

PAUL S. BAUMBACH
STATE REPRESENTATIVE
23rd District



HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES
Revenue & Finance, Chair
Economic Development, Banking,
Insurance & Commerce
Health & Human Development
Natural Resources & Energy
Technology & Telecommunications
Transportation

Date: 5.15.2024

House Committee Recording

Chair Baumbach called the meeting to order at 3:02 p.m.

Members present:

Representative Paul S. Baumbach, Chair
Representative Sherry Dorsey Walker, Vice Chair
Representative Jeffrey N. Spiegelman
Representative Ronald E. Gray
Representative Krista Griffith
Representative Madinah Wilson-Anton

Chair Baumbach deferred HB 343 by Rep. Yearick. Chair Baumbach introduced **SB 25 w/ SA 1 AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO THE REALTY TRANSFER TAX.** *Time Stamp: 3:05*

Chair Baumbach noted that the bill exempts contracts for the construction of affordable housing units from the 2 percent realty transfer tax imposed under 30 Del. C. § 5402(f).

Rep. Griffith asked for an example.

Chair Baumbach introduced Rebecca Goldsmith, Deputy Secretary of Finance.

Secretary Goldsmith shared that when someone buys a property, they pay the realty transfer tax. Her understanding is that when properties are acquired for redevelopment purposes, they are purchased and put into another corporate name with common ownership and control; and through this process, the next level of development is caught under the two percent realty transfer tax as opposed to being waived at the time of development.

Chair Baumbach provided a hypothetical scenario in which Habitat for Humanity purchased a block in Wilmington. The organization would get to avoid the realty transfer tax on that purchase, but then, the improvements they make to the purchase are free from the two percent improvement tax.

Rep. Griffith thanked the Chair for the helpful example.

Chair Baumbach opened the floor for public comment. *Time Stamp: 3:08*

George Thomasson, Delaware Association of Realtors, voiced his support of the legislation.

A motion was made by Rep. Griffith and seconded by Rep. Dorsey Walker to release SB 25 w/ SA 1; motion carried. Yes = 6 (Baumbach, Dorsey Walker, Gray, Griffith, Spiegelman, Wilson-Anton). No = 0. Absent = 4 (Johnson, Schwartzkopf, Short, Smith). The bill passed with a F = 2, M = 5, U = 0.

Chair Baumbach adjourned. *Time Stamp: 3:13*

Respectfully submitted by Tyron Herring.

Attendee list:

- Rebecca Goldsmith, Deputy Secretary of Finance
- George Thomasson, Delaware Association of Realtors