

ORDINANCE NO. _____

AN ORDINANCE TO ADOPT A NEW CHAPTER 16 OF THE TOWN OF OCEAN VIEW CODE TO ESTABLISH A TAX RATE STABILIZATION TRUST FUND

WHEREAS, the Council of the Town of Ocean View (“Town Council”) possesses the authority to adopt, amend, modify, or repeal the Town of Ocean View Code (“Code”); and

WHEREAS, the Town Council seeks to ensure fiscal responsibility and to ensure the stabilization of tax rates whenever possible; and

WHEREAS, in furtherance of this goal, the Town Council desires to adopt a Tax Rate Stabilization Trust Fund (“TRSTF”) and adopt a new Chapter 16 of the Code.

NOW, THEREFORE, be it ordained by the Town Council of the Town of Ocean View the establishment of a new Chapter 16 of the Code to enact the TRSTF as follows:

Section 1 – Establishment.

CHAPTER 16 - TAX RATE STABILIZATION TRUST FUND

§ 16-1 Fund established.

The Town hereby establishes a Tax Rate Stabilization Trust Fund (“TRSTF”). The TRSTF may be used, at the direction of Town Council, following a recommendation by the Town Manager, to offset any initial year tax increase to property owners by a maximum of 2 cents in any given budget year. The purpose of the TRSTF is to provide initial relief and smoothing of the tax rate to property owners when the tax rate is increased by Town Council.

§ 16-2 Appropriation in budget; expenditure.

The Town Council shall allocate \$1,430,910 (the ~~actual~~ value of 10 cents in FY2026) in the Town’s annual operating budget for the fiscal year 2027. For each subsequent budget year, funds may be expended from the TRSTF annually up to 2 cents if deemed necessary in any year that Town Council institutes a tax rate increase to property owners. Any additional income that may be earned by the reasonable and prudent investment of the TRSTF funds shall be maintained in the TRSTF.

§ 16-3 Future Funding.

After the initial fiscal year 2027, after the next five year required full Town reassessment (2032 and all subsequent five year increments), the Town budget shall reimburse funds to the TRSTF to 10 cents at the then current value of the tax rate during that year to accommodate the expenditure of up to 2 cents annually for tax increase relief for the following five years.

§ 16-4. Funds to be considered encumbered.

A. Funds accumulated in the TRSTF will not be considered unexpended and unencumbered funds of the end of the budget year as per Section 3.108, Lapse of Unexpended Appropriations, of the Town Charter.

B. Funds accumulated in the TRSTF shall be considered encumbered funds.

Section 2. Severability.

The provisions of this Ordinance shall be severable. If any provisions of this Ordinance are found by any court of competent jurisdiction to be unconstitutional or void, the remaining provisions of this Ordinance shall remain valid, unless the court finds that the valid provisions of this Ordinance are so essentially and inseparably connected with, and so dependent upon, the unconstitutional or void provision that it cannot be presumed that Town Council would have enacted the remaining valid provisions without the unconstitutional or void provision; or unless the court finds that the remaining valid provisions, standing alone, are incomplete and incapable of being executed in accordance with Town Council's intent.

Section 3. Effective Date.

This Ordinance shall become effect immediately upon its adoption by the Town Council.

Section 4. Authorization.

The Town Manager, or his or her designee, is hereby authorized and directed to take all necessary actions to implement the provisions of this Ordinance.

TOWN OF OCEAN VIEW

By: _____
Mayor

Attest: _____
Town Clerk

Introduction:

First Reading:

Second Reading: