

# 2018 Legislative Session

## End-of-Session Wrap-up

**July 2, 2018**

The Senate gaveled to a close at 8:45 a.m. Sunday morning, July 1, after a standoff over a minimum wage increase ([SB 170](#)) resulted in the [Bond Bill](#) failing on the House floor at 4:30 a.m. Here's how the session ended for Realtors:

[HB 380 with HA 1](#): First-Time Homebuyers Realty Transfer Tax Exemption: This bill was passed by both chambers before June 30, and we're waiting to hear when the Governor will sign it. Here are the highlights: (1) Exempts first-time homebuyers from their half (.5 percent) of the 1 percent 2017 increase in the state portion of the realty transfer tax; (2) It's retroactive to August 1, 2017; and (3) It caps the price of a home up to up to \$400,000. Counties can set the cap higher than \$400,000, but not lower. Example: If the price of a home is \$500,000, the buyer will get the exemption for the first \$400,000, and will pay the .5% on the remaining \$100,000.

The Department of Finance will be creating a rebate form for first-time homebuyers who purchased between August 1, 2017, and the date the legislation is signed into law. When the rebate is active, DAR will forward information on the rebate and a link to the form to all members via email as well as publish the link and information on the rebate in this newsletter, on our website, and our Facebook page. Keep an eye out for that email and start making a list of your first-time homebuyers who can take advantage of the rebate! The passage of this legislation is a good first step toward remediating the effects of the 1 percent increase in Delaware's realty transfer tax.

[SB 243](#): An Act to Amend Title 9 of the Delaware Code Relating to Unlawful Restrictive Covenants: The Fair Housing Bill: (PASSED) This legislation will allow a homeowner to have discriminatory language that is already null and void redacted from their deed. The bill, introduced with 29 sponsors, breezed through the Senate and House unanimously -- the perfect way for Delaware to honor the 50th anniversary of the Fair Housing Act. Stay tuned for information on the bill signing ceremony with Governor Carney.

[HB 457](#): An Act to Amend Title 24 of the Delaware Code Relating to Electricians: (PASSED) This bill corrects an unintended consequence of another piece of legislation that was passed several years ago requiring an electrical journeyman to be on every building site. If you're noticing a drastic slowdown of new home construction, that bill is the culprit. HB 457, forwarded by the Homebuilder's Association, resolves this issue. The bill passed both chambers and is on its way to the Governor's desk. DAR supported this legislation.

[SB 204](#): An Act to Amend Title 7 of the Delaware Code Relating to Stormwater Management: (PASSED) This legislation will correct problems occurring with stormwater regulations in redevelopment. This bill passed both chambers and is on its way to the Governor's desk. DAR supported this legislation.

[HB 389](#): An Act to Amend Title 30 of the Delaware Code Relating to Itemized Deductions: This bill was intended to restore the full mortgage interest deduction (MID) and state and local tax (SALT) deductions lost when Tax Reform passed at the federal level. This bill was never moved forward and is dead this session. DAR supported this legislation.

[HB 297](#): An Act to Amend Title 30 of the Delaware Code Relating to Decreasing the Realty Transfer Tax: The intent of this bill was a full repeal of the 1 percent realty transfer tax hike passed on July 2, 2017. Unfortunately, this bill did not move forward after its introduction in January. DAR supported this bill.

[SB 50](#): An Act to Amend Title 14 and Title 29 of the Delaware Code Relating to the Establishment of a Community College Infrastructure Fund: Passage of this bill would have put DelTech on the county property tax bill with no legislative oversight for increases. DAR monitored the Senate Chamber closely on June 30 and July 1 to ensure this bill would not go to the Senate floor; It did not. SB 50 is dead. We expect it to be reintroduced again in January. DAR is opposed to the bill.

For an excellent overview of what occurred during the close of session on June 30 and July 1, [check out this story in the \*Delaware State News\*](#).

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*June 27, 2018*

There are three days left in the Legislative Session. The last day of session is Saturday, June 30.

