

LEGISLATIVE UPDATE

“FINAL GAVEL”

1st SESSION OF THE 153rd GENERAL ASSEMBLY

AS OF: 15 July 2025

EXECUTIVE SUMMARY

“This is about local rule and the Courts”

Sen. Brian Pettyjohn

The First Session of the 153rd General Assembly started with new members of the House (no changes in the Senate this past cycle) who having been elected in November 2024, added to the general pressure to what continues to be a demanding and difficult Session for the multi-family and real estate community, along with the general business community.

And as the Committee process continues to show, the amount of time and ability to make a difference during public testimony has become quite limited. To note, if the interest of the public shows many individuals that wish to testify, the normal 2 minutes-time allowed gets reduced to one minute per speaker. This is not enough time to introduce yourself and discuss technical issues of the bill, before time has expired. It also has become common during June that if there are not enough members to take action (lacking a quorum or majority) on a bill... the Chair announces they will “walk the bill out” of committee. In essence, the Chair gains the required number of votes by seeking signatures of those members that were missing from the hearing. This brings forward a very basic question – “Why hold a committee hearing, when majority action by committee members to release a bill does not matter... the bill simply gets walked?” Also notable during the committee process, the “hearing” remains open for written comments for an additional 24 hours after that date. However, most observers of Leg Hall agree the members never read the submitted comments, ever.... and to add to this, most members have already voted on the bill.

While zoom offers more public access – it was still a difficult environment to petition your government since the ruling party allows them the ability to pass any legislation they wish. The speed at which things happen in the building continues to remain high.

As in years past, the social and environmental issues continue to take prominent positions in the debate. Some return year after year only to be re-introduced with slight changes or proclamations it was amended to reflect work done over the break. One example that finally passed after years of work by the advocates was the “Death with Dignity” or doctor assisted suicide bill that was vetoed by Governor Carney, but re-introduced and passed, and immediately signed by Governor Meyer. This Session also saw action on wind power, environmental justice notification, and lead paint remediation for multi-family.

Overall, the Assembly worked on more adjustments to the MJ legalization bill passed last year that includes removal of local county jurisdiction on zoning of these establishments, additional adjustments to mandated family leave FMLA, a return of a bill to allow DNREC to increase virtually all their fees, new DMV fees, wage transparency legislation for most employers, single use plastics ban, new requirements for business and their ADA parking spaces, an environmental penalty bill, a rollback of the EV mandate, new personal income tax brackets, delaying the implementation of fines for the FMLA, removing the definition of “switchblade” in the DE Code, the attempt to pass merchant category codes for gun dealers/FFLs, lead paint bill, interest in a new escrow bill from the House, and numerous bills impacting both the multi-family and manufactured housing codes.

Of special significance this Session was the debate and action around SB21 dealing with Delaware’s corporate franchise and the Chancery Court.

Delaware has dominated the corporate legal system for some 180 years and remains the top choice for virtually all the Fortune 500 companies in the world as a place to incorporate and our business court of equity. However, last year there was a judicial decision made by a specific Vice-Chancellor in a specific case that went against the Board and founder of a Delaware incorporated company (Musk). That decision caused a series of multi-national companies to publicly challenge Delaware’s preeminence by suggesting they were or will re-incorporate in Texas or other states. And in some cases, this continues today as companies seek corporate changes.

As January 2025 rolled into Session – SB21 was introduced to address numerous “corporate” issues that, from the advocates point of view, which included the Delaware Bar and Corporate Section along with numerous Delaware grown corporate law firms, will bring additional guidance and clarity for the Court in deciding cases as complicated as the one that gained all the public attention. Having easily passed the Senate on a bi-partisan 21 yes vote, the bill faced a more difficult path forward in the House.

There were at least 3-4 amendments to the bill from various House D members, and while all of them failed to pass because of little actual support, these amendments send a message to the outside that maybe Delaware is not the place to incorporate your business. SB21, like so many of the previous updates to Delaware's corporate franchise law, made the necessary changes to keep us competitive. But to the opposition, we have become beholden to "Corporate CEO's" caring little for stockholders and the working family. What seems lost by the opponents, if Delaware ever fails to retain the top spot - the loss in revenue to Delaware's budget would be in the hundreds of millions.

Some other examples of the Assembly's ongoing push to move away from a basic business friendly orientation and more intervention were the passage of last year's HB350 the hospital governance bill, the passage of SB210 the DNREC corporate fine bill, and SB159 that would overturn Sussex County's decision to deny US Wind's application for a power sub-station on land adjacent to the old Indian River Power Plant.

It was during the second debate in the Senate on SB159 (after having been amended in the House) when Sen. Brian Pettyjohn made his comments.

During this debate late in Session, Sen Pettyjohn explained again his outright opposition to the passage of the bill, which already discussed would overturn the decision of Sussex County Council in denying the land use application for US Wind to bring ashore power from their windmills off the coast of OC and Delaware. Sen Pettyjohn said this is not about opposing wind power, but his opposition of the Senate taking over land use control and telling Sussex County voters their elected officials can be overruled. He also went further that given this issue is now before the courts, to usurp the Court's judicial process with a potential decision coming in weeks, is outrageous. Upon SB159 passage and then immediate signature by Gov. Meyer, the Senate Republicans told the Senate D's they would not vote for the Bond Bill. Here, things got very interesting.

