



DELAWARE GENERAL ASSEMBLY  
STATE OF DELAWARE  
LEGISLATIVE HALL  
DOVER, DELAWARE 19901

## **New Castle County Local Service Functions Task Force** **Seventh Meeting Minutes**

Wednesday, November 13, 2019  
10:00am – 12:00pm

Executive Conference Room, New Castle County Government Center  
87 Reads Way, New Castle, DE 19720

### **Task Force Members Present:**

**Paul Baumbach**, 23rd District State Representative, Co-Chair

**David Sokola**, 8th District State Senator, Co-Chair

**Kevin Hensley**, 9th District State Representative

**Cathy Cloutier**, 5th District State Senator

**Tom Coleman**, City of Newark Manager

**Diana Reed** on behalf of John Giles, Elsmere Town Manager

**Morris Deputy**, Middletown Town Manager

**David Gregor**, Chief Financial Officer for New Castle County

**Karen Sullivan**, County Solicitor for New Castle County

**James Watson**, First Vice President of the NCC Volunteer Firefighters Association

**Mark Farrall**, Deputy Chief of Police for the City of Newark

**Representative Paul Baumbach** called the meeting to order at 10:07am. He thanked everyone for coming and, since there was almost a full house, asked everyone to introduce themselves. He then moved to the review and acceptance of minutes from October 30<sup>th</sup>.

**Tom Coleman, City of Newark Manager** requested his comments on page 4 be amended.

**Robert Wasserbach, County Auditor for NCC** noted a change to the attendance list that needed to be made.

*Minutes from the October 30<sup>th</sup> meeting as amended were accepted by a unanimous vote of members present.*

**Rep. Baumbach** reminded that our mission is to look at adjusting the local service functions between municipalities and New Castle County. We are looking forward and if discussion strays we will get back on track.

**Karen Sullivan, County Solicitor for New Castle County** the county is still at the same point as we were at the last meeting with respect to the fire service. There's been some further communications from the county to the city, but it is not at a point where we can discuss it at the table.

**Rep. Baumbach** what he is hearing is that, as we did at the last meeting, we will put a hold on discussing how to address fire service within the local service fee at this meeting. We are still hopeful that there can be developments, such that at our next meeting we will be able to go into it. If not, given the mental timeline of December 31<sup>st</sup>, we may do some extra discussions in figuring out what is our contingency to be able to talk about it is, but that is not today's issue.

**Tom Coleman** realistically our next task force meeting is Thursday, November 21 and we will have to have a council executive session before we can come back for that discussion. The first day we could have that is the 25<sup>th</sup> so it wouldn't be able to be discussed at our next meeting, but at the subsequent meeting.

**James Watson, First Vice President of the NCC Volunteer Firefighters Association** asked what information is needed from the NCC VFA.

**Karen Sullivan** doesn't know if there is any information needed from the fire service.

**James Watson** didn't know if they needed numbers or what the costs are today from the 21 fire departments.

**Karen Sullivan** thinks that if we end up moving in that direction, which would not require that right now, we would give you as much time as possible to be able to collect that information.

**James Watson** we are meeting with the County Executive right after the holidays.

**Karen Sullivan** there are two separate issues, the bigger issue of fire service funding, and the smaller issue of this piece of fire service funding and how we handle it.

**James Watson** leads the organization and continues to get questions as to why we are not talking about it.

**Rep. Baumbach** asked if it would be beneficial to work in parallel for that data to be collected so that in about 3-5 weeks when we get to it, the data is already ready.

**Karen Sullivan** that data is not for this level, if there is a separate task force on how fire service should be funded either at the county level or state wide, that data would be critical, but not for this process. This task force is not focused on how fire service should be funded, but on how do we handle when the county and municipalities are providing funding for fire service.

**Rep. Baumbach** thinks that the fire companies want to understand what to expect from the recommendation of this task force for the net dollars coming to them as far as which companies would see more and which would see less.