[SB 243](#): An Act to Amend Title 9 of the Delaware Code Relating to Unlawful Restrictive Covenants: The Fair Housing Bill: This bill was introduced with 29 sponsors! It would allow a homeowner to have discriminatory language that is already null and void redacted from their deed. The bill breezed through the Senate Judiciary and Community Affairs Committees on Wednesday and passed the Senate unanimously with 18 yes votes, zero no votes, and two abstentions. We hope to have this legislation wrapped up before the end of the session on June 30! DAR supports this legislation.

[HB 457](#): An Act to Amend Title 24 of the Delaware Code Relating to Electricians: This bill would correct an unintended consequence of another piece of legislation that was passed several years ago requiring an electrical journeyman to be on every building site. If you're noticing a drastic slowdown of new home construction, that bill is the culprit. HB 457, forwarded by the Homebuilder's Association, will resolve this issue. The bill passed both chambers and is on its way to the Governor's desk. DAR supports this legislation.

[SB 204](#): An Act to Amend Title 7 of the Delaware Code Relating to Stormwater Management: This legislation would correct problems occurring with stormwater regulations in redevelopment. This bill passed the House and the Senate, and is on its way to the Governor's desk. DAR supports this bill.

[HB 389](#): An Act to Amend Title 30 of the Delaware Code Relating to Itemized Deductions: This bill would restore the full mortgage interest deduction (MID) and state and local tax (SALT) deductions lost when Tax Reform passed in Washington. This bill has not moved since its introduction, and we don't expect it to get a hearing in the House before the end of the session on June 30. DAR supports this legislation.

[HB 297](#): An Act to Amend Title 30 of the Delaware Code Relating to Decreasing the Realty Transfer Tax: The intent of this bill is a full repeal of the 1 percent realty transfer tax hike passed on July 2, 2017. DAR supports this bill. Unfortunately, this bill has not seen the light of day since its introduction in January.

[SB 50](#): An Act to Amend Title 14 and Title 29 of the Delaware Code Relating to the Establishment of a Community College Infrastructure Fund: Passage of this bill would put DelTech on the county property tax bill with no legislative oversight for increases. This bill amounts to taxation without representation and an unwelcome camel's nose under the tent when it comes to the legislature paying for "pet" projects by tapping into the county property tax bills. DAR will monitor the Senate agenda and sessions very closely between now and June 30 to ensure this bill does not pass. DAR is opposed to the bill.

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*June 21, 2018*

There are five days left in the Legislative Session. The last day of session is Saturday, June 30.

[HB 380 with HA 1](#): First-Time Homebuyers Realty Transfer Tax Exemption: Good news! This bill is heading to the Governor's desk for his signature! It passed the Senate on Tuesday with 20 yes votes, zero no votes, and one member was absent. There was no vote cast against the bill in either the House or Senate chambers. This is what the bill does: (1) Exempts first-time homebuyers from their half (.5 percent) of the 1 percent transfer tax hike; (2) Allows a first-time homebuyer who purchased under the higher tax rate after August 1, 2017, to apply for a rebate up to \$2,000; and (3) Puts a cap of up to \$400,000 on the price of a home that qualifies for the exemption. Counties can set the cap higher than \$400,000, but not lower. When this legislation is signed by the Governor, DAR will alert members on how buyers can apply for the rebate. DAR considers this bill a good first step in mitigating the impact the July 2, 2017, realty transfer tax hike on homebuyers.

[SB 243](#): Unlawful Restrictive Covenants: The Fair Housing Bill: This bill was introduced with 29 sponsors! It would allow a homeowner to have discriminatory language that is already null

and void redacted from their deed. The bill breezed through the Senate Judiciary and Community Affairs Committees on Wednesday and is on its way to a full Senate vote today. We hope to have this legislation wrapped up before the end of the session on June 30! DAR supports this legislation.

[HB 457](#): The Electricians Bill: This bill would correct an unintended consequence of another piece of legislation that was passed several years ago requiring an electrical journeyman to be on every building site. If you're noticing a drastic slowdown of new home construction, that bill is the culprit. HB 457, forwarded by the Homebuilder's Association, will resolve this issue. The bill passed the House with 30 yes votes and six no votes; four members did not vote, and one was absent. It has been reported out of the Senate Sunset Committee and awaits a vote on the Senate floor today. DAR supports this legislation.

