

Town of Camden

P.O. DRAWER 1002
CAMDEN, DELAWARE 19934

Mayor Robert A. Mooney
Town Manager Donald H. Mulrine, Jr.

Ordinance #2008-O-14

TAXATION

ARTICLE I

Trash Collection Assessment

- Section 1. Assessment established.
- Section 2. Collection.
- Section 3. Applicability; amount of assessment.
- Section 4. Special Assessment for excess trash.
- Section 5. Failure to pay.

ARTICLE II

Realty Transfer Tax

- Section 6. Definitions.
- Section 7. Document further defined.
- Section 8. Rate of tax; when payable; exception.
- Section 9. Transfer by Broker.
- Section 10. Payment from proceeds of judicial sale.
- Section 11. Documentary stamps; affixing; cancellation; other methods.
- Section 12. Furnishing stamps; sale; agents; compensation; bond premiums.
- Section 13. Enforcement; rules and regulations.
- Section 14. Failure to affix stamps.
- Section 15. Value to be stated in document or affidavit; penalty for recording without documentary stamp.

- Section 16. Unlawful acts; penalty.
- Section 17. Failure to pay tax; determination; review; interest.
- Section 18. Grantor to pay tax.

ARTICLE III

Proration of Taxes

- Section 19. Collection of taxes.
- Section 20. Reassessment of new buildings.
- Section 21. Computation of prorated amount.
- Section 22. Continuation; new assessment.
- Section 23. Change in assessment.

ARTICLE IV

Senior Citizens Exemption

- Section 24. Definitions.
- Section 25. Qualifications; amount of exemption
- Section 26. Contents of application.
- Section 27. Allowance of exemption.
- Section 28. Continuance of exemption.
- Section 29. Appeals.

[HISTORY: Adopted by the Town Council of the Town of Camden as indicated in article histories. Amendments noted where applicable.]

ARTICLE I
Trash Collection Assessment
[Reference Ordinance #2008-O-13 for full legislation]

Section 1. Assessment established.

A trash assessment as set from time to time by the Town Council, commencing January 1, 1981, is hereby made within the Town of Camden.

Section 2. Collection.

The trash collection fee shall be \$225.00 per year for each trash collection customer as amended per section 10 in ordinance #2008-O-13.

Section 3. Applicability; amount of assessment.

The trash assessment for noncommercial units and for commercial establishments, factories, places of public entertainment and other business places shall be such as may be set from time to time by the Council.

Section 4. Special assessment for excess trash.

Whenever the collection of trash from any establishment or place shall exceed the normal amount for such a place so that the assessment is not fair and reasonable as applied to that particular place, the Code Enforcement Officer shall recommend to the Council the establishment of a special rate for such place.

Section 5. Failure to pay.

Upon any failure to pay the aforesaid trash assessment the Code Enforcement Officer shall notify the responsible party of this fact and further collection shall be suspended from the unit until the trash assessment is paid.

ARTICLE II
Realty Transfer Tax

Section 6. Definitions.

As used in this article, except where the context clearly indicates a different meaning, the following terms shall have the meanings indicated:

DOCUMENT – Any deed, instrument or writing whereby any real estate within the Town, or any interest therein, shall be quitclaimed, granted, bargained, sold or otherwise conveyed to the grantee, but shall not include the following:

- A. Any will;
- B. Any lease other than those described or defined in Section-7A, below;
- C. Any mortgage;