The Senate R's told the Majority a new bill (SB199) had to pass the House, Senate and signed by the Governor that would delay the implementation of SB159 until 31 January 2026, and the Bond Bill would be the last bill done before they would vote. By 10:04 PM SB199 passed and then around 11:10 PM, the House passed the bill. Shortly thereafter, Gov Meyer signed the bill.

As the Session came to a close, the Senate and House adjourned within 10 mins of each other, at 1:14 AM and 1:22 AM respectively. There was an expectation the

Chambers would adjourn like last year before 11:00PM, but with the drama around US Wind, many bill's actions were delayed.

As to spending, early DEFAC numbers presented a revenue picture for the coming FY '25 budget as a small slow-down in growth. Yet again, by the June DEFAC revenue estimate once more indicated additional money for spending. This resulted in giving Delaware another banner year with near record-breaking Bond Bill of \$977 million and a General Operating Budget of \$6.58 billion. And like last year, this Assembly passed a supplemental spending bill of one-times of \$39m that covered numerous spending priorities to include monies to again fund the DHS for more police and staffing around the permit to purchase legislation.

The Assembly passed the Budget Bill HB 225 by 26 June in the Senate, followed by the Bond Bill SB200 the last day of Session, and Grants-in-Aid passing both Chambers on the last day and the last bill respectively on June 30th.

Here are the highlights of spending for FY2026.

The FY'26 Budget is \$6.58 Billion.

This year's budget showed increases again in spending for virtually all agencies and employees, including raises for teachers as the push to \$60,000 per starting salary by 2028 looms. The Assembly maintained monies in the Budget Stabilization Fund (budget smoothing), and numerous one-times in the Supplemental HB226. This year the JFC moved many spending categories once in the budget to Grants-in-Aid, boosting that spending bill to \$98.283million. Budget growth was 7.4% from last year.

A breakdown of spending for the last number of years as compared to the new FY2026 budget is as follows:

FY2018 - 8 years ago

General Operating Budget	\$4.11 billion
Bond/Capital Improvement Bill	\$590 million
Grant-in-Aid	\$37.2 million

FY2019 - 7 years ago

General Operating Budget	\$4.27 billion
Bond/Capital Improvement Bill	\$816 million
Grant-in-Aid	\$52.1 million

FY2020 – 6 years ago

General Operating Budget	\$4.57billion
Bond/Capital Improvement Bill	\$863million
Grant-in-Aid	\$55million

FY2021 – 5 years ago

General Operating Budget	\$4.525billion
Bond/Capital Improvement Bill	\$707 million
Grant-in-Aid	\$54.4 million

FY2022- 4 years ago

General Operating Budget	\$4.771 billion
Bond/Capital Improvement Bill	\$1.350 billion
Grant-in-Aid	\$63.2 million

FY2023-3 years ago

General Operating Budget	\$5.09 billion
Bond/Capital Improvement Bill	\$1.40 billion
Grants-in-Aid	\$69.4 million

FY2024- 2 years ago

General Operating Budget	\$5.606 billion
Supplemental/One-times	\$ 194 million
Bond/Capital Improvement Bill	\$1.409 billion
Grants-in-Aid	\$ 70 million

FY2025 - last year

General Operating Budget	\$6.129 billion
Supplemental/One-times	\$ 168 million
Bond/Capital Improvement Bill	\$1.116 billion
Grants-in-Aid	\$ 98 million

FY2026

General Operating Budget	\$6.58 billion
Supplemental/One Times	\$ 37 million
Bond/Capital Improvement Bill	\$ 977 million
Grants-in-Aid	\$ 98 million

The growth in Delaware's budget is unmatched in recent memory. Spending is growing faster than is prudent. The Assembly is becoming more progressive, which will mostly likely drive more programing/spending, which means the potential when an economic slowdown occurs.... more taxes.

Delaware's revenue picture remained steady for FY'26. However, while inflation has cooled dramatically since last year, many of the persistent issues that have long plagued Delaware as to an aging population, in-migration of retirees, a lack of diversified production-based economy, help-wanted signs, all continue to show

Delaware's economic base may not keep pace with its spending. Again - there were NO tax cuts for any segment of businesses or Delaware's citizens.

When it comes time to pay for all the goodies - who is going to pay?

Respectfully Submitted;
C.S.KIDNER ASSOCIATES/CAPITOL STRATEGIES
C. Scott Kidner

REVIEW OF LEGISLATION

I. REAL ESTATE/HOUSING

The following bills and positions noted represent the overall commercial and residential real estate, multi-family, and manufactured housing industry, along with the business community as it relates to their private property rights, how they conduct their business, and their ability to use/transfer real property within the state of Delaware.

SENATE

SJR8 Sen Huxtable and Rep K Johnson – Assistance for Zoning Reform Measures for Counties.

SUPPORT

This Joint Resolution directs the DE State Housing Authority to offer a pilot program to help the local county governments in reforming their zoning codes that will support more affordable housing options. It was a result of the Affordable Housing Production Task Force that noted zoning codes can impede new and lower cost housing construction. Introduced in early June, the bill easily passed through both Chambers by June 30th.

Awaiting Governor's Action.

SB34 Sen Brown and Rep Cooke – Tenant's Rights to Break a Lease

OPPOSED

Introduced in January 2025, the bill would allow tenants to break their apartment leases if they are purchasing their first home. While supported in concept to help a tenant who wants to become a first-time home buyer, the bill contained a lack of guidance and measures to ensure legitimacy of the actual claim was to purchase a new home. The bill allows for the breaking of a contract. After a number of meetings with sponsors and additional language provided by DAA, the sponsor will meet in the off-season for action in January 2026.