**David Gregor, Chief Financial Officer for New Castle County** with respect, doesn't think that this task force is getting into that. We're going to take as a given the level of funding provided by the county and provided by the municipalities. Whatever the levels are, they need to get plugged into a process where we make sure that taxpayers are paying for service only once. Doesn't want to diminish getting the right resources to the fire companies, but this is more of a downstream process of once that money is put up by various governments, how do we make sure the tax payers across the county are being treated equitably. That is what we are involved with here.

**Rep. Baumbach** agrees completely that the goal of this task force is to come up with a recommendation that treats all taxpayers equitably both inside municipalities and outside municipalities but thinks it's also the task force's mission to be clear to fire companies and municipalities. Its not to say, if there's an economic slowdown and there's a reduction in profits everyone is going to get crunched in a fair way, but still given everything equally that a fire company is going to be leaning more on their municipality or expecting more from the county or vice versa. Thinks they'd like to have some clarity on what the impact the recommendation of the task force will have.

**Karen Sullivan** this task force can't control how much the county, or a municipality gives to the fire company. That's not going to be a result of this task force. This task force is only looking at if the county gives dollars and the municipality gives dollars how are we going to ensure it is fair to the residents in the municipalities and residents in unincorporated areas. That that burden is being borne equitably.

**David Gregor** just like how we are not talking about public safety, parks, or anything like that. We can argue whether we need more parks or different programs, but this is about once the counties and municipalities have their budgets together, about putting that data together to make sure take payers are being treated equitably. The service level decisions are not something the county is prepared to get into here.

**Tom Coleman** agrees.

**James Watson** not saying we need to do that right now, but when he presents these minutes to 21 fire chiefs and they see that we are not going to discuss the fire service anymore where the funding is going to go, they get defensive because you want us at the table, but we can't discuss anything that helps public safety in New Castle County.

**Karen Sullivan** understands that, but part of the issue is that we have litigation. If we are going to discuss the fire service I must leave the room because I cannot talk to these gentlemen without their council present. If I leave the room, then David Gregor is going to leave the room and it will result in nothing getting accomplished. All we are asking is for time for the City of Newark and New Castle County to resolve pending litigation that will also make a path forward for this task force.

**Tom Coleman** and nothing we are doing here is setting funding levels.

**Rep. Baumbach** with that said, wants to reinforce what Karen just said. She is here based on the commitment that there are some things out of bounds, and this is one of them. Stands by that.

However, in addition it is important that the fire service is here. This is it not a waste of time for them. While the task force is unlikely to come up with directives for fire service, thinks it is in the County's internal math to do additional calculations for fire companies that are within municipalities and outside of municipalities in terms of total dollars. Thinks the fire organization is going to need to take time to do advance math to consider more gradience, not a decision for the counties or municipalities, but the organization of fire companies.

**David Gregor** we have not contemplated any change in how we budget for fire companies or anything else for that matter. We are looking at this exclusively as various councils and administrations are going to have different priorities and will plug in different amounts depending what the priorities are at that time. And it will go into a system that will hypothetically say here is a situation where the municipality is providing 75% of that service and the county is providing 25% of the service, and we want to come up with a system that has everyone pay for the service once and not more. From our perspective, we are not thinking at all about our budgetary priorities, this is exclusively about the portion of the budget that is supported by property taxes being equitably allocated across the county. To the extent that fire service is one of the services that needs to be covered and is a unique situation, we think that like PGC, we may need to come up with a plan b, but we are not here to discuss funding levels.

**Rep. Baumbach** what he said was that he could see fire companies saying that because of their involvement in this task force and what they are learning from it, they may want on their own to come up with how they would like to divvy the dollars from the one check the county gives.

**Tom Coleman** thinks that is still outside of the scope of this task force.

**David Gregor** thinks its perfectly fine for the fire companies to come here and say okay I understand the funding a little better and the strategy and based on that come up with a strategy for how they think things should be done, but this is ultimately about who pays for it and not the overall level of how we distribute those funds.