- D. Any conveyance between corporations operating housing projects pursuant to 31 Del. C. Chapter 45 and the shareholders thereof;
- E. Any conveyance between nonprofit industrial development agencies and industrial corporations purchasing from them;
- F. Any conveyance to nonprofit industrial development agencies;
- G. Any conveyance between husband and wife;
- H. Any conveyance between persons who were previously husband and wife, but who have since been divorced; provided such conveyance is made after the granting of the final decree in divorce and the real estate or interest therein subject to such conveyance was acquired by the husband and wife prior to the granting of the final decree in divorce;
- I. Any conveyance between parent and child or the spouse of such child;
- J. Any conveyance (1) to a trustee, nominee or straw party for the grantor as beneficial owner, (2) for the beneficial ownership of a person other than the grantor where, if such person were the grantee, no tax would be imposed upon the conveyance pursuant to this article, or (3) from a trustee, nominee or straw party to the beneficial owner;
- K. Any conveyance between a parent corporation and a wholly-owned subsidiary corporation, provided such conveyance is without actual consideration;
- L. Correctional deeds without actual consideration;
- M. Any conveyance to or from the United States or the State of Delaware, or to or from any of their instrumentalities, agencies or political subdivisions and the University of Delaware or the Town of Camden;
- N. Any conveyance to or from a corporation, or a partnership, where the grantor or grantee owns stock of the corporation or an interest in the partnership in the same proportion as his interest in or ownership of, the real estate being conveyed; provided, however, that this subsection shall not apply to any distribution or liquidation or other conveyance resulting from the partial or complete liquidation of a corporation, unless the stock of the corporation being liquidated has been held by the grantor or grantee for more than three years; provided, further, this subsection shall not apply to any conveyance from a partnership to its partners unless the partners' interest in the partnership has been held for more than three years;
- O. Any conveyance by the owner of previously occupied residential premises to a builder of new residential premises when such previously occupied residential premises are taken in trade by such builders as part of the consideration from the purchaser of new, previously unoccupied premises.
- P. Any conveyance to the lender holding a bona fide mortgage, which is genuinely in default, either by a sheriff conducting a foreclosure sale or by the mortgagor in lieu of foreclosure.

- Q. Any conveyance to a religious organization or other body of person holding title to real estate for a religious organization, if such real estate will not be used following such transfer by the grantee, or by any privy of the grantee, for any commercial purpose; provided, however, that only that portion of the tax which is attributable to and payable by the religious organization or other body or person holding title to real estate for a religious organization under Section-8 of this article shall be exempt.
- R. Any conveyance to or from a volunteer fire company, organized under the laws of this state; provided however, that only that portion of the tax which is attributable to and payable by the volunteer fire company under Section-8 of this article shall be exempt.
- S. Any conveyance of a “mobile home” as defined in 25 Del. C. § 7003, provided the tax on the said conveyance has been paid under 30 Del. C. § 3002.
- T. Any conveyance without consideration to an organization exempt from tax under § 501(c)(3) of the Federal Internal Revenue Code.
- U. Any conveyance to a nonprofit conservation organization when the property is purchased for open space preservation purposes.
- V. Any conveyance to or from an organization exempt from tax under § 501(c)(3) of the Federal Internal Revenue Code when the purpose of said conveyance is to provide owner-occupied housing to low- and moderate-income households by rehabilitating residential properties and reselling said properties without profit.
- W. Any conveyance between siblings, half siblings, or step siblings.

TRANSACTION – The making, executing, delivering, accepting, or presenting for recording of a document.

VALUE – In the case of any document granting, bargaining, selling or otherwise conveying any real estate or interest or leasehold interest therein, the amount of the actual consideration thereof, including liens or other encumbrances thereon and ground rents, or a commensurate part of the liens or other encumbrances and ground rents which encumber the interest in real estate and any other interest in real estate conveyed; provided that in the case of a transfer for an amount less than the highest appraised full value of said property for local real property tax purposes, “value” shall mean the high such appraised value unless the parties or one of them can demonstrate that fair market value is less than the highest appraised value, in which case “value” shall mean fair market value, or actual consideration, whichever is greater. A demonstration that the transaction was at arm’s length between unrelated parties shall be sufficient to demonstrate that the transaction was at fair market value.

Section 7. Document further defined.