[SB 204](#): An Act to Amend Title 7 of the Delaware Code Relating to Stormwater Management: This legislation would correct problems occurring with stormwater regulations in redevelopment. After passing the Senate, it was passed out of the House Natural Resources Committee on Wednesday. The bill now goes to the floor of the House for a full vote. If it passes the House, it will be on its way to the Governor's desk. DAR supports this bill.

[HB 389](#): Itemized Deductions: This bill would restore the full Mortgage Interest Deduction (MID) and SALT (state and local tax) deductions lost when Tax Reform passed in Washington. This bill has not moved since its introduction and we don't expect it to get a hearing in the House before the end of the session on June 30. DAR supports this legislation.

[HB 297](#): Repeal: The intent of this bill is a full repeal of the 1 percent realty transfer tax hike passed on July 2, 2017. DAR supports this bill. Unfortunately, this bill has not seen the light of day since its introduction in January.

[SB 50](#): Passage of this bill would put DelTech on the county property tax bill with no legislative oversight for increases. DAR will monitor the Senate agenda and sessions very closely between now and June 30 to ensure this bill does not pass. DAR is opposed to the bill.

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*June 13, 2018*

NAR is launching a Call for Action on June 18 focused on renewing the National Flood Insurance Program. The program is set to expire on July 31. Remember: Every county in Delaware has areas within the flood plain — this is not just a beach issue!

[HB 380 w/HA 1](#): First-time Homebuyers: HB 380 w/House Amendment (HA) 1 breezed through the House with 39 yes votes and 2 absent. It passed out of committee in the Senate with the help of a strong statement by DAR President Bayard Williams emphasizing that DAR believes the bill is a good first step and adding the points we would like to address in the future

(i.e., exempting the entire buyers side transfer tax). We're waiting for the bill to hit the Senate floor, where we see no resistance. HA 1 ties the counties to the \$400,000 cap, and it allows a county to set a HIGHER cap but not a LOWER cap. DAR considers this legislation a good first step in fixing the strain put on first-time homebuyers by last year's transfer tax increase.

[HB 457](#): The Electricians Bill: Legislation passed a few years ago (following construction of the Amazon Distribution Center in Middletown) required an electrical journeyman to be on a build site, including individual home sites in residential developments. This has drastically slowed down home construction in a market where inventory is low and homes are needed. HB 457, forwarded by the Homebuilders Association, would resolve the issue. DAR supports this legislation.

[HB 389](#): Itemized Deductions: This bill would restore the full Mortgage Interest Deduction (MID) and state and local tax (SALT) deductions lost when Federal Tax Reform passed in Washington. This bill has not moved since being introduced, and we don't expect it to get a hearing in the House before June 30. DAR supports this legislation.

[SB 204](#): The Stormwater Bill has arrived! DAR delivered a statement of support to the Senate committee, and it passed the Senate easily with 18 in favor and 0 against (1 not voting and 2 absent). The bill now awaits a hearing in the House. DAR supports this legislation.

**The Fair Housing Bill:** This bill would allow a homeowner to have discriminatory language that is already null and void completely removed from their deed. We has been introduced, and we hope to get it passed by June 30 in honor of the 50th anniversary of the Federal Fair Housing Act. DAR supports this legislation.

[SB 50](#): This bill would put DelTech on the county property tax bill with no legislative oversight for increases. It was amended to move administrative responsibilities from the Department of Finance to the Treasurer's Office. The bill reduces the amount of taxing authority granted to Delaware Tech's Board of Trustees from 10 cents per \$100 of assessed value to 6.5 cents per \$100 of assessed value. This bill was walked through committee in the Senate because it failed to get enough votes in the hearing to be released, and it can come to the Senate floor at any time. If it passes out of the Senate, rules will most likely have to be suspended for its consideration in the House. DAR is opposed to this bill because without legislative oversight, it amounts to taxation without representation.

The last day of the legislative session is Saturday, June 30.

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*June 7, 2018*

Talking points from Legislative Action day can be accessed [here](#).

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*May 30, 2018*

Check out the latest newsletter from Delaware State Treasurer Ken Simpler here. Speaking at DAR's Annual Broker's Meeting on April 24, he introduced his "Framing a Grand Bargain" proposal to change the way the state's annual budget is produced, resulting in smooth annual revenue and spending highs and lows.