No Further Action Taken.

SB35 Sen Hoffner and Rep Carson – Assessment of Land and Taxation of Structures of Lands in Agricultural Use.

NEUTRAL

The bill creates real estate tax relief for small and medium sized farmers on their farm structures, based upon guidelines within the bill. Strongly supported by the

Ag community, the bill however failed to gain any momentum and remains tabled in the Senate Finance Committee.

No Further Action Taken.

SB40 w/SA#1 Sen Walsh and Rep Burns – Manufactured Housing
Receivership/Pattern and Practice
SUPPORT

The bill addresses issues around a landlord's ongoing violations of Title 25 Chapter 70 within certain sections and the lease agreement by introducing new language that defines when these violations reach a pattern and practice. SA#1 strikes the words "or constructive" and keeps it to actual notice to the landlord. With FSMHA's endorsement, the bill easily passing both Chambers before June 30th.

Awaiting Governor's Action.

SS#1 To SB56 Sen Hoffner and Rep Carson – Manufactured Home Title Transfers
SUPPORT

After significant work from FSMHA landlords with the sponsor, along with CLASI and DOJ, SS#1 was introduced that captured the bulk of the changes needed to make the bill agreeable to all parties. The bill's original intention is to allow the title transfer of a mobile home to a named individual by the decedent. This substitute does some of the following: Moves the procedure for inspections prior to transfer into a different section of the code; Creates a 2 step process for the sale and transfer of the home; Reduces the time a buyer has to complete repairs; Removed the requirement that a community owner purchase the home if the buyer's tenancy application is denied; Makes it clear a homeowner has to comply with Sec 7013 for the lease transfer; Clarifies the portions of the tenancy application must be completed in different situations when a home is inherited; and other provisions. With support from all the major organizations, the bill passed the Senate on 12 June and then the House on 26 June with no opposition.

Awaiting Governor's Action.

SB87 w/ SA#1 Sen Huxtable and Rep Harris – Accessory Dwelling Units
SUPPORT

Another result of the Housing Production Task Force recommendations, the bill mandates to the counties and municipalities to allow for the construction of ADU's within their jurisdictions without restrictive zoning covenants. The bill remains controversial because it overrides local land use decisions, with the League of Local Governments remaining opposed. SA#1 requires DSHA and the Office State Planning Coordination to assist the local government in the development of these ordinances, but also require the local government bring forward any draft

ordinance or law within 6 months of the passage of the bill. Reported out of the Senate Housing Committee in early June, it remains on the Ready List for later consideration.

No Further Action Taken.

SB114 Sen Wilson and Rep Short – Exercise of Eminent Domain

NEUTRAL

The bill limits what local government can use the eminent domain process within their jurisdictions and clearly bans local government cannot condemn land for recreational use. It also sets out guidelines on notice to the public and numerous other provisions that must be disclosed by local government during the eminent domain process. Assigned to the Senate Elections Committee on 1 May, the bill never got a hearing.

No Further Action Taken.

SS#2 To SB115 w/F/N Sen Lockman – Summary Possession/Expungement

NEUTRAL

The sponsor introduced two new bills in late May to address tenant's concerns over Expungement and the Right of Redemption (SB116 below), drawing the immediate opposition of both DAA and DAR. SS#2 to SB115 creates the process by which a tenant's non-payment of rent can be removed from their rental history within the court system, after meeting specific requirements. The substitute brings forward numerous changes provided by the real estate and multi-family housing industry to include a provision that a tenant cannot have any similar judgements against them within 5 years of the motion to shield. With the changes, eventually DAA and DAR went neutral on the bill. To note, the bill required a fiscal note of approx. \$117,000 for the first year and approx. \$143,000 ongoing expenses by the JP Courts to implement the bill. The bill passed the Senate with 18 yes, but in the House, virtually every R voted against the bill.

Awaiting Governor's Action.

SS#1 to SB116 Sen Lockman – Right of Redemption

OPPOSED

Despite attempts to address the significant issues contained in the original bill (such as adding restrictions on third party pay and methods of pay, increasing 12 to 24 months for the lookback, and that any rent due under the lease must be paid in addition to demanded past rent and per diem for this to be effective, and making clear that payment after posting of the writ only stays the writ until the payment has cleared), the housing community remained opposed to this bill. Essentially, the bill seeks to allow tenants to pay their rent up to and including the court date, and this payment can be made by third parties. During testimony, DAA noted this

bill dramatically increases the level of risk for the landlord when they cannot predict if an eviction will be sustained when the tenant may pay all monies owed even as possession is being sought. The bill was released from the Senate Housing Committee in early June but remains on the Ready List.

No Further Action Taken.

SB127 Sen Poore and Rep Minor-Brown – City of New Castle Rental Tax
OPPOSED

The bill is a charter change to allow the City of New Castle to charge up to 5% rental tax on all properties of their gross rents with the City. It would not apply to any subsidized multi-family housing, such as Section 8. During the committee debate, it was clear the details of how much money this would raise, concerns about impact on affordable housing (there was stated opposition from the Housing Coalition) and finer details as to applicability and timing were unanswered, and therefore the bill got tabled.

No Further Action Taken.

