

Ordinance No. 523

An Ordinance to enact a City Realty Transfer Tax waiver for first time homebuyers of properties located within the Downtown Development District.

WHEREAS, under the Downtown Development Districts Act, 22 Del.C. §§ 1901 *et seq.* (the “Act”), the State of Delaware may designate districts within Delaware’s cities, towns, and unincorporated areas that will qualify for significant development incentives and other State benefits; and

WHEREAS, a portion of the City of New Castle (the “City”) was designated as a Downtown Development District (“DDD”) on August 19th, 2019; and

WHEREAS, as a condition of said designation, the City committed to enacting various “local incentives” to help achieve the purposes set forth in the Act; and

WHEREAS, one of the local incentives included in the City’s application to receive the DDD designation involved waiving City Realty Transfer Tax for first time homebuyers of properties located within the DDD;

NOW THEREFORE, BE IT ORDAINED THAT:

SECTION 1:

Section 221-3 of the City Code is hereby amended to add a new subsection D which will state as follows:

§221.3. Levy of Tax; Exemptions.

D. Notwithstanding Subsection A, "Document" shall not include any conveyance to a first-time homebuyer of a property located in the Downtown Development District (DDD); provided, however, that only that portion of the tax, not to exceed one-half (½) of the total taxes due, that is attributable to and payable by the first-time homebuyer under this Article shall be exempt.

(1) For purposes of this Subsection D, *first-time homebuyer* means:

- (a) A natural person who has at no time held any direct legal interest in residential real estate, wherever located, and who intends to occupy the property being conveyed as his or her principal residence within ninety (90) days following the transaction;
- (b) Spouses purchasing as joint tenants or tenants by the entirety, when neither spouse has ever held any direct legal interest in residential real estate, wherever

located, and both of whom intend to occupy the property being conveyed as their principal residence within ninety (90) days following the transaction; or

- (c) Individuals purchasing as joint tenants or cotenants, when none of the individuals has ever held any direct legal interest in residential real estate, wherever located, and both of whom intend to occupy the property being conveyed as their principal residence within ninety (90) days following the transaction.

(2) The realty transfer tax exemption for first-time homebuyers described herein shall remain valid for only as long as the City's DDD program remains certified by the State of Delaware.

SECTION 2. This Ordinance shall become effective immediately upon passage.

First Reading: October 8, 2019

Second Reading: _____, 2019

Signed this _____ day of _____, 2019

Linda Ratchford, President of Council

I hereby certify that the foregoing Ordinance was duly approved by the Council of the Mayor and Council of New Castle upon the dates above set forth and signed by the President of Council.

Brian G. Whitaker, City Clerk

Approved this _____ day of _____, 2019

Michael J. Quaranta, Mayor