The Delaware General Assembly reconvenes on Tuesday, June 5.

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*May 23, 2018*

Friday, May 25, is the last day to change your party affiliation before the Delaware State Primary. Remember: Delaware's Primary is closed; you must be registered with either the Democratic or Republican party to participate. Click this link to learn more.

Congratulations to the New Castle County Board of Realtors (NCCBOR) and their membership for stepping up and defeating New Castle County Council Ordinance 18-050! This ordinance would have drastically increased filing fees and put the American Dream of homeownership farther out of reach for many New Castle County residents. Hundreds of emails flooded County offices in response to the NCCBOR Call for Action, and members made a strong showing at the committee hearing and at the meeting.

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*May 2, 2018*

House Bill (HB) 380, sponsored by Delaware Speaker of the House Pete Schwartzkopf, will be in the House Economic Development/Banking/Insurance/Commerce Committee on May 2. This bill would exempt first-time homebuyers from their portion of the 1 percent state realty transfer tax increase. HB 380 is also retroactive; first-time homebuyers who purchased on or after August 1, 2017, would qualify for a rebate of up to \$2,000. DAR expects this bill to move easily out of committee. Read HB 380 here.

State Representative Ruth Briggs King is sponsoring HB 389, which would "allow real property tax itemized deductions to continue in Delaware notwithstanding recently enacted changes to federal income tax laws." Delaware, as a "piggyback state," automatically follows the federal government when it comes to tax law unless there is action from the Delaware General Assembly to decouple Delaware from a federal tax initiative. This bill would decouple Delaware from the recent federal tax changes in regard to the mortgage interest deduction and property tax deduction. Read HB 389 here.

Delaware legislators are in session for the next two weeks; the session will then break for Joint Finance Committee meetings from May 14 until June 5.

Realtor Party Mobile Alerts keep you connected on your cell phone or tablet, allowing you to know when a national or state legislative call for action is launched. You'll get a brief text message with information, and can take action on Realtor issues with just a few clicks on your phone. Don't be left out of the loop! Sign up for Realtor Party Mobile Alerts [here](#) or simply text the word REALTORS to 30644.

Remember that DAR Legislative Action Day is June 7 beginning with lunch at 12:30 p.m. in Legislative Hall in Dover. This is a great opportunity to meet members of the Delaware Legislature and support your industry and property owners in Delaware. All DAR members are invited to attend.

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*April 30, 2018*

House Bill (HB) 380, sponsored by Delaware Speaker of the House Pete Schwartzkopf, will be in the House Economic Development/Banking/Insurance/Commerce Committee on May 2. This bill would exempt first-time homebuyers from their portion of the 1 percent state realty transfer tax increase. HB 380 is also retroactive; first-time homebuyers who purchased on or after August 1, 2017, would qualify for a rebate of up to \$2,000. DAR expects this bill to move easily out of committee on Wednesday. [Read HB 380 here.](#)

Representative Ruth Briggs King is sponsoring HB 389, which would "allow real property tax itemized deductions to continue in Delaware notwithstanding recently enacted changes to Federal income tax laws." Delaware, as a "piggyback state," automatically follows the Federal Government when it comes to tax law unless there is action from the Delaware General Assembly to decouple Delaware from a Federal tax initiative. This bill would decouple Delaware from the recent Federal tax reform in regards to the mortgage interest deduction and the property tax deduction. [Read HB 389 here.](#)

Delaware Legislators are in session for the next two weeks; the session will then break for Joint Finance Committee meetings from May 14 until June 5.

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Remember that the DAR Legislative Action Day is June 7 at 12:30 p.m. in Dover's Legislative Hall. This is a great opportunity to meet members of the Delaware Legislature and support your industry and property owners in Delaware. All DAR members are invited to attend.

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*from April 23, 2018*

First-Time Homebuyer Bill Released: Speaker of the House Pete Schwartzkopf has introduced House Bill (HB) 380: An Act to Amend Titles 9 and 30 of the Delaware Code Relating To Realty Transfer Tax. Although this bill falls short of what DAR was working to accomplish this session, it does provide the following relief to first-time homebuyers: It exempts buyers who have never owned a home from their half of the 1 percent realty transfer tax hike that was imposed at the end of last session.

