue equal to the amount authorized by law and by referendum, based on the previous year's assessment, plus the quarterly updates and the 10% increase as authorized by subsection (b) of this section.

SYNOPSIS

This bill creates a mechanism by which school boards may increase funds for a school district both with and without a referendum. This bill also provides how certain school boards may levy real estate taxes.