

**NEWS:**

## **Sussex County Government Agrees to Reassessment Settlement**

**April 13, 2021** -- Sussex County government issued a statement today indicating it will soon start conducting a reassessment of all property values in the county.

The decision is potentially impactful because assessments, combined with a governing jurisdiction's property tax rate, are part of the formula used to determine individual tax bills that property owners pay each year.

At a meeting this morning, Sussex County Council voted to enter into a settlement agreement with plaintiffs in an education funding lawsuit brought against the county -- as well as the state and Kent & New Castle counties -- in the Court of Chancery in 2018. [The legal action alleged](#) that an inadequate and outdated model for valuing property shortchanges Delaware students and public schools. The court ruled in favor of the plaintiffs -- Delawareans for Educational Opportunity and the Delaware NAACP -- last year and ordered all parties to work toward a remedy.

According to the non-profit education advocacy group Rodel, state law requires that tax assessments be based on the actual value of property and charges the counties with inspecting property to adjust valuation, but there is no policy establishing how often reassessments must take place.

Sussex County last assessed property values in 1974. New Castle County last assessed property in its jurisdiction in 1983. Kent County has the most recent assessment, having last engaged in the process in 1987.

Kent and New Castle counties reached settlement agreements with the plaintiffs earlier this year.

"[Sussex County] Council's action brings to a close the legal wrangling over the issue, and lays the groundwork for the county to move forward on a general reassessment of all properties, to be completed in time for tax bills to be issued in the latter half of 2024," said a statement issued by the county. "Sussex County has joined Kent and New Castle counties, as well as the state, in settling their respective portions of the litigation."

According to County Administrator Todd F. Lawson, the settlement will be finalized with the litigants and filed with the court in the coming days. Once complete, the county will begin the evaluation of vendors from proposals submitted last month. The process is anticipated to cost an estimated \$9 million, with funding coming from the county's reserves.

Property tax bills include taxes for both county and local independent school districts. Delaware law requires Sussex County to bill property owners for school taxes on behalf of the local districts, with those funds then turned over to the state. Approximately 10 percent of the typical residential tax bill in Sussex County is for county property taxes, - with the remaining "90 percent" - funding local schools.

[Under state law](#) , reassessment is supposed to be done in a revenue-neutral fashion, with the tax rate reset afterward so the same approximate total revenue is generated at the conclusion. However, individual property owners will experience tax increases or decreases depending on differences between the old and new valuations and the reset tax rates.