

Assessment Committee Report on NCC Tax Reassessment Program

As reported in the News Journal on 3/24/2021: "New Castle County has budgeted \$30 million to perform the tax reassessment it agreed to in February as part of a legal settlement in a lawsuit aimed at recalculating unconstitutional property tax valuations throughout the state."

This legal issue has been in DE courts for several years. A headline, again in the News Journal, on 8/4/2019: "Delaware Property Tax System on Trial." As a result, the State of DE mandated a tax reassessment of all property values in New Castle, Kent and Sussex counties. A property's assessed value is used to calculate the property's real estate tax, which is the total of school and county taxes.

It is said that the purpose of the reassessment is not to create more revenue for the state but to more equitably distribute the tax burden. The goal is to restore fairness to the real estate tax system.

The reassessment has officially been in progress since Spring 2021. Tyler Technologies, a Maryland company, was hired by NCC to perform a mass reassessment of all residential, commercial and industrial properties. I attended a zoom presentation given on 10-19-21 by Mike McFarland, Senior Project Manager for Tyler Tech. The meeting was arranged by Brian Cunningham, Director of Strategic Communications for NCC.

Every home in NCC will be visited by a trained Tyler Tech Data Collector identified by a bright yellow vest and photo ID badge. After a knock on the door, an exterior inspection with measurements, sketches, observations and pictures will take place. If you are home at the time of the visit, you may engage with the data collector, or not - your choice. The discovery of non-permitted improvements will likely occur, but it is not the purpose of the inspection. The data collector will not engage with a minor child that may be home alone. The visits are currently taking place now through approx. end of June 2022. You may check NCC website for a schedule of home visits, although the time frame posted for visits can be for an area of a 1000 houses.

In early 2023, after the collected data has been analyzed by computer software designed for mass assessments, homeowners will receive notice of their property's new assessed value. The system is designed so that if a homeowner thinks their new assessed value is too high, the value may be challenged via a meeting with a Tyler Tech representative. (Tyler Tech doubts that anyone will think their assessed value is too low!)

The earliest the reassessment could be reflected in the real estate tax bill will be for the tax period 7/1/2023 thru 6/30/2024 . The county's goal to meet this date is in the court's legal settlement agreement.

The committee will meet again with the trustees to discuss what the future reassessment could mean for our Land Rent system. Of note: For most of NCC, a homeowner's tax bill is based on the assessed value of the combined value of their structure *and* land. In Ardentown, each leaseholder is taxed on the assessed value of their structure only, and the Trust land (which is *all the land* in Ardentown) is taxed separately based on *its* assessed value.

The committee's goal appears to align with the State of Delaware's goal, and that is to create an equitable tax system or, for Ardentown, an equitable land rent system.

Janet Cosgrove
Ardentown Town Meeting
11-8-2021