**Rep. Baumbach** thinks it will help them when they go in front of the 21 fire companies. What we are hearing is that the task force is unlikely to be requiring any changes to amounts. However, because how we are looking at how services are provided in municipalities and outside of them, your organization may choose to have a more involved process in how to divvy amongst the 21 fire companies.

**James Watson** is just trying to get it out on the table to begin that discussion.

**David Gregor** the aggregate amount the county is going to put in their budget any given year like Representative Baumbach mentioned, some of that is going to depend on competing priorities and the state of the economy, if there is a different way of allocating those funds we certainly welcome hearing about that, but then you get into the internal politics of your various fire companies. Need to be nuanced in how we go about that.

**Rep. Baumbach** moved to Deborah Gottschalk to continue working through the draft legislation.

**Deborah Gottschalk, Legislative Attorney for the Division of Research** took the work from the last meeting, with combined Delaware state code, Prince George's county code, and Maryland state code into a rough draft. At this point it less important to see where language came from and more important to discuss what we have not yet. If text is in black it is not set in stone, just means we have talked about it already. Depending on how the discussion goes, wants to start from the beginning and then potentially look at existing statutes and flagging what needs to be changed.

*<sup>1</sup>Deborah's working draft legislation as amended by November 13<sup>th</sup> is incorporated in the attached documents.*

**Daniel Seador, President of Aetna Hose Hook & Ladder Company** asked how we define financially supported. For example, for parks, if the service costs the City of Newark million of dollars, if NCC is giving them \$10, asked if that is considered financial support or should there be a percentage of the cost of that support.

**Rep. Baumbach** we are going to get to that, we are currently setting the bar low. In most cases it can be direct cash, indirect cash, lowered or waived, anything that has a financial component. Later, we are going to get to gradients of service and level of credit for \$10 as opposed to \$10 million of support.

**Tom Coleman** in general, the discussion was how much it costs a municipality is less relevant then how much it costs the county. If the county can do it for \$100,000, and it costs the city \$1,000,000 to do the same thing the credit is still for \$100,000. If it costs the county \$100,000 and the city \$10,000 that's when you get into gradients of service.

**Rep. Baumbach** that is going to matter later.

**Karen Sullivan** on lines 21-31 the county is still going to have to review internally about how they are structured, but believe we need to add 9-1-1 communications and dog control service between lines 35-36 because those are two local service functions that are currently being broken out as separate items.

**Deborah Gottschalk** we have a non-exhaustive list but can add those.

**Rep. Baumbach** because the issue of in or out of GOB has come up, is GOB here in the definition section and if not should it be.

**Karen Sullivan** it says the duty to create a budget and not sure if it needs to be in the definition section but can put a pin it for now.

**Russell Morris, Office of Finance for New Castle County** we receive a tax certification from assessment early in March and that contains the amounts that we use to set the property tax rates for the coming year.

**Karen Sullivan** so as of March, you have the final number that will be used.

**Russell Morris** correct.

**Robert Wasserbach** asked if that is certified by the Board of Assessment Review.

**Russell Morris** yes.

**David Gregor** thinks that the New Castle County methodology of saying that the denominator of all these rates is going to be different depending on who uses it and what degree is more accurate. Would like to kick around language internally that considers how New Castle County has traditionally done this and considers the idea of partial service.

**Rep. Baumbach** suggests we talk at a high level and not about language now. What David is laying out makes sense. Let's discuss and see if we agree on what you're describing which I think we will.

**David Gregor** thinks that we figure out what the net cost on the property taxes to the county. We know the proportion of the taxable base in unincorporated, in Wilmington, in Newark etc. So, if everyone was getting 100% of county service, you could take your relative share and that's how much you're going to pay out of it, and everyone pays the same rate. Had the idea of a weighted share where if the unincorporated area is always going to be 100% weight because they're getting all of it. If you looked at Newark they are only using 50% of a service, you would take their shares of the tax base, say its 10%, and they're using 50%, eventually it would be 5% weight. You would then add up all the weights, proportion all the costs and what you'll find if the unincorporated area is paying a 5% rate, and Newark was using 50% of the service they would pay a 2.5% rate. The math all kind of works out and is all done with weights. For the non-fire service type stuff, thinks it could work out simply. However, wants to first confirm everything and make sure it works internally.