SB132 Sen Cruce and Rep Gorman – Right to Counsel/Technical Changes
NEUTRAL

Introduced in May, the bill addresses some technical changes to the previously passed “Right to Counsel” bill by moving certain duties to the office of the State Courts, as well as adds to the definition of “...Legal Service...”, the Delaware Volunteer Legal Service organization. Easily passing both chambers on bi-partisan votes by 30 June.

Awaiting Governor’s Action.

SB144 Sen Walsh and Rep Carson – Manufactured Home Relocation Trust Fund
SUPPORT

Making a series of changes as requested by the DEMHRA Board, the bill repeals the cap on the amount of money in the Fund, and resolves contradictory provisions in current law. With support from FSMHA and the Board, the bill passed the House Chamber by 26 June with 40 yes.

Awaiting Governor’s Action.

SB149 Sen Huxtable and Rep K Johnson – Payment in Lieu of Taxes for Low Income Housing Tax Credit Properties
SUPPORT

This bill creates a framework under which a local government may enact ordinances that exempt LIHTC properties from property taxes, by allowing annual payments up to 5% of the LIHTC’s annual net income to be paid in lieu of those property taxes. Supported by DAR, this is an attempt to spur more affordable/low-

income housing construction and is a result of the Housing Production Task Force recommendations. Heard in the Senate Housing Committee on 21 May, it was released but saw no action and remains on the Ready List.

No Further Action Taken.

**SB150 Sen Huxtable and Rep K Johnson – Affordable Rental Housing Program
SUPPORT**

Another bill coming from the AHPTF, and supported by DAR, it creates a new Affordable Rental Housing Program (ARHP) within the Housing Development Fund and is modeled after the federal program by providing loans to increase the supply of low-income housing and housing for those individuals with disabilities. It passed the Senate on 10 June with 18 yes and then passed the House on 30 June with 39 yes.

Awaiting Governor's Action.

**SB176 Sen Huxtable and Rep Synder-Hall – Building Permit Fees
NEUTRAL**

Introduced on 4 June, the bill allows Sussex County to apply an impact fee to building permits within respective school districts for the local share of school capital construction programs. Facing some concern from the housing community because impact fees raise the costs of home construction, the bill easily passed the Senate and House by 30 June

Awaiting Governor's Action.

**SB186 Sen Brown and Rep Lynn – Notification by Electronic Means/Landlord
Tenant Code
SUPPORT**

Brought late into June, the bill will allow the landlord to use email and other electronic communications with a tenant – when that process is acknowledged by both parties and was used exclusively during the lease term between the tenant and landlord. Supported by DAA and the JP Courts, and no opposition from tenant's groups, the bill failed to get a hearing before Session ended.

No Further Action Taken.

HOUSE

HB30 Rep K Johnson and Sen Huxtable – Affordable Housing Production TF SUPPORT

Introduced in the pre-file for December, the bill extended the deadline of the Task Force reporting to the Assembly NLT 7 April 2025. It passed both Chambers and the final report was issued on 1 April 2025

Signed by Governor on 27 February 2025.

HB34 Rep Romer and Sen Sokola – City of Newark Tax on Colleges NEUTRAL

The bill amends the City's charter to allow for the levy and collection of a per student/per semester \$50 tax on schools or universities that host in-person classes located within the City of Newark. This is of interest given the City a few years ago was seeking to increase the rental tax on all apartments in Newark, but the Newark Landlord Association defeated the initiative at the Council level.

However, as the City continued to seek new revenue sources – this amendment to the charter was pursued. With opposition from U of D, the bill still passed easily with no opposition.

Signed by Governor on 24 June 2025.

HB39 w/HA#1 Rep Carson and Sen Hoffner – Manufactured Housing/Maintenance OPPOSED

Introduced in March, the bill sought to clarify how a period of time is calculated under the statute, along with the duties and responsibilities of the landlord for trees and other common area maintenance issues, such as bulkheads, standing water, and utility services/connections. Initially opposed by FSMHA, an amendment was offered by Rep Gray that made clear where the utility demarcation point is and who is responsible for that connection to the home. Released from Committee and the amendment agreed to by the Sponsor, it passed the House on 15 April 39 yes votes. Assigned to the Senate Housing Committee, it never got a hearing.

No Further Action Taken.

HS#2 HB70 W/HA#1 and SA#2 w F/N Rep Harris and Sen Pinkney – Lead Paint Remediation OPPOSED

One of the most controversial bills this Session for the housing community, it requires virtually every apartment unit in Delaware to be tested and then made lead-safe or lead free by specified dates within the bill.

The housing industry agrees children under 6 years of age must be protected from lead poisoning. There is an understanding with the older housing stock that encompasses large areas of New Castle County and certainly portions of the other counties, testing and in some situations, remediation may be needed. However, the bill as passed creates such an economic burden for almost the entire rental class, it may do quite the opposite of its intentions – drive landlords and affordable housing options out of the market, thus these structures remain filled with lead paint, and for those remaining landlords, drive up their costs because of remediation, loss of rental income of the unit, and costs of alternative housing for the tenants displaced.

