

FY26 Tax Rates- Revised

August 20, 2025



**RED
CLAY**
CONSOLIDATED
SCHOOL DISTRICT

Agenda

- How did we get here?
- Enabling legislation
- Process for “Splitting Rates”
- New FY26 Property Tax Rates

Background

- As a result of reassessment, many residents saw significant increases in their tax burden as a result of their new assessed value
- Part of this increase was a result in a “shift” in tax base between Residential and Non-Residential parcels.

Enabling Legislation

- HB 240 - requires the county to REFUND to taxpayer any taxes determined to have been OVERPAID
- HB 241 - requires taxing authorities to issue payment plans if, due to reassessment, a school tax bill increases by \$300 or more and decreases the interest rate on NCC delinquent school taxes, if applicable, to 1%
- HB 242 - allows districts to split tax rates between different classes or property and extends the deadline for payment
- SB 202 - requires NCC to provide reporting regarding reassessment appeals and payment plans

HB242 Requires Board Action

As a result of the significant shift in assessed value towards Residential rates, we are recommending the school board authorize new tax rates that “preserve” the split between Residential and Non-Residential properties prior to the 2025 reassessment.

This does NOT shift the maximum amount possible to Non-residential rates

What is meant by “Residential” and “Non-Residential”

In New Castle County, properties is categorized as follows:

Property Class	Number of Parcels
Apartment	96
Commercial	2828
Farm	70
Industrial	215
Residential	52315
Utility	95
Residential defined as “Residential” and “Farm” by NCC	

Source: New Castle County July 7, 2025 Tax File

The number of parcels hasn't changed but the values have...

Type of Property	2024 % of Total Value	2025 % of Total Value
Residential	73.9%	82.6%
Non-Residential	26.1%	17.3%

Source: New Castle County February Tentative Value File

Setting our new Split Tax Rates

- Remove the 1% additional revenue previously included
- Assuming 98% Collections rather than 97%
- Assign 73.97% of the Red Clay Tax Burden to Residential Parcels
- Assign 26.03% of the Red Clay Tax Burden to Non-Residential Parcels

New Tax Rates

Parcel Class	Old Rate	New Rate	% Change
Residential and Farm	.6719/\$100 of assessed value	.59180/\$100 of assessed value	-12%
Apartment, Commercial, Industrial, and Utility	.6719/\$100 of assessed value	.99237/\$100 of assessed value	+48%

Are These Rates Revenue Neutral?

In the context of reassessment in Delaware, Revenue Neutral means that a school district is projecting to bring in the same amount of revenue after the reassessment as before. While individual parcels may see increases or decreases, the school district receives the same revenue as before.

With the exception of the increased revenue resulting from Referendum/Board Action, these rates are Revenue Neutral

Reassessment or Referendum

Many taxpayers have called inquiring whether their taxes went up because of board action?

Based on the Referendum/Board Action our tax bills would be approximately 10% higher than last year without reassessment.

Residential Impact

- All residential and farm parcels will see a decrease from their initial 2025 tax bill - approximately 12%
- This rate removes approximately \$16.4 Million dollars from residential and farm tax bills
- Approximately 17,500 residents will see less than a 10%* increase from last year's tax bill
- Approximately 35,000 residents will see more than a 10%* increase from last year's tax bill

*10% the increase over "revenue neutral"

Non-Residential Impact

- Non-Residential rates will increase approximately 48% from July rates
- This shifts approximately \$16.4M back to Non-residential properties preserving the split from pre-reassessment
- Approximately 1950 parcels will see an increase over 10%
- Approximately 1300 parcels will see a 10% or less increase over last year.

Next Steps

- The new warrants are due to NCC 10 days from 8/12/25
- The county will issue supplemental bills that show an decrease for Residential and an increase for Non-Residential.
- The new deadline for paying NCC Property taxes including School Taxes is November 30, 2025



Q&A

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