- A. The term “document” defined in Section-6 of this article shall include the following:
 - (1) Any writing purporting to transfer a title interest or possessory interest for a term of more than five years in a condominium unit or any unit properties subject to the Unit Property Act;

- (2) Any writing purporting to transfer a title interest or possessory interest of any lessee or other person in possession of real estate owned by the Town of Camden;
 - (3) Any writing purporting to assign or transfer a leasehold interest or possessory interest in residential property under a lease for a term of more than five years. For this purpose, the term "residential property" means any structure or part of structure which is intended for residential use, and excluding any commercial unit subject to tax under Subsection (a)(6) of § 2301 of Title 30 of the Delaware Code, relating to commercial lessors.
- B. In determining the term of a lease under Subsection A above, it shall be presumed for the purpose of computing the lease term that any rights or options to renew or extend will be exercised.
- C. For purposes of the definition of "value" in Section-6 above, in the case of a document described in Subsection A under which the consideration is based in whole or in part on a percentage of the income receipts to be received in the future, actual consideration shall include the amount actually received under such percentage of income or receipts that the tax imposed by this article shall be due and payable to the Town of Camden within 30 days after the date such amounts become due and payable under the agreement.
- D. Transfers and conveyances.
- (1) Except as provided in Subsection d(2) and (3) of this section, where beneficial ownership in real estate is transferred through a conveyance or series of conveyances of intangible interests in a corporation, partnership or trust, which conveyance shall be taxable under this subdivision as if such property were conveyed through a duly recorded "document" as defined in Section-6 of this article, and subject to the exemptions contained therein, except those exemptions contained in subsections J and N of the definition of "document."
 - (2) No bona fide pledge of stock or partnership interests as loan collateral nor any transfer of publicly traded stock or publicly traded partnership interests shall be deemed subject to taxation under this subdivision.
 - (3) Where the beneficial owners of real property prior to the conveyance or series of conveyances referred to in this subsection own 80% or more of the beneficial interest in the real estate following said conveyance or conveyances, such transfers shall not be subject to tax under this subsection. Where the beneficial owners of real property prior to the conveyance or series of conveyances referred to in this subsection own less than 80% of the beneficial interest in the real estate following such conveyance or conveyances, such transfer shall not be subject to tax under this subsection unless, under regulations promulgated by the Town of Camden, such transfer or transfers are properly characterized as a sale of real property. Such characterization shall take into account the timing of the transaction, beneficial ownership prior to and subsequent to the conveyance or conveyances; the business purpose of the corporation, partnership or trust; and such other factors as may be relevant.
- E. Contract or agreement for building construction.

- (1) Notwithstanding Section-6, there shall be included in the definition of “document,” for purposes of this article, any contract or other agreement or undertaking for the construction of all or a part of any building, all or a portion of which contract, agreement or undertaking (or any amendment to the foregoing) is entered into or labor or materials are supplied, either prior to the date of the transfer of the land which the building is to be constructed or within one year from the date of the transfer to the grantee.
- (2) The Town shall not issue a building permit for any such building unless and until the person or persons (including corporations or other associations) requesting such permit shall demonstrate in whatever form may be specified by the Town, a form of affidavit, that:
 - (a) No transfer as described in this subsection has occurred within the preceding year;
 - (b) No portion of the contract for construction for which the permit is being requested was entered into and no materials or labor with respect to the building have been provided within one year of the date on which the property was transferred; or
 - (c) There has been paid a realty transfer tax on the document as defined in this article.
- (3) In addition, the Town shall not issue a certificate of occupancy relative to any building in which a tax is provided by this subdivision unless and until the owner recertifies the actual cost of the building and pays any additional tax due as a result of such recertification.
- (4) A “building” for purposes of this subsection shall mean any structure having a roof supported by columns or walls which structure is intended for supporting or sheltering any use or occupancy but shall not include any alteration of or addition to an existing building where the cost of said alteration or addition is less than 50% of the value of the property transferred.
- (5) A “transfer” for the purposes of this subsection shall include any transfer made by a “document” as described in this article, other than this section, and shall not include any transaction excluded from the definition of “document” under the provisions of this article.