After weeks of discussions between the DAA and DAR leadership and the sponsor, coupled with testimony in both the House Health and Social Services Committee and Finance Committee (Fiscal Note) a series of changes were made that are reflected in HS#2 introduced on 20 June, and the adjoining HA#1. Most critically, the Amendment calls for a “Feasibility Study” with named participants that include DAA, to be completed by 1 March 2026, and further adds definitions of large and small property owners and allows for the property owner to defer if lead inspectors or certified contractors are not available to conduct the work, among other changes. The highly amended bill finally passed the House on a partisan vote of 26 Y and 12 N. Assigned to the Senate Executive Committee, the bill was released along party-line vote. Again after significant work by the landlord community, SA#2 was attached to the bill. These changes reflect the Feasibility Study must be completed first, and all enacting legislation and money appropriated must occur before the bill becomes law. It passed along party line votes, returning to the House on 30 June, passing again 26 yes and 12 no.
Awaiting Governor’s Action.

HB127 Rep K Smith and Sen Poore – Manufactured Home Installation Board
NUETRAL

The bill simply restructures the Installation Board to reduce its size and makes some additional technical changes
Awaiting Governor’s Action.

HB135 Rep Phillips and Sen Lockman – Homeless Bill of Rights
OPPOSED

The latest in a series of bills seeking to give the homeless population additional rights, this version was introduced on 6 May and assigned to the House Housing Committee. The bill is different in one significant way by mandating that any local government that removes individuals that are or claim to be homeless from public property, must only do so if they can provide alternative housing for these people.

Opposed by the League of Local Governments, numerous business organizations, and the rental housing community, the bill never got a hearing.

No Further Action Taken.

HS#1 to HB144 Rep Minor-Brown and Sen Poore – Property Tax Rates.

NEUTRAL

Introduced in May – the bill seeks to amend the City of New Castle’s charter by allowing Council to levy taxes on real property at varying rates based upon property classification. After some debate, the bill was substituted to ensure the taxes on real property must be in “just portions.” Easily passing both Chambers by 25 June.

Awaiting Governor’s Action.

HB147 Rep Harris and Sen Lockman – Real Property Transfer on Death

SUPPORT

Rather technical in nature the bill expands the transfer of real property through a non-probate process without creating a revocable trust. Supported by the County Register of Wills offices and the Delaware Bar, the bill received little debate and passed both Chambers by 30 June.

Awaiting Governor’s Action.

HB159 Rep Williams and Sen Walsh – School Property Tax Exemptions

SUPPORT

The act gives the county after a reassessment of real property, the authority to adopt an ordinance to modify the school property tax exemption amounts that were in place before 1 January 1998, which will then slow property tax increases for seniors and individuals with disabilities.

Signed by Governor 13 June 2025.

HB185 Rep K Johnson and Sen Huxtable – Site Readiness Fund

SUPPORT

Introduced in May, the bill will allow residential developers to seek funding support from the Site Readiness Fund if they are building affordable housing. Supported by DAR as part of a larger effort to increase more affordable housing, but it was opposed by the Commercial Industrial Realty Council because this fund was created exclusively for commercial development. During testimony in the House Housing Committee, it became clear the Administration was not in favor, along with the Chambers. After a lengthy debate, the bill failed to be released from committee.

No Further Action Taken.

HB193 w/HA1, HA2 Rep Hilovsky and Sen Hoffner – Manufactured Housing Relocation Trust Fund

NEUTRAL

This bill removes the cap of the monies in the Fund currently set at \$15million, and it also increases the tenant portion of the monthly assessment that is directed to the Attorney Fund from 50 cents to \$1.50. The amendments mirrored the removing of the cap language found in HB144 and the other amendment moves the effective date out to 1 January 2026 to allow the Division of Revenue to create forms and adjust their systems, respectively. Without any opposition and supported by the tenant group, it easily passed both Chambers by 30 June.

Awaiting Governor's Action.

HB217 Rep K Johnson and Sen Lockman – Key Return in Residential Leases

NEUTRAL

Given a draft in early April from the sponsor – the housing community made a series of adjustments as to how and when a key is returned to the landlord, and language within the lease on how this process should be governed. After making the changes as requested by landlords, the bill was introduced on 17 June, and will most likely see action in January 2026

No Further Action Taken.

HB229 Rep Ortega and Sen Huxtable – Summary Possession

SUPPORT

Introduced on 26 June, the bill is an agreement between CLASI, DAA and the JP Court system to adjust the notice period for a hearing and complaint must be served in an action for summary possession from 5 to 30 days to between 5 and 90 days prior to the time at which the complaint is to be heard. The bill did not have a hearing and expected to see action in January 2026.

No Further Action Taken.

II. LAND USE/ENVIRONMENT

SENATE

SB159 w/SA#1 and HA#1 Sen Hansen and Rep Synder-Hall – Land Use Planning/US Wind
NEUTRAL

This Act requires the permitting of an electric substation as an allowed conditional use in a heavy industrial zone under certain conditions set forth in the Act. Essentially, this removes Sussex County Council's denial of a permit to build a substation to receive the power from US Winds turbines off the coast of Delaware, and it is retroactive, such that if a county has previously denied an application for an electrical substation that would meet the requirements of this Act, then the application must be granted. It was this legislation which removed the authority of Council by the Assembly that created the logjam on June 30th.

Shortly after the Senate R's told leadership they would not vote for the Bond Bill, and after several closed-door meetings.... SB199 sponsored by Sen Sokola and Rep Minor-Brown was introduced to delay the implementation of SB159 for 6 months until 31 January 2026. Once this was voted on by both Chambers and signed by Gov Meyer – the bond bill was passed.
Both Bills Signed by Governor on 30 June 2025.

