



CODE ENFORCEMENT LIEN COLLECTION AND ADMINSTRATIVE COST RECOVERY June 17, 2025



CITY OF FORT LAUDERDALE

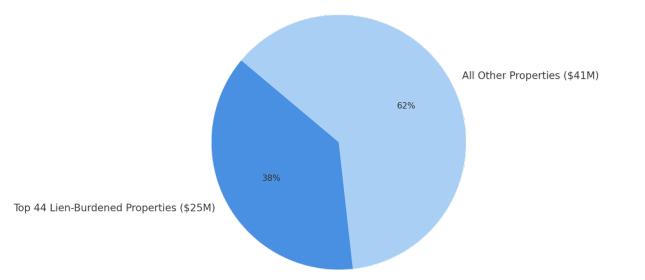
# **DISCUSSION POINTS**

- Outstanding Code Enforcement Liens
- Code Enforcement Collection Efforts
- Comparison to Other Municipalities
- Next Steps

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### Current Outstanding Code Enforcement Liens

- \$66 million in total Code Enforcement lien value owed to the City
- The oldest liens are at least 20years old
- 1,321 properties connected to 1,991 enforcement cases
- 44 properties have liens ≥\$300,000 (38% of total, \$25 million)



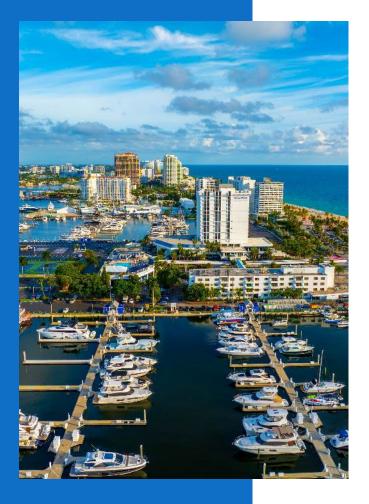


### Factors Limiting the Enforceability of Code Enforcement Lien Collection Efforts

- Homestead Exemption
- Bankruptcy
- Foreclosure
- Expired statute of limitations







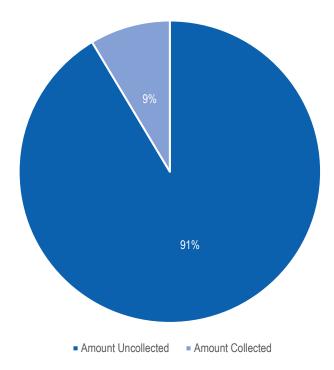
# COLLECTION EFFORTS

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### Third-Party Collection Efforts 2015-2018

The City partnered with a full-service collection agency, NCS Plus, to pursue delinquent lien accounts. The agency provided services including written notices, credit bureau reporting, and telephone outreach.

- \$948,316 in claims submitted
  - 1,526 individual cases submitted
- \$81,599 collected
- \$13,248 paid to NCS Plus for collection
- 8.6% collection rate





### Lien Foreclosure 2018 - 2021

- Pursuant to Chapter 162 of the Florida Statutes and Chapter 11 of the Code of Ordinances of the City of Fort Lauderdale, the City may refer unpaid liens to the City Attorney's Office if they remain unpaid after three (3) months.
- Criteria for Referral for Lien Foreclosure
  - Properties with nuisance violations as outlined in Chapter 18 of the City's Code.
  - Properties with outstanding fines and liens that are in a state of abandonment/neglect
  - Vacation rentals that fail to comply with the City's registration requirements and/or that threaten the public health, safety, or welfare.
- Properties with a homestead exemption may not be foreclosed on.
- 64 properties referred, 15 were issued a Notice of Intent to Foreclose, and 15 properties complied (100% compliance).



## Lien Reduction Program (2015 – 2023)

The Lien Reduction Program, authorized under Section 11-3 of the Code of Ordinances of the City of Fort Lauderdale, allows property owners to settle outstanding code enforcement liens at a reduced rate. These liens arise from fines imposed by the City's Code Enforcement Board or Special Magistrate for violations of City Codes or the Florida Building Code, recorded against the property when violations are not brought into compliance.

Fiscal Year	Properties Addressed	Approximate Total of Property Liens	Reduced Amount Ordered	% Reduction Ordered
2015	83	\$8 million	\$408,000	5%
2016	108	\$14 million	\$587,000	4%
2017	97	\$12 million	\$328,000	3%
2018	123	\$12 million	\$310,000	3%
2019	77	\$9 million	\$404,000	5%
2020	127	\$14 million	\$591,000	4%
2021	133	\$19 million	\$750,000	4%
2022	144	\$11 million	\$770,000	7%
2023	129	\$7 million	\$825,000	12%
Totals	1,021	\$106 million	\$4,973,000	5% (Avg.)



## Lien Amnesty Program Overview

The Lien Amnesty Program provides eligible property owners with the opportunity to settle outstanding code enforcement liens at a significantly reduced rate. The program is designed to encourage compliance, improve collections, and reduce the amount of debt owed to the City. The program was offered in 2004, 2013, 2024, and 2025.