It's retroactive, so first-time buyers who purchased on or after August 1, 2017, can apply for a refund.

There is a cap on the price of a home that qualifies for the exemption in this bill. The cap was originally going to be \$250,000 but was raised to \$400,000 without a "cliff," so all first-time buyers are exempted up to the first \$400,000 of their purchase regardless of the home price.

DAR President Bayard Williams recently met with the Speaker to discuss this legislation and DAR sees this as a good first step in mitigating the impact of the 1 percent realty transfer tax hike. Our commitment to eliminating Delaware's transfer tax continues. Read HB 380 by clicking [here](#).

DAR also continues to work on many bills this legislative session, including exempting Realtors from municipal licensing requirements. Stay tuned for more!

Mark your calendar now for DAR Legislative Action Day on June 7 at 12:30 p.m. in Dover's Legislative Hall. This is a great opportunity to meet members of the Delaware Legislature and support your industry and property owners in Delaware. All DAR members are invited to attend. Watch this space for details.

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*from April 16, 2018*

DAR is anticipating the introduction of the First-Time Homebuyer State Transfer Tax Exemption legislation. We understand that this bill, when released, would exempt a first-time homebuyer from their portion of the 1 percent realty transfer tax hike that was initiated on the last day of the 2017 legislative session. Further, we expect this bill may contain a \$400,000 cap, where only the first \$400,000 of any first-time buyer's purchase will be exempted. We expect this bill will be introduced next week by the Speaker of the Delaware House of Representatives, Pete Schwartzkopf. The tax treatment of first-time buyers in Delaware is one of our top priorities for the 2018 Legislative Session, and we plan to work with the Speaker to improve the bill. We will keep you updated on this legislation and any other that affects first-time buyers.

New Castle County Executive Matt Meyer last week signed legislation to expand property tax relief for disabled veterans and service members. Read the article from the Delaware Business Times [here](#).

Have you ever thought about running for elected office? A whopping 15 percent of sitting legislators are retiring this year, opening General Assembly seats up for grabs. The following House and Senate Districts have open seats this year: Senate Districts 2, 17, 18; House Districts 5, 7, 16, 29, 35 and 36. If you live in one of these Districts and would like to discuss the possibility of running for elected office, please contact Maria Evans, Government Affairs Director, at [maria@delawarerealtor.com](mailto:maria@delawarerealtor.com).

Save the Date: Legislative Action Day is June 7, 12:30 p.m., at Legislative Hall in Dover. DAR encourages all members to come to the Hall and let their voices be heard. More details to come.

From NAR: FEMA Changes Encourage Private Flood Insurance: “In the absence of legislative reform by Congress, there’s only so much the Federal Emergency Management Agency can do to encourage the growth of private flood insurance. But FEMA, which oversees federal flood insurance, has come up with a few small but meaningful program changes that will make it easier for households to switch to private insurance if they can get a better deal that way.” Read the full story [here](#).

The Delaware General Assembly reconvenes at the State house on Tuesday, April 17.

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*from April 9, 2018*

The DAR Public Policy Committee voted to recommend support for Senate Bill 133, legislation that would prohibit the dissemination of natural resource data without first disclosing the date and method of collection, and without the written permission of the property owner. The first line of the bill’s synopsis says it all: “This Act acknowledges that the Department of Natural Resources and Environmental Control has been collecting natural resource data for years without the consent of the respective property owners.” [You can read SB 133 here.](#)

Legislative Action Day is June 7, 12:30 p.m., at Legislative Hall in Dover. DAR encourages all members to come to the Hall and let their voices be heard. Save the date! Details to come.

DAR, the New Castle County Board of Realtors and the Homebuilders Association of Delaware have signed a joint letter to the USDA requesting that the Middletown area remain eligible for the USDA Rural Housing Mortgage Loan Program.

News from the Federal Trade Commission: The Federal Trade Commission (FTC) and Department of Justice (DOJ) will hold a joint public workshop in Washington, D.C. on June 5, 2018, to explore competition issues in the residential real estate brokerage industry. The

residential real estate brokerage industry has seen significant change in recent years, including the emergence of new business models. The workshop will focus on developments since the publication of the [Report on Competition in the Real Estate Brokerage Industry](#) in 2007.” [Learn more about the workshop here.](#)

The Delaware General Assembly reconvenes at the State house on April 17.

