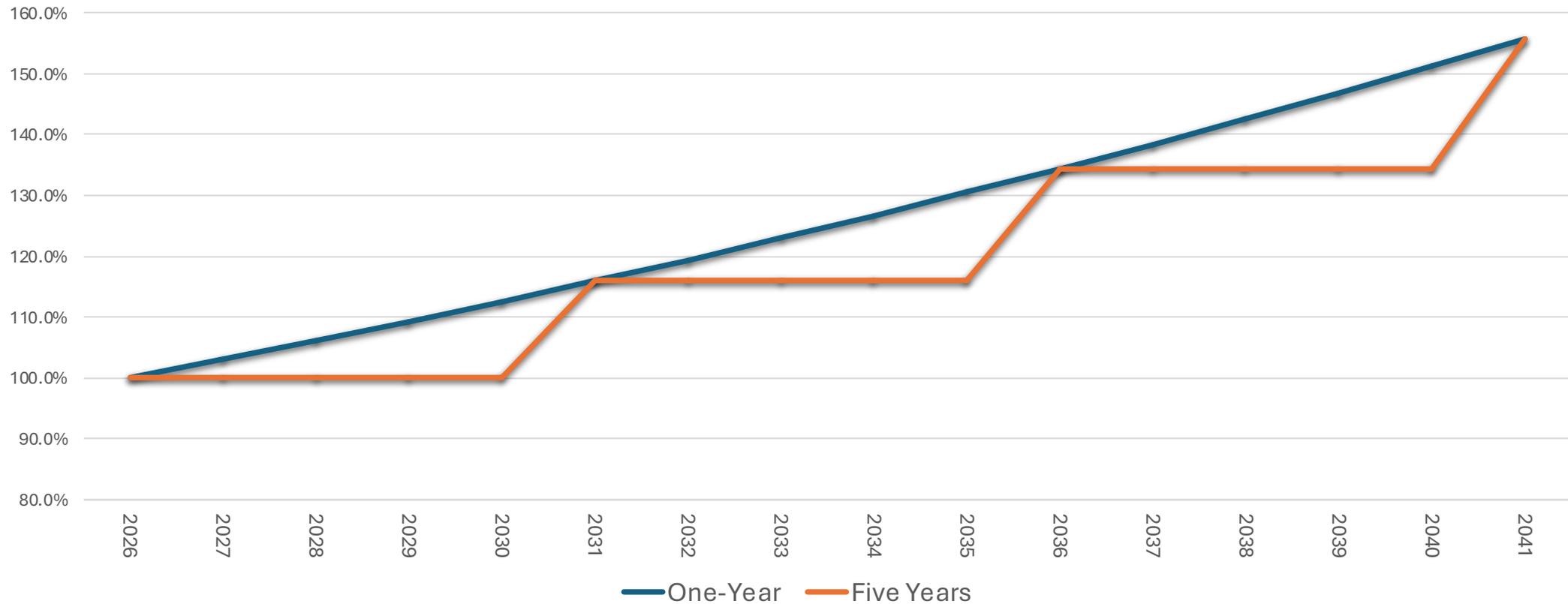


Local Funding Increases

- Local school district revenue is determined by two things
 - Total assessed taxable property
 - Current property tax rate(s)
- Under Delaware's current system of reassessing property every five years, the amount of total assessed property will stay flat for a four-year period and then jump up every fifth year.
 - *This system will result in local school revenue remaining flat for a four-year period and a large jump in the fifth year.*

An Example of the Difference Between Assessing property annually vs. every 5 years

Property Assessments
Annual Increases of 3%



Options for Smoothing Out Local Revenue Increases

1. Reassess taxable property on an annual basis
2. Allow for districts to adjust their tax rate so that local revenue can keep pace with inflation
 - This would most likely result in increased tax rates for the first four-years of each assessment cycle and either flat rates or even rate decreases in the 5th year.

How Often do States Reassess Property?

	Number of States
Annually	25
Two-years	3
Three-years	2
Four-years	1
Five-years	4 [Delaware]
Greater than 5 years	3
No fixed time	2
Other	11

Source: Lincoln Institute of Land Policy

State Examples of Allowable Local Revenue Growth

- **Colorado:** Tax increases up to “..the rate of inflation plus the percent change in the population” (Voters can override this limit)
- **Iowa:** The increase in levy is limited to 2% unless a 2/3 majority of the board or council approves the increase in a resolution.
- **Massachusetts:** The municipal property tax levy limit may not increase by more than 2.5% annually, excluding new growth in the tax base (Voters can override this limit)
- **Mississippi:** School districts are limited to a 7% increase over the total property tax revenue in any of the previous 3 years, excluding new property.

Source: Lincoln Institute of Land Policy

Property Tax Relief Programs

30 states currently have tax relief programs targeted to specific groups of tax-payers, these tax-payer groups include:

- Disabled
- Low-income families
- Seniors
- Veterans with disabilities
- Widow(er)s

Property Tax Relief Programs

State Examples

State	Qualified Group	Income Cap	Max Benefit
Connecticut	All	\$130,500 (Married)	\$200
Massachusetts	65+	\$88,000 (Married)	\$1,100
New Jersey	65+, blind, or disabled	\$150,000	\$10,000
New York	All	\$200,000	\$500
Pennsylvania	65+, Disabled, or Widows 50+	\$35,000	\$650
Vermont	All	\$147,500	\$8,000

Source: Lincoln Institute of Land Policy