



Overview: Camden County Tax Lien Sale

April 1st, 2008

Mayor Scott Alexander

Introduction

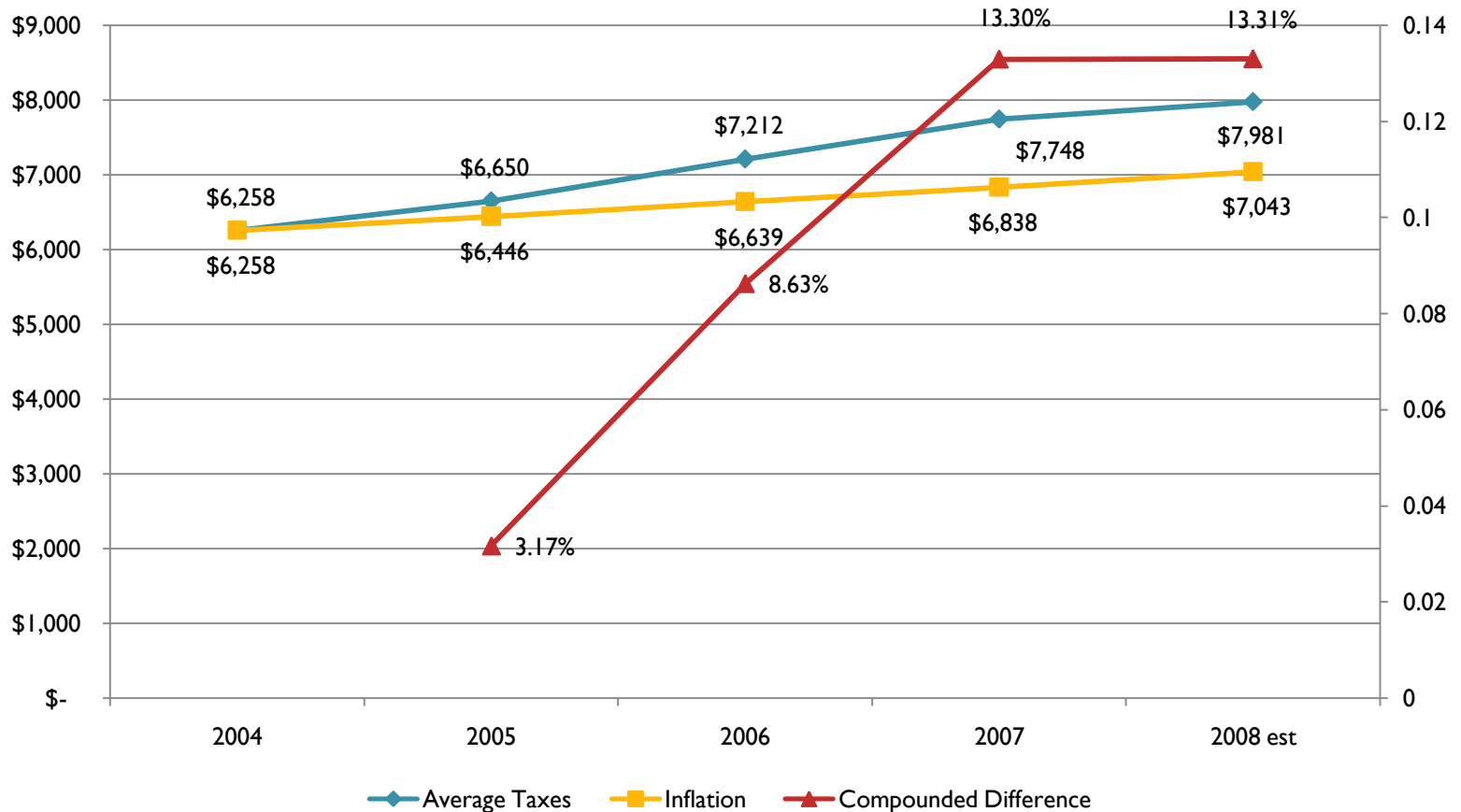
1. As one means of generating lost income from delinquent property tax and CCMUA payers, Camden County's government offers a Tax Lien Sale at auction to the public. This sale is held once each year.
2. What is purchased by the winning bidder is not the deed to a property, but the purchaser's money pays the delinquent taxes or CCMUA balance to the County on behalf of the delinquent property owner. In exchange, the purchaser is given first lien position on title, ahead of mortgages, deeds of trust, and judgments, subordinate only to State tax liens.
3. Under the terms of the sales if the debt is not repaid with interest (rate determined at the time of sale) within two years, the purchaser of the tax lien may foreclose upon the property. The maximum interest for New Jersey is 18%.
4. A June Tax Lien Sale will be held in June for all properties who owe a balance as of June 1st 2008 for 2007 Property Taxes and CCMUA.

