TOWN OF FREDERICA

ORDINANCE NO. 26-03

AN ORDINANCE ESTABLISHING A MUNICIPAL UTILITY INFRASTRUCTURE TAX BASED ON ASSESSED VALUE WITHIN THE TOWN OF FREDERICA

WHEREAS, the Mayor and Council of the Town of Frederica are vested with all powers appropriate to a municipal corporation and such powers as are expressly granted by the Charter of the Town of Frederica and the laws of the State of Delaware; and

WHEREAS, Section 20 of the Charter of the Town of Frederica vests the Town Council with broad municipal powers for the safety, health, and welfare of the Town, and further authorizes the Town to levy and collect taxes upon utility-related property and infrastructure, including poles, wires, pipelines, conduits, mains, and other structures or improvements located within the corporate limits of the Town; and

WHEREAS, the streets, alleys, rights-of-way, and public ways of the Town are used and occupied by utility infrastructure for the delivery of electric, gas, communications, water, and related services, and such use creates municipal administrative, planning, inspection, maintenance, and public safety burdens; and

WHEREAS, the Mayor and Council find that it is equitable and in the public interest that utility infrastructure physically located within the Town contribute a fair share toward municipal services through a tax measured by assessed value; and

WHEREAS, the Mayor and Council further find that a tax based upon assessed value provides a rational, uniform, and administratively efficient means of allocating municipal tax responsibility among utility providers operating within the Town; and

WHEREAS, the Mayor and Council further find that the rate established herein is reasonable, nondiscriminatory, and proportionate to the municipal services, administrative oversight, roadway impacts, emergency coordination, and public burdens associated with utility infrastructure located within the Town; and

WHEREAS, the Mayor and Council further find that the rate selected is intended to provide fair cost participation and not to unreasonably burden utility service providers or ratepayers; and

NOW, THEREFORE, BE IT ORDANIED BY THE MAYOR AND COUNCIL OF THE TOWN OF FREDERICA IN COUNCIL MET:

Section 1. Authority.

This Ordinance is enacted pursuant to the authority granted in the Charter of the Town of Frederica, including Section 20 thereof, and all other applicable laws of the State of Delaware authorizing municipal taxation and revenue measures.

Section 2. Definitions.

"Utility" means any person, firm, corporation, public utility, cooperative, or other entity providing electric, gas, communications, cable, broadband, water, wastewater, or similar utility services within the Town.

"Utility Infrastructure" means all poles, wires, lines, conduits, pipelines, mains, transformers, substations, meters, towers, and related fixtures, structures, or improvements located within the Town limits.

"Assessed Value" means the value assigned to Utility Infrastructure by the Kent County Board of Assessment or other applicable assessing authority, or if no separate assessed value exists, such reasonable allocated value as determined by the Town from available assessment data.

Section 3. Imposition of Tax.

A municipal utility infrastructure tax is hereby levied upon all Utility Infrastructure located within the Town of Frederica at a rate of $1.26 per $100 of assessed value.

Section 4. Assessment and Allocation.

The Town shall rely on Kent County assessment records to determine value. Where infrastructure extends beyond the corporate limits of the Town, or is not separately assessed within the Town, value shall be apportioned based on mileage, location, replacement cost, service area, or other such reasonable methodology as

the Town may determine. The Town may require utilities to submit asset inventories, location maps, and/or valuation data.

Section 5. Billing, Payment, and Enforcement.

The tax imposed herein shall be billed annually by the Town and payment shall be due within 30 days of the billing date unless otherwise stated on the invoice. Interest and penalties may apply to late payments at the same rate as municipal property taxes. Failure to pay when due may also result in collection proceedings, or any other remedies available to the Town by law.

Section 6. Audit Authority.

The Town reserves the right to audit utility records, verify infrastructure location and valuation, and adjust assessments as necessary

Section 7. Prospective Application Only.

This tax shall apply only to tax periods beginning after the effective date of this Ordinance. No retroactive liability shall be imposed.

Section 8. Severability.

If any portion of this Ordinance is held invalid, the remaining provisions shall remain in full force and effect.

Section 9. Effective Date.

This Ordinance shall take effect thirty days from and after its approval by Council.

Section 10. Repealer.

All ordinances and parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed.

ORDAINED AND ENACTED INTO THE LAW by a majority vote of the Council Members present at a regular session of Frederica, Delaware Town Council on this 20th day of May, 2026.

First Reading: May 6, 2026

Public Hearing & Second Reading: May 20, 2026

Published: May 27, 2026

William C. Glanden

William C. Glanden,
Mayor

I hereby certify that the foregoing is a true and correct copy of the Ordinance passed by the Town Council at its meeting on May 20, 2026, 2026 at which meeting a quorum was present and voting throughout that the same is still in full force and effect.

Clerk

SYNOPSIS:

This Ordinance establishes a municipal utility infrastructure tax at the rate of $1.26 per $100.00 of assessed value based upon assessed value within the Town of Frederica.