



CITY OF DOVER ORDINANCE #2021-20

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

That Chapter 102 - Taxation, Article VI – Exemptions; Board of Assessment Appeals, be amended to read as follows:

Section 102-183 – Tax exemption for disabled property owners and senior citizens.

- (a) *Authority.* This section is adopted to implement 22 Del. C. § 1001 et seq., granting exemptions from municipal taxation on real property for persons 65 years of age or over. Compliance must be made with such chapter 10 and this section in order to qualify for such exemption.
- (b) *Qualifications for participation.*
 - (1) Totally disabled and able to document said disability by meeting the definition of “totally disabled” as defined by social security disability or by filing certified copies of award letters from government agencies indicating that the applicant is totally disabled regardless of age; or
 - (2) Sixty-five (65) years of age or older at the beginning of the tax year for which the application is made.
 - (3) An individual may only apply for inclusion in this program under one of the two provisions above.
- (c) *Program Qualifications.* The exemption shall be for real property owners sixty-five (65) years of age or over unless total disability documentation is provided. If qualified, their real property shall be exempt from municipal taxation to the extent of the first \$50,000.00 of assessed valuation. This exemption shall be subject to the following:
 - (1) *Owner resides alone.* If the income of a property owner who resides alone exceeds the sum of \$18,000.00 (2021) for the income tax year immediately preceding the date of making an application for the exemption, then the exemption shall not be granted. The maximum income limit stated in the preceding sentence shall increase each year by the same percentage as the cost of living adjustment granted to recipients of Social Security retirement benefits.
 - (2) *Spouses reside together.* If the income of a property owner and spouse who reside together exceeds the sum of \$24,750.00 (2021) for the income tax year immediately preceding the date of making an application for the exemption, then the exemption shall not be granted. The maximum income limit stated in the preceding sentence shall increase each year by the same percentage as the cost of living adjustment granted to recipients of Social Security retirement benefits.

- (3) *Exclusion from income.* In computing income of the property owner in order to determine entitlement for the deduction, Civil Service Retirement System (CSRS) benefits up to 150 percent of the Social Security maximum benefit, Social Security benefits and railroad pensions shall not be considered as income.
- (4) *Location, use of property.* The real property must be located within the limits of the city and must be used exclusively for residential purposes. The residence may not be a rental unit.
- (5) *Residence.* The real property must be the legal residence of, and be occupied in whole or in part, by the property owner for five years immediately preceding the tax year for which the application is being made.
- (6) *Owner of record.* The property owner must be the owner of record of said real property as of December 31 of the calendar year immediately preceding the date of making application for the exemption.
- (7) *Time when age attained.* The property owner must have attained the age of sixty-five (65) years by March 1 of the year in which the exemption application is filed.
- (8) *Filing applications.* Applications for exemption shall be filed in accordance with regulations adopted by the city council and for cause shown. The city assessor, city manager or his/her designee may accept and act upon applications received after any established application filing date; May 31st.
- (9) *Refund.* The city assessor, city manager or his/her designee is empowered to refund taxes paid by a qualified applicant who is entitled to an exemption and successfully files for the same.

(d) *Determination of eligibility.*

- (1) The city assessor, city manager or his/her designee shall be authorized to require any applicant to submit documentation substantiating income reported for determination of eligibility for the exemption.
- (2) No application shall be approved unless all property taxes and outstanding city charges have been paid in full by the application submission deadline.
- (3) The city assessor, city manager or his/her designee may deny applications where requested income verification and appropriate documentation is not submitted by the applicant.
- (4) Property owners who qualified for the Senior Citizen or Disability Exemption for tax year 2021 may continue to qualify for exemptions despite the age qualification and residency qualifications until which time the property is sold. Property owners in this category must renew their application annually.

(e) *Denial; appeals; termination of eligibility.*

- (1) Denial of exemptions by the city assessor, city manager or his/her designee and any other

complaints regarding the exemption process may be appealed by the taxpayer directly to the board of assessment appeals. The board of assessment appeals shall have the power to affirm, overrule or remand the decision of the city assessor, city manager or his/her designee.

(2) Termination of eligibility; eligibility under this article shall terminate automatically when the applicant fails to meet any of the conditions stated herein.

(f) *Interest; retroactive exemptions.* Qualified disabled property owners and senior citizens who fail to exercise their property tax exemption application shall not be entitled to any interest payments on said exemption amount; nor shall unexercised property tax exemptions be retroactive beyond the current tax year.

(g) *Penalties.* Penalties assessed to delinquent property tax accounts that are eligible for a disabled property owners and senior citizen exemption that have not been exercised shall not be excused.

(h)-*Council review.* City council will review these numbers at the conclusion of each reassessment.

(Code 1981, § 19.5-52; Ord. of 3-12-2001; Ord. of 5-23-2005; Ord. of 4-28-2008(1); Ord. NO. 2010-06, 3-22-2010; Ord. No. 2012, 3-12-2012)

Charter reference(s)—Tax exemptions, subpart B, § 3.

State law reference(s)—Tax exemptions, Del. Const. art. VIII, § 1.

BE IT FURTHER ORDAINED:

That Chapter 102 - Taxation, Article VI – Exemptions; Board of Assessment Appeals, be amended to read as follows:

Section 102-184 – Reserved

ADOPTED: OCTOBER 11, 2021

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SYNOPSIS

This amendment aligns the City Ordinances with that of Kent County where it applies to Senior and Disability exemptions. In implementing the changes herein, the process for application for both the Citizens of the City of Dover as well as the administrative processes will be simplified and provide greater guidance to all involved. The revision's guidance provides the steps involved for application, qualifications, and appeals as it applies to Senior and Disability Property Tax Exemptions.

(SPONSORS: BOGGERTY AND ROCHA)

Actions History:

10/11/2021 – Final Reading – City Council

09/24/2021 – First Reading – City Council

09/14/2021 – Council Committee of the Whole/Legislative, Finance, and Administration Committee