Section 8. Rate of tax; when payable; exception.

- A. Every person who makes, executes, delivers, accepts or presents for recording any document, except as defined or described in Section-7A, or in whose behalf any document is made, executed, delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 1 ½ % of the value of the property represented by such document, which tax shall be payable at the time of the making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

- B. No tax shall be imposed on conveyances when the actual value of the property being transferred is less than \$100.
- C. Notwithstanding Section-6 and Section-7, where a valid written contract is entered into on or before January 5, 1987, the tax for such transfer shall be at the rate imposed on or before January 5, 1987.
- D. Every person who makes, executes, delivers, accepts or presents for recording any document as defined or described in Section-7A of this article, or in whose behalf any such document is made, executed, delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or in any part thereof, a realty transfer tax at the rate of 1 ½ % of the value of the property represented by such document, which tax shall be payable as follows:
 - (1) The tax on the consideration attributed to the first year of the term being payable at the time of making, execution, delivery, acceptance or presenting of such document of recording.
 - (2) The tax on the consideration attributed to each successive year of the term thereafter shall be paid annually to the Town of Camden.
- E. There shall be no tax imposed on any document described in Section-7A of this article entered into on or before January 5, 1987.
- F. Notwithstanding Subsection A of this section, the rate of tax on documents described in Section-7E of this article shall be 1% on amounts exceeding \$10,000, which shall be borne by the owner of the building whose construction is made subject to tax under Section-7E.

Section 9. Transfer by broker.

When there is a transfer of a residential property by a licensed real estate broker, which property was transferred to him within the preceding year as part of the consideration for the purchase of other residential property, a credit for the amount of the tax paid at the time of the transfer to him shall be given to him toward the amount of the tax due upon the transfer. If the tax due upon the transfer from the licensed real estate broker is greater than the credit given for the prior transfer, the difference shall be paid, and if the credit allowed is greater than the amount of the tax due, no refund shall be allowed.

Section 10. Payment from proceeds of judicial sale.

The tax imposed by this article shall be fully paid and have priority out of the proceeds of any judicial sale of real estate before any other obligation, claim, lien, judgment, estate or costs of the sale and of the writ upon which the sale is made, and the sheriff, or other officer conducting said sale, shall pay the tax imposed out of the first moneys paid to him in connection therewith; provided that if prior to the delivery of the deed pursuant to the said sale the purchaser shall deliver to the sheriff an affidavit as described in Section-15 that the transfer is exempt from tax under Subsection P of the definition of "document" in Section-6 of this article, the sheriff shall not pay the tax, but shall deliver the affidavit to the Recorder of Deeds as agent for the Town of Camden.

Section 11. Documentary stamps; affixing; cancellation; other methods.

- A. The payment of the tax imposed by this article shall be evidenced by the affixing of a documentary stamp or stamps to every document by the person making, executing, delivering, or presenting such document for recording. Such stamps shall be affixed in such manner that their removal will require the continued application of steam or water and the person using or affixing such stamps shall write, stamp or cause to be written or stamped thereon the initials of his name and the date upon which such stamps are affixed or used so that such stamps may not again be used; provided that the town of Camden may prescribe such other method of cancellation as it may deem expedient.
- B. The Town of Camden may, by regulation, provide for the evidence of the payment of the tax to be shown on the document by means other than the affixing of documentary stamps.

Section 12. Furnishing stamps; sale; agents, compensation; bond premiums.

- A. The Town of Camden may prescribe, prepare and furnish stamps, of such denominations and quantities as may be necessary, for the payment of the tax imposed and assessed by this article. The Town of Camden may make provisions for the sale of such stamps in such places as it may deem necessary.
- B. The Town of Camden may appoint the Recorder of Deeds in each county, and other person within or without the Town as agents for the sale of stamps to be used in paying the tax imposed by this article upon documents and may allow a commission to said agent of 1% of the face value of the stamps. The commissions allows to a Recorder of Deeds shall be turned over to the County Treasurer in which the tax is collected, for the use of the county.
- C. The Town of Camden shall pay the premium of any bond required by the Town of Camden to be procured by the agent of the performance of his duties under this article.