HOUSE

HB210 Rep Lambert and Sen Poore – DNREC Polluter Fine Bill
OPPOSED

This Act seeks to update the fine structure for major commercial polluters. In addition, the bill dramatically increases the level of fines, in some cases, from \$10,000/day to \$40,000/day for those companies or businesses that are found to have violated portions of Titles 3, 7, and 10. In addition, 40 percent, rather than 25 percent, of the civil and administrative funds collected under various environmental regulatory chapters will be appropriated to the Community Environmental Project Fund under § 6042 of Title 7. The Fund will give priority to community environmental projects located within a 2-mile radius of violation or infraction. While focused on habitual or chronic polluters the bill's wide-ranging

impact affects any business that has or needs permits from DNREC under the above listed titles, to include the farming community. This bill created so much debate that HA1 removes famers and the Title 3 provisions from the bill, however, Concentrated Animal Feeding Operations (CAFOs) are still included.

Eventually HB222 was introduced to reduce the impact of the NPDES permitting and fines upon the Ag community, but many within farming remained opposed to both HB210 and the follow-on HB222. HB210 eventually passed along party-line votes in both Chambers with all R's voting No. HB222 did not advance.

Awaiting Governor's Action.

HB175 w/HA#1 Rep Heffernan and Sen Paradee – DNREC Fee Bill
OPPOSED

This bill introduced in late May, and like last year's HB249 from Rep Carson and Sen Paradee, seeks to increase virtually all DNREC fees that include storage tanks, emergency generators, hazardous waste facilities, drilling licenses, waste hauling transport permits, NPDES permits, VOC unit fees, sediment and stormwater control fees, and many others. The significant difference between last year's bill was that the size of increases in most categories was less than originally proposed. Also, the Secretary published an advance copy for the business community that allowed some business organizations to seek adjustments prior to introduction which included HA#1 for septic tank fees. The bill also has a 180 day enactment to allow for notification of the regulated businesses. The bill passed both Chambers along party-line votes.

Signed by Governor on 24 June 2025

III. TAXES

SENATE

HOUSE

HS#2 HB13 w/FN Rep Lynn and Sen Hoffner – Personal Income Taxes
OPPOSED

The bill went through a series of changes resulting in this substitute that creates higher income tax brackets that include those with gross revenue from \$60,000 to

\$150,000 at tax rate of 6.6%, those earning \$150k to \$250k at a 6.75% tax rate, those from \$250k to \$500k at a tax rate of 6.85%. and finally, those earning above \$500k will be taxed at 6.95% on their income. Assigned to the House Revenue and Finance Committee, it was finally heard on 18 June where a only a quorum was achieved. After significant debate and testimony from the Sec. of Finance, and those in opposition, a motion to release was made – which then failed. The Cahir then said she would “walk” the bill to see who else may wish to sign it out. It remains tabled in committee.

No Further Action Taken.

HB99 Rep Yearick and Sen Buckson – Personal Income Taxes

SUPPORT

This seeks to increase the refundable earned income tax credit to 20% of the corresponding federal earned income tax credit for tax years beginning after January 2025. Supported by the business community the bill was assigned to the House Appropriations Committee where it never got a hearing.

No Further Action Taken.

IV. BUSINESS ISSUES

SENATE

SB26 Sen Brown and Rep Burns – Unemployment Compensation

NEUTRAL

Introduced in January, the Act will allow an employee who is subject to a labor dispute, other than a lockout, to collect unemployment benefits after only a 2-week waiting period, if the employee meets all the requirements in the bill, and further says the 2-week waiting period can be waived if the dispute is the fault of the employer, and/or, the employer hires a replacement worker. Supported by the unions, the bill further erodes the authority of a company and its relationship with labor unions. Heard and released from committee in April, the bill remains on the Senate Ready List.

No Further Action Taken.

SB33 Sen Brown and Rep Bolden – Downtown Development Corridors
SUPPORT

Also introduced in January by Sen Brown, the bill expands and builds upon the Downtown Development Districts Act by permitting a municipality with a population of over 30,000 (Wilm., Dover, Newark) to designate an area as a DDC. The intention is to create corridors that can apply for state support to assist in new development. Supported by the business community, the bill passed both Chambers on unanimous votes in favor.

Awaiting Governor's Action.

SB63 w/SA#1 Sen Walsh and Rep Osienski – Contractors Responsible for
Subcontractors
OPPOSED

Hotly debated and opposed by the Associated Builders and Contractors, the bill holds all GC's responsible for the violations and misclassifications of their subcontractors both jointly and severally under this chapter. The amendment does make clear the GC is not subject of debarment for the actions of the subcontractors. Given the sponsors and inclination by the Assembly towards union bills, the legislation passed both Chambers along party line votes by 25 June.

Awaiting Governor's Action.

SB89 Sen Huxtable and Rep Harris – Credit Card Transactions
OPPOSED

Introduced in early April, the bill will prohibit a seller that regularly accepts payment by credit cards from imposing a credit card surcharge greater than the percentage processing fee assessed by the CC company for any sale less than \$1500, and you cannot refuse to accept payment by credit card or imposing any surcharge for sales over \$1500. Opposed by CDCC and other business organizations, the sponsor held a meeting to understand the concerns. Originally assigned to the Senate Banking/Ins Committee it was reassigned to Senate Executive Committee on 15 May, but never got a hearing.

No Further Action Taken.

