153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 1 FOR HOUSE BILL NO. 246**
SPONSOR:	**Representative Shupe**
DESCRIPTION:	**AN ACT TO AMEND TITLE 14 OF THE DELAWARE CODE RELATING TO LIMITATION ON PUBLIC SCHOOLS' TAX RATE AFTER GENERAL REASSESSMENT.**

Assumptions:

1. This Act becomes effective upon signature of the Governor and shall be retroactive to July 1, 2025.

2. This Act allows school districts projecting a loss of revenue due to reassessment to increase revenue by 2% annually for up to five years or until the loss of revenue has been fully offset, whichever occurs first. School districts prior to this bill could increase revenue by up to 10% in the year following a reassessment.

3. Estimated loss of local revenue was compiled by projected revenue increases provided by each school district. Rate increases from July 1, 2025, and earlier were excluded, as well as rate increases that were approved by a voter referendum. A table of all school districts with rate increases after July 1, 2025, are shown below.

4. As no school district was projecting a loss of revenue due to the latest reassessment, the school districts listed below would no longer be able to increase local revenue as previously implemented in FY 2026.

School District	Annual Projected Loss of School Revenue
Appoquinimink	$ 5,000,000
Capital	$ 1,424,000
Christina	$ 18,200,000
Colonial	$ 5,373,448
Delmar	$ 99,664
Indian River	$ 4,675,625
Laurel	$ 211,000
Milford	$ 617,000
Polytech	$ 564,000
Seaford	$ 625,433
Smyrna	$ 623,711
Woodbridge	$ 365,000
Total	**$ 37,778,881**

5. As the Act does not permit new rates to provide any revenue growth, the estimate may include amounts that would have occurred from annual revenue growth prior to the rate change.

6. As no county will undergo a new reassessment within the three years of this fiscal note, the same estimate can be assumed through Fiscal Year 2028.

<u>Cost:</u>

	Local School Revenue Loss
Fiscal Year 2026:	$ 37,778,881
Fiscal Year 2027:	$ 37,778,881
Fiscal Year 2028:	$ 37,778,881

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