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## **Delaware's Supreme Court Affirms Decision Denying New Castle County Property Owners' Challenge to Split-Rate 2025-26 Residential and Non-Residential Property Taxes: Richards, Layton & Finger**

On November 12, 2025, the Supreme Court of the State of Delaware affirmed the Court of Chancery's decision in *Newark Property Association, et al. v. State of Delaware, et al.*, 2025 WL 3041907 (Del. Ch. Oct. 30, 2025), in which the Court of Chancery held that House Bill 242 ("HB242"), which permits school property tax rates to temporarily be reset and differentiated between residential and non-residential properties, does not violate the United States Constitution, the Delaware Constitution, or Delaware statutes.

The Plaintiffs appealed the Court of Chancery's decision, arguing that the Delaware Constitution's Uniformity Clause prohibits the state from charging different property tax rates between residential and non-residential properties, and arguing further that the reclassification of certain properties (from residential to non-residential) for tax purposes to correct classification errors violates HB242's provision regarding revenue neutrality. Both arguments failed.

Now that the Court of Chancery's ruling has been affirmed, New Castle County property owners should still expect to see supplemental tax bills based on the bifurcated rates and any property reclassifications soon. The extended deadline for payment of New Castle County property tax bills is currently November 30, 2025; however, there is legislation pending that would further extend the deadline to December 31, 2025, if signed by Governor Matthew Meyer.

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