

A Statewide Property Tax: an Idea Whose Time Has NOT Come

The Avalanche is coming. It may take a while, but trust me, if we can't stop it, it is coming!

If you are a residential or business property owner in Delaware get ready to hold onto your wallet!

In March the state senate will consider Senate Bill 50, the first statewide property tax in Delaware history. This tax will fall under the direction of, and provide benefit to, Delaware Technical and Community Colleges.

If this bill passes, the floodgates will open and within a matter of years Delaware will no longer be a low-property-tax state.

My prediction is that property taxes will at least double over the next several years. This will have far-reaching consequences. Not only on tax payers (especially senior-citizens on fixed incomes) who will be paying ever-more in taxes, but also the economy at large as our business and real estate environment will become less and less competitive. We already struggle to bring decent jobs into Delaware: why would we want to create yet another disincentive for businesses to come here!

Having spent over two decades in the General Assembly, I GUARANTEE that once a statewide property tax is initiated it will continue to increase, and more and more justifications will be presented for those increases. There is no question that Delaware Tech faces a significant problem in maintaining their buildings and has a real backlog of maintenance issues. DelTech's problem is real. But so are the issues of every other state agency and school district! Not to mention all of the critical nonprofit and private entities that provide important services to our state. You name the issue (environment, healthcare, education, infrastructure, addiction, etc.) – all of which represent legitimate needs - and the advocates and relevant agencies will be lobbying (successfully) to have their issues addressed by increases in the state property tax. With a true statewide property tax, Pandora's box will be open and it will be nearly impossible to close it again. (When's the last time you saw government retire a tax once it was started?)

Also, if you believe, as I do, that public education decisions are best made at the local level, SB 50 (which has 18 co-sponsors in both the Senate and the House of Representatives) will essentially cripple local school districts' ability to go to their communities and successfully pass referenda. Property owners under Senate Bill 50, and all of the taxes that will follow it, will be unwilling to raise their taxes even further to fund local district needs.

Delaware Tech administrators and advocates for the tax will point out that SB50 represents a relatively small amount compared to the overall budget and that the tax is exclusively for just Delaware Tech. I concede both points. However, anyone who thinks that my colleagues will not see this as a precedent and start approving statewide property taxes for a cornucopia of issues is stunningly naïve. Expecting the General assembly to not take advantage of a new tax source is simply wishful thinking. We should not start down this path!

SB50 needs a 3/5 supermajority vote in order to pass in both the Senate and the House. If we can convince just a large minority of legislators to consider the long-term consequences of SB50 and the precedent that SB50 sets, we can defeat it.

I need your help. Please contact your local legislators and say with firm clarity: no statewide property tax.

Let's keep Pandora's box closed.

If you would like to reach me directly, my number at the State Senate is 302-744-4169 and my email is colin.bonini@delaware.gov