



To: All Leipsic, Delaware Property Owners

Date: April 3, 2024

Re: 2024-2025 Leipsic Property Taxes

As you are most-likely aware, the State of Delaware ordered a statewide property reassessment in 2020. The Kent County reassessment has been completed and the new assessment values become effective for tax year 2024; the remaining two counties will go into effect in 2025. Going forward, each county is required to perform a reassessment every five years.

**How will the new assessment values impact your Leipsic Town taxes?** Property taxes for the Town of Leipsic are based on a fixed rate applied to the property assessment report released by Kent County every July. This has been the process for as long as anyone can remember. That process will remain unchanged.

It is anticipated that Town Council will apply the same methodology to its 2024 property tax calculation as is being adopted by Kent County. That being, **total revenue** collected in the past year will remain the same with a new fixed tax rate (lower) applied to the new assessment values.

Now, to be clear, “anticipated” means that, until we receive further information in July 2024 from Kent County, Council members and your Tax Collector are unable to determine the new tax rate to bring forth to Town Council for a formal vote.

Attached is the most-current letter from Kent County Levy Court (March 13, 2024) in regard to the reassessment and 2024 tax bills. As a reminder, Leipsic tax bills are issued August 1<sup>st</sup> of each year.

Until such time we receive the new assessment statements from Kent County (July), there’s no further information available at this time. Any questions you may have with regard to the new assessments, now or in the future, please email me at [MAYOR@LEIPSICDE.US](mailto:MAYOR@LEIPSICDE.US).

Regards,

*Jim Fox*

Samuel (Jim) Fox IV  
Mayor of Leipsic



**REASSESSMENT UPDATE AS OF 3/13/2024:** Kent County Levy Court is happy to announce Tyler Tech has completed the assessment and informal reviews process. Now that the collected data is within the hands of the County, we would be happy to answer any of your questions regarding your initial assessment. Please contact the Kent County Levy Court Assessment Office directly at (302)744-9565 for assistance.

### **An Open Letter to Kent County Property Owners**

We know some residents find our name confusing. The Levy Court is the County government serving Kent County. Our name dates back to nearly a century before the American Revolution and reflects our responsibility to levy taxes. After over 300 years, being the “tax man” is still an unpopular job as evidenced by the recent countywide reassessment.

Part of collecting property taxes is maintaining assessed values for every property here. In 2020, a Delaware court declared our existing tax assessment system unconstitutional. All three Delaware Counties fought this and lost. And lost. And lost. Having exhausted our legal options, we began work on a comprehensive reassessment of properties, the first in Kent County since 1987.

This is a huge job. There are over 86,000 taxable parcels of land in Kent County. All three Counties hired the same contractor—Tyler Technologies—to inspect and collect data on properties. Tyler collected a vast amount of data and calculated updated values. The letters with those values have been mailed to property owners over the past few weeks.

#### **Is this just a sneaky way to increase taxes?**

No. By state law, the Levy Court can't use the reassessment process to back door a tax increase. We have a hard cap of a 15 percent increase in total property tax revenues. Our goal is to keep the overall amount of taxes collected roughly equal.

We are very proud of our record of fiscal responsibility. The Levy Court has only increased taxes just three times since 1989: In 1991, 2009, and last year. During that same period, we cut the property tax rate four times. We are responsible for collecting taxes, but the County tax is only a small part of your property tax bill. Property owners pay far more in school taxes. We have nothing to do with those rates.

## **Are you saying my property taxes won't increase?**

No. We're saying the total amount of property tax we collect will stay about the same. Whether the tax bill on a given property goes up, down, or stays the same depends. We know that's not the answer you may want, but it's the best answer we have.

The current method for assessing property for taxes is based on 60 percent of the 1987 value, even for properties developed since then. The new method is based on the "fair market" value as of July 1, 2023. This means the total "assessable base" of property in the County will go up... a lot. For us to keep tax revenues about the same, we'll have to cut the tax rate... a lot.

We don't have the final numbers yet, but for the sake of discussion let's say the new assessments result in an average increase of about 500 percent. The new tax rate will have to be about 500 percent less. We know some properties were under assessed in 1987. We also know there are properties where additions and other improvements were built and not captured in the tax records. If the current assessed value is \$50,000 and the new fair market value is \$350,000, that's a 600-percent increase. Chances are that property will see a bump in taxes. On the other hand, if the current assessed value is \$70,000, the jump to \$350,000 is only 400 percent and the tax bill will be lower. Again, the 500 percent is just an example, not an estimate.

In broad terms, we expect about a third of properties will see an increase, about a third will see a decrease, and a third will stay roughly the same. We've heard from people who think their assessed value is low, and others who think it's high. For us, that's a good sign.

## **What about my neighbor?**

Tyler used the same methodology for every residential property and a different (but equally consistent) approach for every commercial and industrial property. We've all read our own assessment letters, and have seen letters from friends, neighbors, and constituents. To us, the valuations seem pretty accurate. We're not saying the system is perfect, but overall, we have much better assessment data than we did 18 months ago. What matters to us is trying to get the best possible information on every property and treating everyone fairly.

## **Where are we today?**

With the assessment letters sent, Tyler is currently conducting informal reviews for every property owner who has questions or concerns about the initial assessed value. The informal review is exactly what it sounds like. Tyler will do everything it can to ensure the assessed values on Kent County properties are accurate. No matter how hard they work, we know some property owners will disagree.

Any property owner can go from the informal review to an appeal. We recently changed the County Code to allow Hearing Officers to make a preliminary determination. This is a legal process. Property owners will need to present evidence to support a change in the assessed

value. Property owners dissatisfied with the preliminary determination can appeal to the Board of Assessments. From there, appeals go to Superior Court.

### **When will I know more?**

We have to wrap up the assessment and appeal process before we can set a tax rate for the coming tax year. We expect Tyler will conclude informal reviews by mid-February. We expect a very busy March and April with preliminary hearings. If there are legal challenges that go beyond the Board of Assessments, we'll have to make the best estimate we can and set the tax rate before the statutory deadline.

### **In closing.**

This is the first reassessment of property in Kent County since 1987. Because of a law passed by the State Legislature, the next one will happen in five years. The 2028 reassessment will be much easier, but we have to make it through this one first.

The most frustrating part of this for us—aside from being forced to do it by the court—is the amount of misinformation circulating. This is not a money grab or a stealth tax increase. We're spending a huge amount of time and money on this project. When the dust settles, we'll be running the Levy Court on about the same amount of property tax revenues we had the year before.

The one positive coming out of this process is that after the reassessment is concluded, the property tax assessments for Kent County will be fairer. No one likes paying (or collecting) taxes, but if it's something we have to do (and it is), 2023 data is better than 1987 data. We have property tax credits for special populations like seniors. There shouldn't be a tax break for someone who built an addition or finished a basement under the radar.

Our responsibility is to use every tax dollar wisely. It is how we pay paramedics who respond to calls and save lives every day, sent by our dispatchers who answer 911 calls. Your tax dollars fund local parks and libraries and an extraordinary range of community programs. We reinvest your money into our community by supporting nonprofits like our local Volunteer Fire Companies. As your Levy Court Commissioners, neighbors, and fellow taxpayers, we thank you for being patient while we work our way through the reassessment process. And if you have any questions, please contact the Kent County Levy Court Assessment Office directly at (302)744-9565 or [assessment@kentcountyde.gov](mailto:assessment@kentcountyde.gov).

**Levy Court Commissioners**