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*from April 4*

The Delaware General Assembly’s Spring Break is underway. Legislators return to the State house on April 17.

Representative Bobby Outten (R - Harrington) is the 9th Delaware legislator to announce retirement.

The 2,232-page omnibus appropriations bill President Trump signed into law a week ago contains provisions related to housing that Realtors have been fighting for, including extension of the National Flood Insurance Program through mid-summer and an infusion of funds to the [Low-Income Housing Tax Credit](#), which developers use to attract private capital to affordable rental housing. You can download the complete list of NAR Public Policy Priorities [here](#).

NAR’s advocacy website, [REALTORParty.com](#), gets a new address starting May 16: REALTORParty.realtor. Make a note to update your bookmarks and other saved links at that time.

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*from March 26*

All legislative committee hearings were cancelled on Wednesday, March 21, due to the weather.

DAR is anticipating the release of legislation that would exempt first-time homebuyers from the state portion of the realty transfer tax. Governor Carney, in his budget address, committed to giving first-time homebuyers some relief from the realty transfer tax hike. His proposal, however, would only exempt first-time homebuyers from their half of the 1 percent realty transfer tax hike passed at the end of the last legislative session. DAR is working with members from the General Assembly to exempt first-time homebuyers from their half of the full 2.5 percent state portion of the transfer tax. This legislation is DAR’s top priority for the 2018 legislative session.

HB 297, The 1 Percent Transfer Tax Repeal Bill: This bill is still awaiting a committee hearing. DAR is working to gain support for a hearing on this bill in the House of Representatives and for the release of this bill from committee for a full vote.

The General Assembly's Spring Break begins March 30. Legislators return to the State house on April 17.

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*from March 19*

DAR Legislative Action Day is scheduled this year for June 7 at Legislative Hall in Dover, following the 2017 AmeriCorps Framing Frenzy and Annual Homeownership Celebration, beginning at 1:00pm on the Legislative Green. DAR's event that day will begin at 12:30p.m. in the 2<sup>nd</sup> Floor House Hearing Room with a luncheon to which all legislators are also invited. All DAR members are **urged** to attend this year's Legislative Action Day to assist DAR with our 2018 legislative priorities. Members are also urged to make appointments to meet with their own legislators on June 7.

First-time Homebuyer State Transfer Tax Exemption: Governor Carney, in his budget address, committed to giving first-time homebuyers some relief from the realty transfer tax hike. His proposal, however, would only exempt first-time homebuyers from their half of the 1% realty transfer tax hike from the end of the last legislative session. DAR is working with members from the General Assembly to exempt first-time homebuyers from their half of the full 2.5 percent state portion of the transfer tax.

HB 297, The 1 Percent Transfer Tax Repeal Bill: This bill is still awaiting a committee hearing. DAR is working to gain support for a House hearing on this bill and for the release of this bill from committee for a full vote on the House floor.

DAR is closely monitoring SB 50; this bill would put DelTECH on the county property tax bill with the ability to raise the tax with no legislative oversight. DAR opposes this legislation because there is already a mechanism in place for Delaware's colleges and universities to receive funding from the state through the General Assembly's Joint Finance Committee. Additionally, without legislative authorization for raising this tax, it would amount to taxation without representation — something Caesar Rodney, who was a delegate to the October 9, 1765 "Stamp Act Congress" and later went on to sign the Declaration of Independence — clearly would have opposed.

Representatives from DAR attended the Tuesday, March 14, New Castle County Council meeting to speak against Resolution 18-045, which urges the Delaware General Assembly to allow the County to set their own cap on their first-time homebuyer program. With the number of Delaware first-time homebuyers well below the national average as a percentage of the whole, DAR opposes any attempt to legislate or any enabling legislation that would give authority to the counties to cap or reduce their first-time homebuyer programs. Unfortunately, the Resolution passed the Council with only one "no" vote, cast by Council President Karen Hartley Nagle.

The General Assembly's Spring Break begins March 30 and reconvenes April 17.