**Rep. Baumbach** for each municipality that doesn't provide that function, that municipality's assessable base gets added to the denominator. For every municipality that provides the full function, none of their base goes in. The municipality that does in between gets an in between amount that goes in.

**David Gregor** correct. Now you have all these weighted shares and you add those up and that gives you a total weighted share and you allocate across that. The math works out. Once we are comfortable in the Office of Finance we cut and paste language and circulate with a generic example to everyone to make sure it works out.

**Rep. Baumbach** thinking about police and their many different functions. Asked if this calculates for different functions, or are we saying because you do three out of eight functions they get 37.5% credit.

**David Gregor** this is sort of the end product, the last step after we determined that municipality x provided 80% of a particular service. That is the give and take. This occurs after you have decided those service levels. Thinks that defining granularity level should not occur in state code.

**Deborah Gottschalk** looking at the next section, this would take it through a negotiation process every year with each municipality whether they get a credit for any LSF and the amount of that credit. And there is a back and forth exchange of information and negotiation process and then it goes into the proposed budget and that goes through the budget hearing process. So, county council in approving the budget each year, each fiscal year, is approving the specific amount of the local service function each municipality is getting, but it is done year by year. County council approves the final amount each year for each municipality. That should be very clearly in the synopsis that county council has the final say, but there is negotiation on the front end and that is why the deadlines are important.

**Victoria Ford, Office of Finance for New Castle County** all of those steps sound wonderful, it is just a matter of fitting them in on a timeline. Our recommended budget is due at the end of March. That is a lot of steps to get done in that timeframe.

**Deborah Gottschalk** there is a delayed implementation.

**Rep. Baumbach** asked if this says it is county council's ultimate affirmative vote on the LSF credit for each municipality so if we go to an absurd path and they say at one point "instead of using reserves, we are going to zero all of these LSF credits, we can do that because we have a majority vote" and there is no recourse for the municipalities or the residents.

**Deborah Gottschalk** then the county council would be in violation of state law because you have a statute saying the county must give the credit.

**David Gregor** they vote on the rates in the revenue ordinance and that is sort of a biproduct of all of this. By definition, them adopting the recommending rates in the budget is sign off.

**Russell Morris** it seems like the first year is going to drag on longer than subsequent year. Asked if the code will be based on how long it will take in year one or based on subsequent years.

**Rep. Baumbach** the code can say it will be based on future years and say in year one the county will start the process notably earlier with noted notification to municipalities.

**Deborah Gottschalk** that can be reflected in a delayed effective date.

**Rep. Baumbach** asked if there are any thoughts regarding the arbitration panel.

**David Gregor** does not know how long it takes to find an arbiter. That terms comes with implications and wants to ensure everyone is on the same page.

**Rep. Baumbach** moved on to scheduling meeting dates.

*The committee will meet on Wednesday, December 11<sup>th</sup> from 2:30-4:30pm and will meet on Wednesday, December 18<sup>th</sup> from 10:00am-12:00pm in the Executive Conference Room of the New Castle County Government Center.*

**Rep. Baumbach** seeing no further comment from committee members or the public adjourned at 12:05pm.

**Attendance List:**

1. Deborah Gottschalk, Legislative Attorney, Division of Research
2. Chris Norton, Legislative Aide, Delaware House Majority Caucus
3. Robert Wasserbach, County Auditor, New Castle County
4. Daniel Seador, President of Aetna Hose Hook & Ladder Company
5. David Del Grande, Finance Director, City of Newark
6. Russell Morris, Office of Finance, New Castle County
7. Victoria Ford, Office of Finance, New Castle County
8. Karen Gordy, Office of Finance, New Castle County
9. Tyler Reynolds, City of Middletown

*<sup>1</sup>Draft Legislation as Amended by the November 13<sup>th</sup> Meeting*

House Bill

AN ACT TO AMEND TITLE 9 OF THE DELAWARE CODE RELATING TO NEW CASTLE COUNTY PROPERTY TAX RATES AND MUNICIPALITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

**Version: 10/31/2019**

Black = Current Delaware Code & text for draft legislation

Green = For discussion

Section 1. Amend § 1102, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1102. ~~Transfer of functions.~~ Local service functions; definitions.

