



SPONSOR: Rep. K. Williams & Sen. Walsh
Reps. Burns, Chukwuocha, Harris, Minor-Brown,
Morrison, Romer, Snyder-Hall; Sens. Cruce, Lockman,
Mantzavinos, Townsend

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE BILL

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

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

1 Section 1. Amend § 1901, Title 14 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 1901. Definitions.

4 ~~As used in~~ For purposes of this chapter:

5 (1) "District" means a reorganized school ~~district and the school district of the City of Wilmington.~~ district.

6 (2) "School board" means a board of education of a reorganized school ~~district and the Board of Education of~~
7 ~~the school district of the City of Wilmington.~~ district.

8 Section 2. Amend § 1902, Title 14 of the Delaware Code by making deletions as shown by strike through and
9 insertions as shown by underline as follows:

10 § 1902. Power of district to levy taxes for school purposes.

11 (b) In any instance except major capital improvement and new funds for educational advancement, as defined in
12 Chapter 17 of this title, where the State shall make appropriations to school districts for any purpose and the applicable
13 statute requires a local district contribution to the appropriation or expenditure, the local school board may levy such tax as
14 is necessary to support the local district contribution without the necessity of a referendum in the local school district,
15 notwithstanding § 1903 of this title. ~~In the case of the school district of the City of Wilmington, such tax as is necessary to~~
16 ~~support its local district contribution may be levied, notwithstanding the maximum tax rate specified in § 11, Chapter 92,~~
17 ~~Volume 23, Laws of Delaware, as amended by Chapter 9, Volume 56, Laws of Delaware and, unless otherwise specifically~~
18 ~~provided, such tax rate as may be so specified on or after June 3, 1968.~~

19 Section 3. Amend § 1904, Title 14 of the Delaware Code by making deletions as shown by strike through and
20 insertions as shown by underline as follows:

21 § 1904. ~~Notice of election.~~ Tax rate for different classes of property.

22 ~~Repealed by 74 Del. Laws, c. 122, § 42, effective July 8, 2003.~~

23 (a) A school board of a district located entirely in New Castle County may use different tax rates for residential
24 and non-residential properties in the district in accordance with this section. A school board may initiate different tax rates
25 or adjust the ratio between the different rates under the following circumstances:

26 (1) As part of an election under § 1903 of this title.

27 (2) When a school board calculates a new tax rate under § 1916(b) of this title. The combined projected
28 revenue for a residential and non-residential tax rate established or adjusted under this paragraph may not exceed the
29 limit established under § 1916(b) of this title.

30 (b) If a school board uses different tax rates under this section, the tax rates must be uniform for all real property in
31 the same classification, as required under § 1 of Article VIII of the Delaware Constitution.

32 (c) A non-residential tax rate established under this section must be at least equal to a district’s residential tax rate
33 and may be no more than 1.85 times the district’s residential tax rate.

34 (d) For purposes of classification and taxation under this chapter, a school board must follow the residential and
35 non-residential classifications established by New Castle County.

36 (e) In an election based on a specified rate of taxation conducted under § 1903 of this title, a district that uses a
37 residential and non-residential tax rate, or proposes to use a residential and non-residential tax rate after a successful
38 election, must state on the ballot the proposed new tax rate for each class of real property. If the election under § 1903 of
39 this title is held on the basis of a specified amount to be raised, the district must state the proportion of the amount that is
40 proposed to be raised from each class of real property.

41 (f) As used in this section, “tax rate” means the aggregate tax levied upon a real property by a school district,
42 including operating funds, match tax, tuition tax, and capital debt service.

43 (g) A vocational-technical school district may not use different tax rates for residential and non-residential
44 properties under this section.

45 Section 4. Amend § 1912, Title 14 of the Delaware Code by making deletions as shown by strike through and
46 insertions as shown by underline as follows:

47 § 1912. Assessment list; school capitation tax.

48 (a) The school board of the district in which an additional tax is to be levied shall use the assessment list of the
49 county in which that district is located as a basis for any school district tax. There may also be added a school capitation tax
50 on all persons 18 years of age and upward residing in the district of such amount as shall be determined by the school
51 board, provided that such school capitation tax is approved by the voters of the district in the same manner as required by
52 this chapter for the levy of taxes upon the assessed value of real estate.

53 (b) In the event a school capitation tax is approved by the voters of the district in New Castle County, the
54 Department of Finance shall collect such taxes and make deposits of the moneys so collected in accordance with § 1917 of
55 this title. Warrants or drafts on the said fund shall be drawn by the school board of the district.

56 (c) Every person who would be entitled to any exemption from taxation if such person owned real estate, pursuant
57 to subchapter II of Chapter 81 of Title 9, shall be entitled to an exemption from the school capitation tax, whether such
58 person owns real estate or not.

59 Section 5. Amend § 1913, Title 14 of the Delaware Code by making deletions as shown by strike through and
60 insertions as shown by underline as follows:

61 § 1913. Rate of tax.

62 (a) If the additional tax was authorized on the basis of amount of tax to be collected, the school board shall, upon
63 the completion of the assessment, fix the rate sufficient to raise the amount determined to be raised at that time with an
64 addition of ~~10 percent~~ up to 10% added thereto for delinquencies and costs of collection. If the additional tax was
65 authorized on the basis of a specified rate of taxation, the board ~~shall~~ may add thereto ~~10 percent~~ up to 10% of said
66 authorized rate for delinquencies and costs of collection.