Section 13. Enforcement; rules and regulations.

The Town of Camden shall enforce this article and may adopt and enforce rules and regulations relating to:

- A. The method and means to be used in affixing or canceling of stamps in substitution for, or in addition to, the method and means provided in this article;
- B. The denomination and sale of stamps;
- C. Any other matter or thing pertaining to the administration and enforcement of this article.

Section 14. Failure to affix stamps.

No document upon which tax is imposed by this article shall be recorded in the office of any Recorder of Deeds of any county of the State of Delaware, unless proof of the payment of the realty transfer tax appears on the document as is provided in this article.

Section 15. Value to be stated in document or affidavit; penalty for recording without documentary stamp.

Every document when lodged with, or presented to, any Recorder of Deeds in the State of Delaware for recording shall set forth therein and as a part of such document the true, full and complete value thereof, shall be accompanied by an affidavit executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof and the reason, if any, why such document is not subject to tax under this article, provided that in the case of a transaction exempt from tax under Subsection P of the definition of "document" in Section-6 of this article, the affidavit shall be made by the grantee.

Section 16. Unlawful acts; penalty.

A. It shall be unlawful for any person to:

- (1) Make, execute, deliver, accept or present for recording or cause to be made, executed, delivered, accepted or presented for recording any document without the full amount of tax thereon being duly paid;
- (2) Make use of any documentary stamp to denote payment of the realty transfer tax without canceling such stamp as is required by this article;
- (3) Fail, neglect, or refuse to comply with or violate the rules and regulations prescribed, adopted, and promulgated by the Town of Camden under this article;
- (4) Fraudulently cut, tear or remove from a document any documentary stamp or other evidence of payment of the realty transfer tax;
- (5) Fraudulently affix to any document upon which tax is imposed by this article any documentary stamp or other evident of payment of the realty transfer tax which has been removed from any other document upon which tax is imposed by this article, or any documentary stamp or other evidence of payment of the realty transfer tax of insufficient value or an forged or counterfeited stamp or other evidence of payment of the realty transfer tax or any impression of any forged or counterfeited stamp, die, plate or other article;
- (6) Willfully remove or alter the cancellation marks of any documentary stamp, or restore any such documentary stamp, with intent to use or cause the same to be used, or knowingly buy, sell, offer for sale, or give away any such altered or restored stamp to any persons for use, or knowingly use the same;
- (7) Knowingly have in his possession any altered or restored documentary stamp which has been removed from any document upon which tax is imposed by this article; provided that the possession of such stamps shall be prima facie evidence of an intent to violate the provisions of this subsection;
- (8) Knowingly or willfully prepare, keep, sell, or offer for sale or have in his possession any forged or counterfeited documentary stamps; or

(9) Accept for recording in the office of any Recorder of Deeds any document upon which the realty transfer tax is imposed, without the proper documentary stamp or other evidence of payment of the tax affixed thereto, as required by this article and as is indicated in such document or accompanying affidavit.

B. Whoever violates this section shall be fined not more than \$500 or imprisoned for not more than one year, or both.

C. The Justice of the Peace Court shall have jurisdiction over offense under this section.

Section 17. Failure to pay tax; determination; review; interest.

A. If any person shall fail to pay any realty transfer tax for which he is liable, the Town of Camden may make a determination of additional tax and interest due by such person, based upon any information within its possession or that shall come into its possession. All of such determinations shall be made so that notice thereof shall reach the parties against whom made within three years after the date of the recording of the document.