(a) ~~The term “local service function,” as used in this chapter, shall mean For purposes of this chapter:~~

(1) “Chief Financial Officer” means the Chief Financial Officer of New Castle County or designee.

(2) “Degree of a local service function” means the level of the local service performed or financially supported by the municipality instead of New Castle County.

(3)a. “Local service function” means a local governmental service, or a group of closely allied governmental services, ~~performed that is all of the following:~~

1. Performed or financially supported by New Castle County, County or by a municipality and by a municipality, in whole or in part, instead of within New Castle County, for its inhabitants and for which, under constitutional and statutory provisions and judicial interpretations, the County, or any municipality as distinguished from the State, has a primary responsibility for provision and financing. County.

2. Funded by New Castle County, in whole or in part, through property tax revenue.

b. “Local service function” Without in any way limiting the foregoing, the following are examples of local service functions: may include any of the following:

(1) 1. Planning and zoning including subdivision regulations; regulations.  
(2) 2. Adoption and enforcement of ordinances and regulations for the any of the following purposes:

A. The protection of persons and property from hazards in the use, occupancy, condition, alteration, maintenance, repair, sanitation, removal,  
and demolition of buildings and structures or any parts thereof and grounds  
appurtenant thereto, in the operation of equipment therein, and of outdoor signs

~~including, but not limited to, zoning ordinances and regulations thereunder, building codes and regulations thereunder, plumbing codes and regulations thereunder or other such codes; grounds.~~

B. The operation of equipment.

C. Outdoor signs.

D. Zoning.

E. Building codes and regulations.

F. Plumbing.

(3) 3. Programs for redevelopment, low rent housing and urban renewal; renewal.

(4) 4. Parks and park related activities and recreational programs; programs.

(5) 5. Police protection; protection.

(6) 6. Fire protection; protection.

7. 911 communications.

8. Animal control.

(7) 9. Public works including, but not limited to, including maintenance and operation of sanitary and storm sewers, drainage systems, sewage disposal facilities, refuse disposal facilities, including trash and garbage collection disposal; disposal.

(8) 10. Lighting of streets, roads, alleys, and other public places; places.

(9) 11. Maintenance and operation of water supply system; system.

(10) 12. Library system; system.

(4) "LSF credit" means the difference between the New Castle County property tax rate for real property located in unincorporated areas and the New Castle County property tax rate for real property located in a municipality.

(b) The term "municipality," as used in this chapter, shall mean any (5) "Municipality" means a municipal corporation located within New Castle County, County and incorporated pursuant to law by the General Assembly of this State, which performs for its residents any local service function and pays the cost thereof out of its own revenue sources, under Title 22.

(6) "New Castle County property tax base" means the New Castle County real property assessable tax base, including all municipalities, as used in the County's latest adopted budget.

(7) "Net County LSF cost" means the cost for a local service function in New Castle County's current proposed budget after both of the following are applied to the amount in the proposed budget for the local service function:

a. Increased by the amount of indirect costs, including fringe benefits, applicable to that local service function.

b. Reduced by fees, service charges, grants, or other revenue directly attributable or otherwise apportioned to that local service function.

(8) "Property tax" means the general fund property tax revenues as stated in New Castle County's latest current proposed budget.

