

Ordinance No. 2025-555

**AN ORDINANCE TO ESTABLISH A PROPERTY TAX RATE UPON
TOTAL REASSESSMENT AND TO TEMPORARILY REDUCE CERTAIN
PENALTIES FOR DELINQUENT TAX PAYMENTS**

WHEREAS, the Council of the City of New Castle (“City Council”) possesses the authority to adopt, amend, modify, or repeal the City of New Castle Municipal Code (“City Code”); and

WHEREAS, Title 22, Section 1105 of the Delaware Code obligates the City Council to adopt an Ordinance establishing a new property tax rate upon completion of a total property reassessment; and

WHEREAS, a total property reassessment was completed by New Castle County in **July 2025**; and

WHEREAS, Title 22, Section 1106 of the Delaware Code obligates the City to compute a “rolled-back rate” based upon the new total property reassessment which is that rate which results in the same property tax revenue as was generated during the prior fiscal year; and

WHEREAS, this rolled-back rate has been calculated to be **[.2404551971]**; and

Commented [AT1]: Highlighted Items are subject to change for ordinance and budget finalization.

WHEREAS, Delaware law allows the City to increase its property tax rate upon total reassessment by Ordinance but requires that the City identify the percent by which the tax rate to be levied exceeds the rolled-back rate; and

WHEREAS, the City Council finds that a **twenty six-percent 26%** increase to the property tax rate is prudent and appropriate and in the best interest of the City and its residents; and

WHEREAS, the City Council recognizes that a total reassessment has not been completed in New Castle County since 1983, and that the reassessment process has led to some confusion among the public; and

WHEREAS, the City Council further finds that a temporary reduction in the standard interest charges applied to delinquent tax payments is reasonable and appropriate and in the best interest of the City and its residents.

WHEREAS, the City Administrator has presented the proposed Fiscal Year 2026 General Fund and Grant Budget to City Council members, the Mayor, and the City Treasurer; and

WHEREAS, the Mayor and City Council members have advertised and held public meetings to discuss and make appropriate changes to the proposed budgets; and

WHEREAS, the Fiscal Year 2026 General Fund Budget is balanced at \$7,700,000 and contains proposed wage adjustments for City employees; and

WHEREAS, the Fiscal Year 2026 Grant Budget is balanced at \$3,300,000; and

WHEREAS, the General Budget and the Grant Budget are to be managed by the City Administrator.

NOW, THEREFORE, making the express finding that the provisions of this Ordinance enhance and promote the health, safety, and welfare of the City of New Castle, be it ordained by the Council of the City of New Castle Council as follows

SECTION 1: Effective July 1, 2025, the property tax rate shall be .5 per \$100, which represents a twenty six-percent (26%) increase in the tax rate over the rolled-back rate.

SECTION 2: For only those real estate taxes levied in 2025, City Code Chapter 221, Taxation, Article IV, Abatement, Section 221-15, Notice, is hereby

amended as follows (with new language identified in bold, underlined and deleted text shown by bold, strikethrough text):

§ 221-15 Notice.

A notice stating that a discount or abatement of 2% shall be allowed on all taxes paid prior to September 1, 2025, and that taxes paid between September 1, 2025 and September 30, 2025 shall not be entitled to a discount or abatement, and that taxes paid on or after October 1 of each year are subject to an interest charge of 1.5% for the months of October and November and 6% for the month of December, October and for each consecutive month after December thereafter an additional interest charge of 1%, until the total amount of taxes due has been paid, ~~as provided by Ordinance No. 304,~~ shall be attached to or incorporated in every tax bill sent to a taxpayer.

SECTION 3: that the Fiscal Year 2026 Total City Budget is adopted at \$11,000,000, and the resulting tax rate shall be set at \$.5 per \$100 of assessed value, reflecting a 26% tax rate increase from the rollback rate to the new fiscal year commencing on July 1, 2025.

SECTION 4: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decisions shall not affect the validity of the remaining portions of this Ordinance.

SECTION 5: In the event any existing Ordinances or parts of Ordinances are in conflict herewith, the provisions of this Ordinance shall control.

SECTION 6: This Ordinance shall become effective immediately upon its adoption and approval.

First Reading June 11th, 2026

Second Reading

Signed this ____ day of _____, 2025

_____, President of City Council

Attest: _____, City Clerk

Approved: _____, Mayor