B. Promptly after the date of such determination, the Town of Camden shall send, by registered mail, a copy thereof to the person against whom it was made. Within 90 days after the date upon which the copy of any such determination was mailed, such persons may file with the Town of Camden a petition for redetermination of such taxes. Every petition for redetermination shall state specifically the reasons which the petitioner believes entitle him to such redetermination, and it shall be supported by affirmation that is not made for the purpose of delay and that the facts set forth therein are true. It shall be the duty of the Town Council, within six months after the date of any determination, to dispose of any petition for redetermination. Notice of the action taken upon any petition for redetermination shall be given to the petitioner promptly after the date of redetermination by the Town Council.

C. Any person shall have the right to review by the Tax Appeal Board and appeal to the Superior Court in the same manner and within the same time as provided by law in the case of other tax appeals.

D. Interest added to any determination of additional tax shall be computed at the rate of 1% per month, or fraction thereof, from the date the realty transfer tax should have been paid to the date paid.

Section 18. Grantor to pay tax.

As between the parties to any transaction which is subject to the realty transfer tax imposed by this article, in the absence of an agreement to the contrary, the burden for paying the tax shall be on the grantor.

ARTICLE III
Proration of Taxes
[Adopted 10-6-2003 by Ord. No. 53]

Section 19. Collection of taxes.

Discount for Prompt Payment; Penalty for late Payment; Collection Fee. To all Taxes paid on or before August 31st next following the levy, there shall be applied a discount as established, from time to time, by resolution of the Mayor and Council. On all taxes paid after September 30th of each year, there shall be added a penalty to be determined by Council for each month or fraction thereof such taxes shall remain unpaid, said penalty to be effective on the first day of October, and said penalty shall be collected in the same manner as the original amount of the tax. The Mayor and Council shall have the Power to make just allowances for delinquencies in the collection of taxes. All taxes unpaid on September 30th of each year shall be considered delinquent. In effecting a collection of any delinquent tax, the Mayor and Council may impose a collection charge reasonably calculated to recover the costs of collection, including all court costs, sale costs, reasonable and necessary out-of-pocket expenses, and reasonable attorneys' fees incurred by the Town in such collection proceedings.

Section 20. Reassessment of new buildings.

Real estate properties in Camden, Delaware on which new buildings are completed within the tax year shall be reassessed on a prorated basis for the remainder of the tax year starting with the first of the month following the date of issuance of the certificate of occupancy by the Town Building Inspector. For the purposes of this article new buildings are newly constructed dwellings, buildings or structures.

Section 21. Computation of prorated amount.

The Town Building Inspector, upon issuance of a certificate of occupancy for any newly completed building, shall furnish the Town administrative office with a copy of said certificate. The Town administrative office shall compute the pro-rata amount based on the same formula as used by the Town Assessor. The administrative office shall compute the prorated tax based on the increased value of the real estate property using the tax rate for the year in which the certificate of occupancy was issued. Upon computation, the administrative office shall then bill the real estate property owner for the prorated tax amount, if appropriate.

Section 22. Continuation; new assessment.

The Town administrative office shall continue to apply the estimated taxes for the following tax year(s); or until the Town receives notification of new assessment from the Town Tax Assessor.

Section 23. Change in assessment.

After receipt of assessment change from the Town Tax Assessor, the administrative office will review the figures for accuracy. Any necessary adjustments will be completed in an efficient and timely manner. The administrative office will be responsible for notifying the real estate property owner(s).

ARTICLE IV

Senior Citizens Exemption

[Updated December 1, 2008 as Ordinance #2008-O-17]

Section 24. Definitions as used in this ordinance

- a) Income – means income from all sources as reported on the applicants Federal Tax Return filed the year before the Town Property Tax Year, (Pretax Year), for which an exemption is claimed.

- b) Pretax year – means the calendar year immediately preceding the current Town of Camden Property Tax Year.
- c) Resident – means one legally domiciled with the Town of Camden for a period of one (1) year immediately preceding July of the pretax year. Seasonal or temporary residence within the Town, of whatever duration, shall not constitute domicile within the Town for the purposes of this Ordinance.
- d) Tax year – means the calendar year in which the Town of Camden tax is due and payable.