(c) Responsibility for a local service function or a distinct activity or portion thereof exercised by a municipality located within New Castle County, may be transferred to the County by the concurring affirmative action in the form of an ordinance of the County Council of New Castle County and of the governing body of the municipality concerned. Responsibility for a local service function or a distinct activity or portion thereof not exercised by New Castle County, or by a municipality located within New Castle County, as of January 3, 1967, or exercised by New Castle County as of January 3, 1967, may be transferred to a municipality located within New Castle County by the concurring affirmative action in the form of an ordinance of the County Council of New Castle County and of the governing body of the municipality concerned.

- (d) ~~The expression of official action transferring a local service function shall make explicit:~~
- (1) ~~The nature of the local service function transferred;~~
  - (2) ~~The effective date of such transfer;~~
  - (3) ~~The manner in which affected employees engaged in the performance of the function will be transferred, reassigned or otherwise treated;~~
  - (4) ~~The manner in which real property, facilities, equipment or other personal property required in the exercise of the function are to be transferred, sold or otherwise treated;~~
  - (5) ~~The method of financing to be used in the exercise of the function received;~~
  - (6) ~~Other legal, financial, and administrative arrangements necessary to effect transfer in an orderly and equitable manner.~~

Section 2. Amend Chapter 11, Title 9 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1102A. Local service functions; determination of LSF credit.

In determining the New Castle County property tax rate for real property in a municipality, New Castle County shall consider the degree of any local service function performed or financially supported by the municipality instead of New Castle County.

The LSF credit either of the following:

- (1) The same as the rate for property located in other municipalities in New Castle County.
- (2) The same as the rate set in a prior year.

(b) 1. Calculate net County LSF cost for a local service function.

2. Determine assessible base for municipalities that perform
- a. The full LSF
  - b. Partial LSF
  - c. None of the LSF
- partial LSF credit broken by different specific elements of each LSF

(c) New Castle County shall adopt policies and procedures to implement this section.

§ 1102B. Local service functions; process to determine LSF credit.

(c) The CFO shall send each municipality forms and instructions to request LSF credit no later than [date] that includes all of the following:

(1) a copy of New Castle County's Current Expense Budget for the fiscal year which began the preceding July 1, which documents shall be used in determining the tax differential.

(2) New Castle County shall provide to each municipality a standardized report form listing each potentially eligible service. A municipality shall report to [the Director] upon such forms and shall set forth such information as [the Director] may prescribe and require.

Information submitted by any municipal corporation is subject to verification by [the Director].  
[or from Maryland Statute: After receiving a proposal from a municipality requesting a tax setoff under this section, New Castle County shall promptly submit to the municipality financial records and other documentation regarding New Castle County revenues and expenditures.]

(d) At least [180 days before the date that the annual county budget is required to be approved, or DATE] a municipality that desires that a tax setoff be provided shall submit to New Castle County a proposal that states the desired level of property tax setoff for the next fiscal year.  
A request under this subsection must include all of the following with sufficient detail for an assessment of the municipal services:

(1) A description of the scope and nature of the local service function provided by the municipality instead of similar services or programs provided by New Castle County.

(2) Financial records and other documentation regarding municipal revenues and expenditures.

Shall consider 3 year lookback for a municipality creating a new LSF or ending LSF.

(e)(1) [At least 90 days before the date that the New Castle County budget is required to be approved or DATE] New Castle County and any municipality submitting a tax setoff request under subsection (c) of this section shall designate appropriate policy and fiscal officers or representatives to meet and discuss the nature of the tax setoff request, relevant financial information of New Castle County and municipality, and the scope and nature of services provided by both entities.

(2) A meeting held under paragraph (1) of this subsection may be held by the New Castle County representatives jointly with representatives from more than one municipality.

(3) New Castle County may request additional information that may reasonably be needed to assess the tax setoff from municipality.

(4) A municipality shall provide additional information requested under paragraph (e)(3) of this section expeditiously.

(f) At or before the time the proposed New Castle County budget is released to the public, the New Castle County [commissioners, the county executive of a charter county, or the county council of a charter county without a county executive] shall submit a statement of intent to each municipality that has requested a tax setoff that contains all of the following information:

(1) An explanation of the level of the proposed tax setoff.