Findings for Haddon Heights

- Average Tax Increase 2004 to 2007: 7.38%
- From 2004 to 2006 alone, compounded property tax increases have outpaced inflation by 13.3%
- Average Number of Properties going to Tax Lien Sales 2004 to 2006: 8.3
- Number of Properties as of March 30th going to Tax Lien Sale for 2007 taxes: 53 (statically this number will probably drop to 35)
- Based on 35 properties, 95 residents could be effected by foreclosure
- Amount of Property Taxes, interest and cost owed for tax year 2007: \$224,399
- In addition, Haddon Heights Residents will lose \$400,000 in 2008 Tax Rebates based on State plan

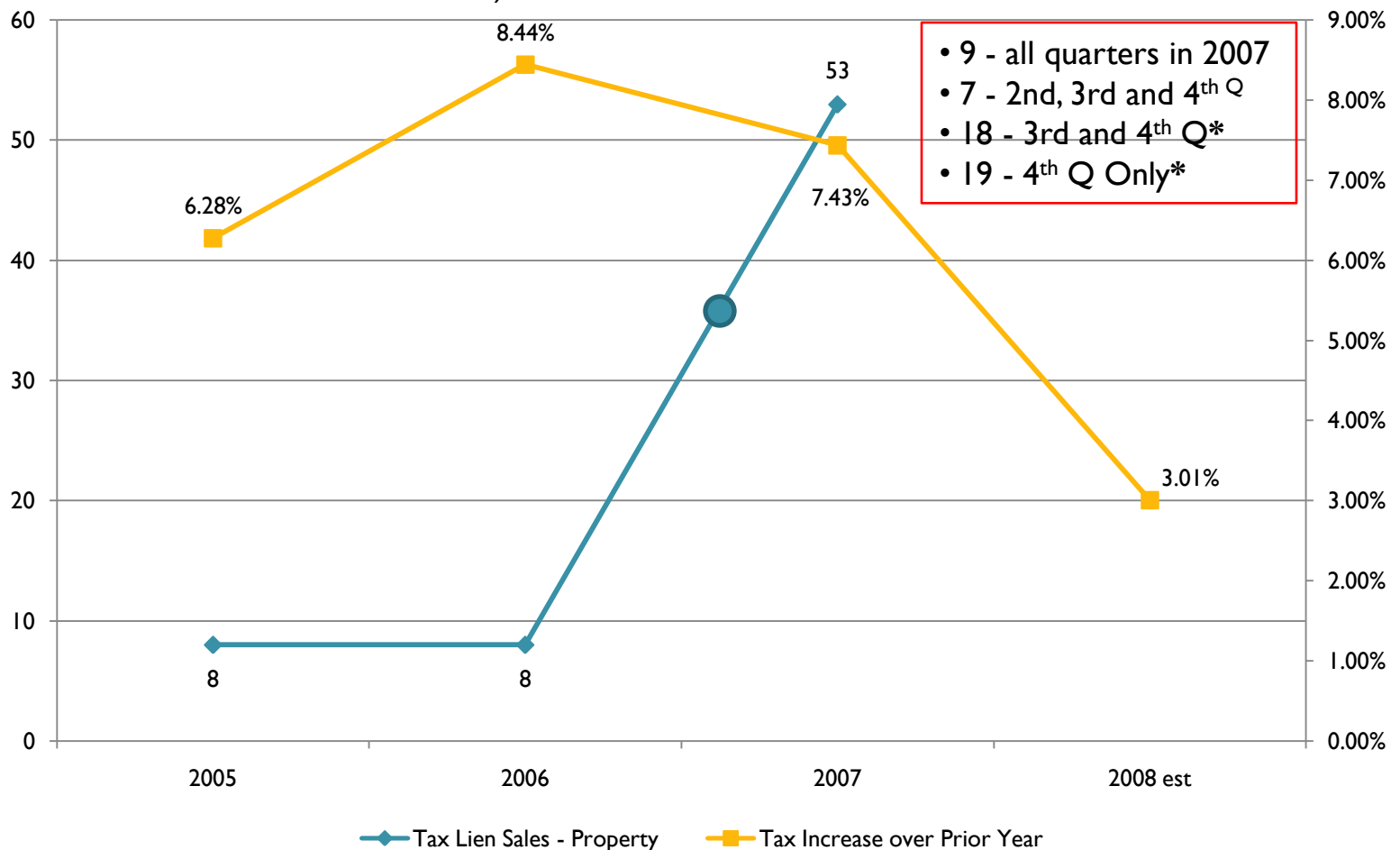
Problem: Tax Increases Outpace Inflation

In the last 3 years all-in tax increases have averaged 7.38%, outpacing inflation of 3%. In just this timeframe, residents are paying a compounded 13.3% more than inflation. With the proposed municipal budget, we are trying to help stop the pace.



Result: Haddon Heights has hit a Tipping Point

In 2007 Haddon Heights hit a tipping point where a substantially higher number of residents can no longer keep up with escalating tax increases. The number of those who cannot keep up with their tax bills has jumped 625% from 8 to 53, effecting 144 residents. (this will probably drop to 35 properties and 95 residents, a 437% increase)



Recommendations

- In 2008 Target an All-in Tax Increase at Inflation, and In 2009 & 2010 below Inflation.
 - Increase Income to Borough
 - Reduce Municipal Appropriations
 - Work with School District on Budget
 - Discuss our Tax Paying Issues with the County
- Eliminate Estimated Taxes
- Set-up Payment Plans for Residents
- Communicate Tax Freeze Options
- Fight to get Tax Rebates Reinstated