Section 25. Qualifications and amount of exemption

- a) Property owner(s) is/are legally domiciled within the State of Delaware and has been a resident of the State of Delaware for at least one (1) year immediately proceeding June 30th.
- b) Property owner(s) is/are age 62 or more years of age.
- c) Property owner(s) is/are the owner of a dwelling house, which is a constituent part of the real property for which the exemption is claimed.
- d) Property owner(s) resides in said dwelling house.
- e) Property owner(s) yearly income from all sources reported on the “pretax year” Federal Income Tax return, **reduced by** Social Security Benefits and Pension Benefits, shall not exceed \$15,000.00 for an individual Federal Tax payer or \$30,000.00 for a filing by joint tax payers who are also joint owners and occupants of the property.
- f) (Pension benefits shall include both “Defined Benefit” (including Railroad Pensions, Military and Government Pensions) and “Defined Contribution” income as covered by “The Employee Retirement Income Security Act (ERISA). Definitions from the U.S. Department of Labor web site {<http://www.dol.gov/dol/topic/retirement/typesofplans.htm>} are listed below).
 - a. The Employee Retirement Income Security Act (ERISA) covers two types of pension plans: defined benefit plans and defined contribution plans.
 - b. A defined benefit plan promises a specified monthly benefit at retirement. The plan may state this promised benefit as an exact dollar amount, such as \$100 per month at retirement. Or, more commonly, it may calculate a benefit through a plan formula that considers such factors as salary and service — for example, 1 percent of average salary for the last 5 years of employment for every year of service with an employer. The benefits in most traditional defined benefit plans are protected, within certain limitations, by federal insurance provided through the Pension Benefit Guaranty Corporation (PBGC).
 - c. A defined contribution plan, on the other hand, does not promise a specific amount of benefits at retirement. In these plans, the employee or the employer (or both) contribute to the employee's individual account under the plan, sometimes at a set rate, such as 5 percent of earnings annually. These contributions generally are invested on the employee's behalf. The employee will ultimately receive the balance in their account, which is based on contributions plus or minus investment gains or losses. The value of the account will fluctuate due to the changes in the value of the investments. Examples of defined contribution plans include 401(k) plans, 403(b) plans, employee stock ownership plans, and profit-sharing plans.

- d. A Simplified Employee Pension Plan (SEP) is a relatively uncomplicated retirement savings vehicles. A SEP allows employees to make contributions on a tax-favored basis to individual retirement accounts (IRAs) owned by the employees. SEPs are subject to minimal reporting and disclosure requirements. Under a SEP, an employee must set up an IRA to accept the employer's contributions. Employers may no longer set up Salary Reduction SEPs. However, employers are permitted to establish SIMPLE IRA plans with salary reduction contributions. If an employer had a salary reduction SEP, the employer may continue to allow salary reduction contributions to the plan.
 - e. A Profit Sharing Plan or Stock Bonus Plan is a defined contribution plan under which the plan may provide, or the employer may determine, annually, how much will be contributed to the plan (out of profits or otherwise). The plan contains a formula for allocating to each participant a portion of each annual contribution. A profit sharing plan or stock bonus plan include a 401(k) plan.
 - f. A 401(k) Plan is a defined contribution plan that is a cash or deferred arrangement. Employees can elect to defer receiving a portion of their salary which is instead contributed on their behalf, before taxes, to the 401(k) plan. Sometimes the employer may match these contributions. There are special rules governing the operation of a 401(k) plan. For example, there is a dollar limit on the amount an employee may elect to defer each year. An employer must advise employees of any limits that may apply. Employees who participate in 401(k) plans assume responsibility for their retirement income by contributing part of their salary and, in many instances, by directing their own investments.
 - g. An Employee Stock Ownership Plan (ESOP) is a form of defined contribution plan in which the investments are primarily in employer stock.
 - h. A Money Purchase Pension Plan is a plan that requires fixed annual contributions from the employer to the employee's individual account. Because a money purchase pension plan requires these regular contributions, the plan is subject to certain funding and other rules.
 - i. A Cash Balance Plan is a defined benefit plan that defines the benefit in terms that are more characteristic of a defined contribution plan. In other words, a cash balance plan defines the promised benefit in terms of a stated account balance. In a typical cash balance plan, a participant's account is credited each year with a "pay credit" (such as 5 percent of compensation from his or her employer) and an "interest credit" (either a fixed rate or a variable rate that is linked to an index such as the one-year treasury bill rate). Increases and decreases in the value of the plan's investments do not directly affect the benefit amounts promised to participants. Thus, the investment risks and rewards on plan assets are borne solely by the employer. When a participant becomes entitled to receive benefits under a cash balance plan, the benefits that are received are defined in terms of an account balance. The benefits in most cash balance plans, as in most traditional defined benefit plans, are protected, within certain limitations, by federal insurance provided through the Pension Benefit Guaranty Corporation (PBGC).
- g) A true copy of the property owner(s) Federal Income Tax return for the pretax year and filed on or before April 15th of the year the exemption is claimed shall

