

TOWN OF OCEAN VIEW
DELAWARE

April 2, 2026

TO: Mayor and Council

FROM: Carol S, Houck, Town Manager

SUBJECT: Updated Recommendation for Ordinance to Adopt a New Chapter 16 of the Town of Ocean View Code, to Establish a Tax Rate Stabilization Trust Fund

Updated Recommendation

Since the time of the introduction of the attached ordinance to adopt a new Chapter 16 of the Town of Ocean View Code to establish a Tax Rate Stabilization Trust Fund (TRSTF), we have determined it to be in the best interest of the Town and the TRSTF to use more conservative limits in association with the maximum used from the trust fund any given year. This in turn translates to a more conservative trust fund “pay-back” level required during all future full town reassessment years.

As such, the attached reflects the 1st recommended language for the establishment of the TRSTF including the change from limiting use up to 2 cents a year, to **limiting use up to 1 cent per year** of the then per cent value to provide a credit towards the initial year of an increase to our property owners. In addition, it therefore reduces the maximum required “pay-back” to the TRSTF during a full town reassessment to up to 5 cents of then value, if the max 1 cent per year were used. These changes are represented on the attached with all new language in bold, and strikeouts and new language highlighted for ease of acknowledging the changes.

In addition, we’ve added clarifying language as well, where it was deemed appropriate, including any future aligning with the Sussex County every 5 year reassessment to fulfill our code requirement. This is being evaluated at time of writing and including it herein will eliminate the need to modify this ordinance going forward.

All other considerations of the attached ordinance remain the same. I recommend that the Mayor and Council support this more conservative approach to the creation and implementation of the TRSTF. It has been deemed suitable to make such modifications at time of First Reading, and that all changes are in the best interest of the Town and its property owners.