67 (b) Notwithstanding any other provision of this title to the contrary, any school district which traverses county
68 boundary lines, which has tax rates established in accordance with § 1916(c) of this title, and which subsequently receives
69 approval through referendum to change the limit on such tax rate, shall establish a new or changed tax rate, including ~~the 10~~
70 ~~percent~~ up to 10% for delinquencies and costs of collection, such that the tax rate levied upon the full valuation of real
71 estate will be uniform on all real estate in the school district regardless of the county in which it is located. For purposes of
72 this subsection, the term “tax rate” shall mean the total tax rate levied for all school purposes. For purposes of this
73 subsection, the term “full valuation” shall mean the assessed valuation of a real property divided by the most current
74 assessment to sales price ratio for property within each county ~~among the following sources of such ratios:~~ as established
75 by the Director of the Office of Management and Budget in accordance with § 1707 of this title.

76 ~~(1) The aggregate assessment to sales price ratio for all types of real estate in that county as presented in the~~
77 ~~1982 Taxable Property Values and Assessments survey for Delaware, United States Bureau of Census.~~

78 ~~(2) The assessment to sales price ratio established by the Director of the Office of Management and Budget in~~
79 ~~accordance with § 1707 of this title.~~

80 ~~(3) The county’s assessment to sales ratio used in its most recent assessment.~~

81 Section 6. Amend § 1914, Title 14 of the Delaware Code by making deletions as shown by strike through and
82 insertions as shown by underline as follows:

83 § 1914. Levy of annual school tax without election.

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

89 Section 7. Amend § 1916, Title 14 of the Delaware Code by making deletions as shown by strike through and
90 insertions as shown by underline as follows:

91 § 1916. Tax collection warrant and assessment list; tax rate after general reassessment [Effective until Mar. 31,
92 2027].

93 (a) Based on the total value of all taxable property as shown on the county assessment list and on the amount to be
94 raised, the board of the district shall fix the rate of taxation plus up to 10% for delinquencies.

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

97 Section 8. Amend § 1916, Title 14 of the Delaware Code by making deletions as shown by strike through and
98 insertions as shown by underline as follows:

99 § 1916. Tax collection warrant and assessment list; tax rate after general reassessment [Effective Mar. 31, 2027].

100 (a) Based on the total value of all taxable property as shown on the county assessment list and on the amount to be
101 raised, the board of the district shall fix the rate of taxation plus up to 10% for delinquencies.

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

104 Section 9. Continuity.

105 (a) Except as described in subsections (b) and (c) of this section, a school district that adopted a residential and
106 non-residential tax rate under the authority of Chapter 135, Volume 85 of the Laws of Delaware (House Bill No. 242 of the
107 153rd General Assembly) may continue to use a residential and a non-residential tax rate, with the same ratio or a lower
108 ratio between rates as established in the 2025-2026 tax year, under the terms and conditions of this Act. Future changes to
109 the residential and non-residential tax rates may be made only in accordance with the terms of this Act.

110 (b) A district that established a non-residential tax rate under the authority of Chapter 135, Volume 85 of the Laws
111 of Delaware that is more than 1.85 times the residential tax rate must adjust its tax rates to comply with § 1904 of Title 14,
112 as contained in Section 3 of this Act, beginning with the 2026-2027 tax year.

113 (c) The New Castle County Vocational Technical District may not continue the use of more than 1 tax rate beyond
114 the 2025-2026 tax year.

115 Section 10. Effective date; contingent effective date.

116 (a) Sections 1 through 5 and 7 through 9 of this Act take effect upon enactment.

117 (b) Section 6 takes effect as follows:

118 (1) If Senate Bill No. 322 has passed both chambers by July 2, 2026, and is enacted into law, Section 6 does
119 not take effect.

120 (2) If Senate Bill No. 322 does not pass both chambers by July 2, 2026, Section 6 takes effect upon enactment.

121 (3) If Senate Bill No. 322 has passed both chambers by July 2, 2026, but is not enacted into law, Section 6
122 takes effect upon enactment.

SYNOPSIS

In 2025, the General Assembly passed House Bill No. 242 (now found at Chapter 135, Volume 85 of the Laws of Delaware), allowing school districts located entirely in New Castle County to use different tax rates for residential and non-residential properties. This Act amends the Delaware Code to continue the authority for non-vocational technical school districts in New Castle County to utilize a residential and non-residential tax rate for school tax purposes. Such a split rate may be established or adjusted in the year after a general reassessment or as part of a referendum. The rate must be uniform for each class of property. Under this Act, the non-residential rate must be at least equal to the residential rate and may be no more than 1.85 times the residential rate. For purposes of the split tax rate, a school district must follow the classifications of the county in which the district is located.

Under the transition provisions of this Act, a district that initially established split tax rates under the authority of House Bill No. 242, may continue to use those split rates at the same or a lower ratio between residential and non-residential tax rates established in the 2025-2026 tax year. But if a district's non-residential tax rate for the 2025-2026 tax year was more than 1.85 times the residential tax rate, it must adjust its rates to meet the 1.85 maximum ratio permitted under this Act. The New Castle County Vocational Technical District may not continue the use of different tax rates past the 2025-2026 tax year.

The Act also changes the amount a school district must add to its tax rate to account for delinquencies and late payments to "up to 10%" rather than requiring that a school district must add exactly 10% to its tax rate for this purpose.

This Act also makes technical corrections to conform this chapter of the Delaware Code to the Delaware Legislative Drafting Manual and strikes references to the City of Wilmington School District, which no longer exists. It also revises § 1913 of Title 14 to reflect current practice. It strikes an outdated requirement in § 1918 of Title 14 that the school districts deliver a copy of the assessment list to the County along with their tax warrant. This is inconsistent with the role of the school districts and with current practice.