be presented to the Town of Camden to confirm the applicant's qualification for the exemption.

For security reasons The Town of Camden will not make copies of or maintain copies of an applicants Federal Tax Return in order to protect the applicant's identity.

- h) Income Limit and Amount of Exemption: The Town Council may adjust the income limits and the amount of exemption each year at the March council meeting by Resolution. (As a guide the Council is encouraged to use the Annual Consumer Price Index (CPI) of the Pretax Year when adjusting both income and amount of exemption).

A reduction in the amount of taxes on real property as provided in this ordinance shall be allowed only by written application and submittal on forms provided by The Town of Camden.

An application for exemption under this ordinance shall be filed with the Collector of Taxes at any time prior to the last date of the pretax year; provided, however, that unless the income of the applicant(s) has changed to exceed Section 2 (e) of this ordinance or unless the applicant(s) has income exceeding the \$15,000 maximum, (\$30,000 for those qualifying on a joint return), annual renewal shall not be required to qualify under this ordinance.

Section 26. Contents of the application

Every fact essential to support a claim for exemption under this ordinance shall exist on June 1 of the pretax year. Every application by a claimant therefore shall establish that on June 1 of the pretax year.

Section 27. Allowance of exemption

If an application is approved by the Collector of Taxes, the Town of Camden shall allow an exemption from taxation against the assessed valuation of the real property assessed to the claimant in the amount of the claim approved by the Collection of Taxes.

Section 28. Continuance of exemption

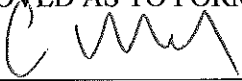
A claimant shall establish their qualifications as outlined in the ordinance once in order to receive the discount. The Collector of Taxes may, at any time, require the filing of a new application or such proof as the Collector of Taxes deem necessary to establish the right of a claimant to continued exemption. A claimant shall inform the assessor of any change in his status or property, which may affect his right to continuance of exemption.

Section 29. Appeals

An aggrieved taxpayer may request a review from the Mayor and/or Council.

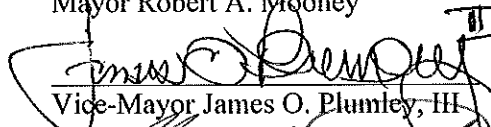
ENACTED AND ORDAINED THIS 2nd DAY OF FEBRUARY 2009.

APPROVED AS TO FORM:



Town Solicitor

Mayor Robert A. Mooney



Vice-Mayor James O. Plumley, III

Councilman Mark Babbitt

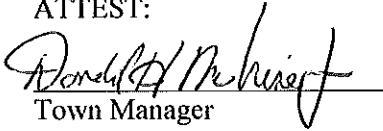


Councilman Kenneth Fuchs



Councilman Richard Snyder

ATTEST:



Town Manager

1st Reading: _____

2nd Reading: _____

Public Hearing: _____

Adopted: Feb 2, 2009