(2) A description of the information or process used to determine the level of the proposed tax setoff.

(3) An indication that, before the budget is enacted, appropriate officials or representatives of the municipality are entitled to appear before the New Castle County Council to discuss or contest the level of the proposed tax setoff.

(g) By December 7, New Castle County shall notify the municipality of New Castle County's determination regarding the degree to which the municipality is providing one or more

~~eligible local service functions in lieu of New Castle County. Any disagreement shall be subject to negotiation between New Castle County and the municipality.~~

[paragraph from Maryland statute ~~The Chief Financial Officer~~ shall meet with a municipality and discuss with the governing body of any ~~municipal corporation in the county~~ ~~municipality~~ the county property tax rate to be set for assessments of property in the ~~municipal corporation~~ ~~municipality~~ as provided in this section under § 1102A through § 1102B of this title. After the meeting if it can be demonstrated that a ~~municipal corporation~~ ~~municipality~~ performs ~~local service functions~~ services or programs instead of similar ~~county~~ ~~New Castle County~~ services or programs, ~~the governing body of the county~~ ~~New Castle County~~ shall grant a tax setoff to the ~~municipal corporation~~ ~~municipality~~.]

(h) Representatives of each ~~municipality~~ requesting a tax setoff shall be afforded an opportunity to testify before the ~~New Castle County Council~~ during normally scheduled hearings on ~~New Castle County's~~ proposed budget.

(i) Notwithstanding the provisions of subsections ~~( ) through ( )~~ of this section:

(1) ~~New Castle County and a municipality~~ may enter into an agreement setting different terms or timing for negotiations, calculations, or approval of a tax setoff.

(2) ~~New Castle County~~ may grant a tax setoff to a ~~municipality~~ that does not make a request in the fashion described in this section.

(j) If ~~New Castle County and a municipality are unable to agree on the degree to which the municipal corporation is providing one or more eligible services or programs by January 15, the matters in dispute shall be submitted to an hearing panel. The deadline may be extended by mutual agreement.~~

(1) The hearing panel shall be comprised of the following:

a. One member selected by ~~the municipality involved in the dispute.~~

b. One member selected by the County Executive;

c. One member selected jointly by the members selected under paragraphs (j)(1)a. and (j)(1)b. of this section..

Qualifications for panel members? Disqualifications?

(2) At the hearing, New Castle County and the municipality may present testimony,

evidence, and oral argument as to the matters in dispute.

(3) The hearing panel shall issue its advisory determination to the County Executive,

County Council, and the municipality no later than February 15.

(k) New Castle County shall adopt policies and procedures to implement this section.

( ) On or before January 31 each year, New Castle County shall complete a report that includes all of the following:

a. The amount of the tax setoff granted to each municipal corporation in the current fiscal year.

b. In the form provided by each municipal corporation, a detailed description of the scope and nature of the individual services or programs provided by each municipal corporation instead of similar services or programs provided by the county.

c. A detailed description of the methodology used by the county to determine the amount of the tax setoffs, including any formulas. [say something about providing this report to County Council for use in considering budget for next fiscal year?]

§ 1102C. Local service functions; review committee.

(a) New Castle County shall create the Local Service Function Review Committee for the purpose of conducting an annual review of § 1102 through § 1102B of this title. This review shall be completed on or before July 31 of each year. The Task Force must be comprised of the following representatives:

(1) The Chief Financial Officer, or a designee.

(2) One member from the County Council.

(3) Two members from municipal governments in New Castle County designated by the Delaware League of Local Governments.

(4) One member who is a resident of New Castle County and who owns real property in the unincorporated area of New Castle County, appointed by County Council.

(b) Reports under this subsection must be made available to municipalities, the public and must be provided to all members of County Council and to all members of the New Castle County members of the General Assembly.

[? Need to revise any other sections of Title 9?]

Section 3. This Act is effective immediately and is to be implemented [June 20, [year] or [if different sections take effect at different times] as follows: