



Governor's Advisory Council for Exceptional Citizens (GACEC)
516 West Loockerman St., Dover, DE 19904
302-739-4553 (voice) 302-739-6126 (fax) <http://www.gacec.delaware.gov>

MEMORANDUM

DATE: May 24, 2017

TO: The Honorable Members of the Delaware General Assembly

FROM: Dafne A. Carnright, Chairperson
GACEC

RE: **Senate Bill No. 38 (Realty Tax Exemptions for Individuals with a Disability)**

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed Senate Bill No. 38 which will require county governments to provide exemptions to real property taxes for individuals with a disability that are at least as generous as the exemptions currently provided by the county government. In addition, if a county government provides an additional exemption to real property taxes for individuals with a disability who became disabled as a result of service in and while in the service of any branch of the United States armed services, the county government must provide exemptions that are at least as generous as the exemptions currently provided by the county government. In essence, Senate Bill No. 38 will codify in State law the county exemptions for individuals with disabilities (including the service-connected supplements). Counties could increase or expand the exemptions, but not eliminate or reduce them (lines 25-26). Council **endorses** the proposed legislation since it will have beneficial impact on individuals with disabilities.

As background, New Castle, Kent, and Sussex Counties currently have ordinances which provide partial exemptions from real property taxes for homeowners with a disability. In New Castle and Kent Counties, "disability" is defined as equivalent to the standard in Social Security law. In Sussex County, "disability" is defined as being "physically prevented from pursuing any remunerative occupation". Income limits in all three counties generally disregard Social Security benefits. The domicile and residency requirements vary by county.

The disability-based exemptions are relatively modest. Indeed, the Sussex County standards are manifestly low (e.g. authorizing only a \$12,500 exemption of assessed value for an individual with countable income of \$4,500 or below). With inflation and predictable increases in real estate values, setting the existing standards as a minimum should not prove burdensome for counties. Counties could also diminish the impact of the exemptions by increasing assessed values either on a county-wide basis or as properties change hands.

The synopsis of the legislation notes that Delaware may be the only state “that is silent at the state level with regard to exemptions for service-related disabilities.” This legislation seeks to address that silence.

Thank you for your time and consideration of our endorsement and comments. Please feel free to contact me or Wendy Strauss at the GACEC office should you have any questions.