SB104 Sen Pinkney and Rep Chukwuocha – Trauma Kits
OPPOSED

Adding an entirely new section under Title 16, the bill first defines what are trauma kits and what is contained in them. It then requires virtually every building, school, apartments, stores, theatres, museums, hotel, restaurants and a "work area" that has 50 or more people on a routine bases, the kits must be accessible. Drawing concern from the apartment and business communities, the sponsor indicated a re-

draft was forthcoming. However, assigned to the Senate Health and Social Service Committee in April, it never received a hearing.

No Further Action Taken.

SS#1 SB130 Sen Paradee and Rep Phillips – Expanded Polystyrene Foam OPPOSED

The Act's intention is to ban the use, sale or distribution of expanded foam products in Delaware. After testimony and concerns from the business and food service industry, a series of amendments were offered and the substitute was filed that clarifies this applies to only products sold in DE; the ban is limited to expanded polystyrene foam food service packaging, foam coolers and loose foam packaging materials; it does not apply to restaurants; creates an exemption for foam coolers/packaging used in shellfish and seafood shipping, and clarifies the waiver process for businesses seeking an exemption because inability to comply. Passing the Senate on 25 June, it is heard in House Banking and Insurance Comm, passed out, and remains on the House Ready List on 26 June.

No Further Action Taken.

SB197 Sen Walsh and Rep Osienski – Project Labor Agreements for School construction

NEUTRAL

Another bill in support of unions, this will require all school and charter school construction after 31 December 2026 must have a PLA with the De Building and Construction Trades Council unless there is only 1 bid for the work. PLA's are contracts that set work rules and how the school can direct the labor on the project. For charter schools, a PLA could easily add another 18% to the cost of the capital project. Introduced on 26 June, it remains in the Senate Labor Committee.

No Further Action Taken.

SB140 Sen Pettyjohn and Rep Jones Giltner – EV Mandate SUPPORT

It simply prohibits DNREC from promulgating rules and regulations restricting the sale of fuel powered cars, trucks or SUVs in Delaware. Strongly supported by the Chambers on behalf of their business members, it none-the-less never had a hearing and remains in the Seante Committee.

No Further Action Taken.

HOUSE

HS#2 to HB48 w/HA#1 Rep Neal and Sen Poore – ADA Parking Spaces

OPPOSED

Concerns from the Chambers, businesses and the League of Local Governments managed to rewrite some of the requirements relating to ADA parking spaces. The current substitute still has numerous provisions that place the owner of the parking lot into potential non-compliance given the ADA standards have changed and there may not be enough space to meet the new requirements. However, some changes such as 5 year compliance window and adoption of the federal standards eased some aspects of the bill. Once the substitute was introduced, the bill passed the House along mostly party-line votes and the Senate on 30 June 21 Yes.

Awaiting Governor's Action.

HS#1 to HB55 Rep Chukwuocha and Sen Poore – Discrimination on Military Status.

SUPPORT

The bill, like many before it, creates a new protected class for the military, their families and veterans for the purposes of the State's public accommodation, housing, insurance, education and employment. House Substitute No. 1 adds language to clarify that distinctions or differential treatment based on military status that are allowed by State law or regulation, federal law or regulation, or government contract, are not unfair or discriminatory practices. Easily passing Both Chambers by 30 June

Awaiting Governor's Action.

HB57 Rep Morrison and Sen Huxtable – Home Construction Contracts

OPPOSED

This is the second attempt by the sponsor to essentially allow customers to break home improvement contracts with builders. Strongly opposed by segments of the business community and the Home Builders Association, the Act allows the buyer to cancel home improvement contracts within 3 days (5 days if over the age of 65 years) while also limiting contract deposits, material deposits, and setting time periods when construction must begin. After a lengthy hearing in House Banking and Insurance Committee, the bill was tabled along a bi-partisan vote on 15 April.

No Further Action Taken.

HB84 Rep Morrison and Sen Walsh – Employer Sponsored Meetings

OPPOSED

Introduced in March – the bill prohibits employers from requiring employees to participate in any mandatory meetings or communications that are religious or

political in nature, and “political is defined as political parties, legislation, regulations, public policy, and campaigns. Strongly opposed by the business community, the bill never had a hearing.

No Further Action Taken.

HB92 Rep Yearick and Sen Hocker – Adoption of Low Emission Vehicles SUPPORT

The bill repeals Delaware’s Advance Clean Car Air Program (that gave us the EV mandate) completely from Title 7 of the DE code. Clearly facing opposition from the majority party, the bill never got a hearing in the House Natural Resources Committee.

No Further Action Taken.

HS#2 to HB105 F/N Rep Ross-Levin and Sen Sturgeon – Posting Pay Rates OPPOSED

Essentially the bill requires the employer to post the pay range and general description of benefits in all job postings for job opportunities, and to make sure the applicants have access to his information. The second substitute eliminates these requirements for employers with less than 25 employees and stretched out the effective date to 2 years after enactment and included provisions that removed those employers that have collective bargaining units. Some in the business community acknowledged larger employers are already doing much of this and with small business exempted, opposition fell away. Easily passing both Chambers by 30 June.

Awaiting Governor’s Action.

HS#2 to HB111 Rep Phillips – Single Use Plastic Utensils OPPOSED

The substitute was released on 26 June to lessen the opposition from the business community and restaurant association. The bill bans food establishments from providing any single use food service items unless requested by the customer. The new bill also further defines what “single use items” means and eliminates this requirement from anything delivered, picked up, or take-out. Despite significant testimony in opposition from CDCC members, HS#1 was released from committee. However, the bill was never heard on the House floor before the close of Session.

No Further Action Taken.

HB115 Rep Phillips and Sen Lockman – Discrimination based on Weight and Height

OPPOSED

The bill will create a new protected class of individuals and employees that prohibits discrimination based on weight, height, or body size in transportation, public accommodation, housing, commerce and trade, jury selection and public administration. By creating a new class of protected people, this bill further erodes an employer's ability to hire those people that meet strength or height or other characteristics needed for their business. Opposed by the CDCC and others, it was assigned to the House Administration Committee and never got a hearing.

No Further Action Taken.

HS#1 to HB128 Rep Heffernan and Sen Mantzavinos – FMLA Additions

NEUTRAL

Making various technical changes to the Paid Family Medical Leave Act, the bill addresses the maximum aggregate number of weeks during which medical leave is available, makes clear the program is the primary payor of the benefit, addresses some changes for the private plans, and establishes the Paid Leave Advisory Committee. This substitute does not change the calculation of an application year or change the 24-month benefit period to a 12-month benefit period. This substitute adds provisions for child support garnishment of PFMLA benefits. This substitute prohibits the practice of requiring employees to use unused accrued paid time off before accessing PFMLA benefits. This substitute allows the Paid Leave Advisory Committee to begin the meeting once the Delaware Labor First system is functional and the steering committee has been dissolved. This substitute specifies that family and medical leave benefits cannot be assigned and are exempt from the claims of creditors. This substitute sets forth procedures for executing judgments for amounts due under Chapter 37 of Title 19 or other titles subject to this Chapter.

Awaiting Governor's Action.

HS#1 to HB162 w/HA#2 Rep Ross-Levin and Sen Hansen – Multi-level Distribution Companies

NEUTRAL

It defines what a multi-level distribution company is and then places mandatory disclosures to any potential purchaser that provides details about the company and prevents the company from requiring you to purchase a good or service or pay anything to the company to participate. It also provides a private right of action by the plaintiff. House Substitute No. 1 for House Bill 162 is different from the original by reducing some disclosure requirements, specifically the timing, the number of participants who have received the earnings in the amount or range specified within the last 3 years and the total number of participants who have

entered into the contract with the seller within the last 3 years; introduces the standard of “clear and conspicuous” for disclosures while removing some specific requirements such as font size to allow for flexibility with a standard; and places the Act in a separate subchapter of Title 6. Passing along a mostly party line vote in the House, the bill remains in the Senate Banking and Insurance Committee awaiting a hearing.

No Further Action Taken.

HB177 Rep Griffith and Sen Townsend – Registration of Trade Names.

SUPPORT

This simply delays the effective date of last year’s SB291 that dealt with how and when trade names can be adopted by a company. Drawing significant concern from a segment of the small business community about last year’s bill, the Act also directs the Department of Revenue to conduct outreach to the business community before any enforcement of the changes made from last year. A Motion to Suspend the Rules was made in the House, passing 38 Yes. It passed the Senate with 18 Yes on 22 May

Signed by Governor on 27 May.

HB179 Rep Yearick and Sen Buckson – FMLA Exemption/Employees

SUPPORT

To ease the burden of Paid Family Medical Leave Act upon the small business community, this would change the definition of employer by exempting anyone with less than 25 employees from all aspects of the bill. Strongly supported by the CDCC because of its reduction of scope, the bill did not receive enough votes (party line vote) to be released from the House Labor Committee.

No Further Action Taken.

HS#1 to HB181 Rep Yearick and Sen Pettyjohn – FMLA Fines Delay

SUPPORT

This seeks delays in the fines the Dept. of Labor can assess to the small business owner for failures to properly file their paperwork until January 1, 2027.

Supported by the CDCC, the bill did receive bi-partisan support and with the substitute, the DOL supported the bill – however it was never brought forward for a floor vote.

No Further Action Taken.

HB234 Rep Burns – Constitutional Worker’s Rights

OPPOSED

Introduced on 29 June and part of the 1st leg of a change to Delaware’s Constitution, this would establish a fundamental right for all employees to organize and to bargain collectively through representatives of their choosing. The bill will certainly eliminate the “employment at will” doctrine that still covers most employees in Delaware by enshrining in our Constitution the right to unionize. The bill has been assigned to the House Administration Committee and did not get a hearing.

No Further Action Taken.

V. ISSUES FOR JANUARY 2025

Delaware's revenue growth is slowing down with calls from the Minority Party to reduce spending now. Inflation remains low, and some borrowing rates have decreased. The employment picture remains a mixed bag of lower claims, but “Help Wanted” signs indicating employers are still having trouble finding employees. Like years past, there were **no** tax cuts or relief on the transfer tax or other user fees... but new fees for DMV and DNREC were enacted. It will remain critical that the corporate franchise must remain a priority for the coming years.

Returning legislation for next year will include these and other bills that impact the business and real estate community: Lead Paint; Multi-Vendor Sports Book/Fan Dule/Draft Kings; Banning Employer Communications; Another attempt to pass the Homeless Bill of Rights; Escrow legislation; State-level Wetlands Protection; Ongoing Environmental Justice legislation; Issues around Climate Change; Constitutional Right to Unionize, and; ongoing implementation of FMLA by regulation.