#### Goals of the Program

- Reduce longstanding debt owed to the City
- Encourage voluntary compliance and resolution of cases
- Incentivize property owners to address violations
- Streamline administrative processes and close inactive liens

### **Outreach & Engagement Strategies**

- Direct mailings to liened property addresses
- Messaged via Neighborhood Associations and City Newsletter
- Social media campaigns (City Instagram, Facebook, and Twitter/X)



### Lien Amnesty Program Overview

### Lien Amnesty 2004

- February 2, 2004 March 1, 2004
- 25% Reduction
- \$1.3 million collected
  - 400 cases addressed

### Lien Amnesty 2013

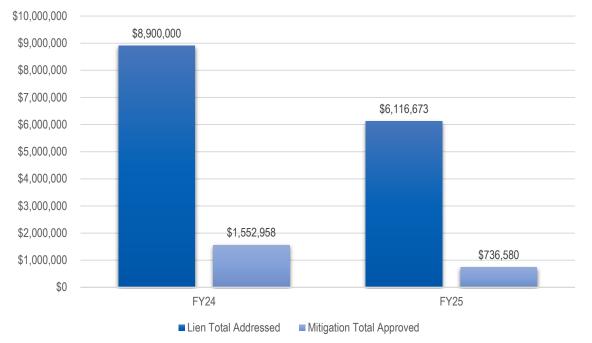
- December 2012 September 2013
- 4% Reduction
- \$119,620 collected
  - 129 properties addressed
  - \$3 million+ in liens reduced



## Lien Amnesty Program Overview

### 2024-2025 Lien Amnesty

- 263 applications received
  - Includes 283 enforcement cases
  - Includes 47 denied applications
  - Includes 216 approved applications
    - 121 properties FY24
    - 95 properties FY25
- \$16 million in liens addressed
- \$2.4 million in approved lien reduction
  - \$1.6 million collected



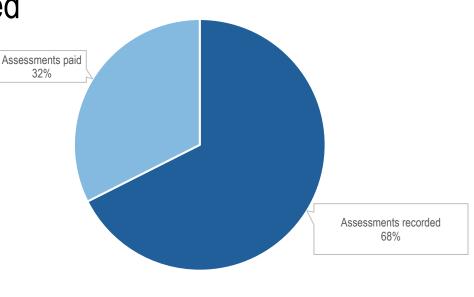
#### FY24 and FY25 Lien Amnesty Overview



### Non-Ad Valorem Assessment 2017 - 2024

A Non-Ad Valorem Assessment is a charge added to a property's tax bill by the Broward County Tax Collector. It allows the City to recover costs for services like trash removal, clearing vacant lots, and boarding up abandoned dwellings.

- 1,036 assessments recorded = \$897,333 assessed
- 443 assessments paid = \$430,819 collected

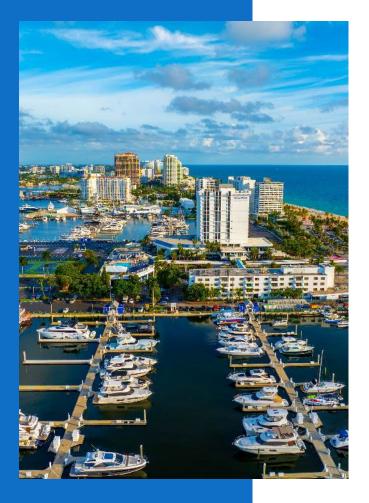


Assessments paid

Assessments recorded







# Municipal Comparison

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### **Current Lien Mitigation Policies**

Municipality	Mitigation Process	Mitigation Policy	Application Cost
Sunrise	Special Magistrate & Lien Amnesty	Up to 15% reduction	\$150.00 per property plus \$25.00 additional case
Hollywood	Lien Amnesty (new program)	100% lien forgiveness. Administrative fees and any hard costs are assessed.	\$150.00 per property plus \$25.00 additional case
Miramar	Special Magistrate	50% reduction	Free
Coral Springs	Special Magistrate	5% - 10% reduction	\$300.00 per case
Miami Gardens	Lien Amnesty – Residential Special Magistrate - Commercial	5% reduction for residential property 15% reduction for commercial property	\$82.95 per residential property \$262.50 per commercial case
Miami Beach	Special Magistrate	Magistrate's discretion	Free
Pembroke Pines	Internal Process	Staff discretion	Free
Fort Lauderdale	Lien Amnesty	10% for all properties	\$175.00 per property

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### Fine and Lien Value vs. Collection

Municipality	Total Fines and Liens Due	Total Revenue Collected FY 20 - 25	% Collected
Sunrise	\$18,983,676 – complied cases only	\$1,771,569*	9%
Hollywood	\$232,710,000	\$2,388,043*	1%
Miramar	\$5,000,000	\$405,895*	8%
Coral Springs	\$135,303,477	\$4,496,448	3%
Miami Gardens	\$73,057,442	\$2,961,161	4%
Miami Beach	\$6,719,623	\$8,000	.12%
Pembroke Pines	Does not have a way to track outstanding fines/liens.	\$644,693	Unknown
Fort Lauderdale	\$66,860,503	<b>\$13,642,708**</b> *FY 20 – FY 23 only	20%

\*FY 20 – FY 23 only

\*\*\$1,611,170 collected through the amnesty program



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### Policy for Discharging Unenforceable Liens

Municipality	Discharge Mechanism
Sunrise	Cases are closed. No release issued.
Hollywood	10-year extension. Offers administrative partial release of lien.
Miramar	Unless renewed, liens are expired.
Coral Springs	Property owner applies for barred lien review by the CAO. Released if barring is valid.
Miami Gardens	No policy
Miami Beach	Deferred to the CAO for review
Pembroke Pines	Offers administrative partial release of lien.
Fort Lauderdale	Offers administrative partial release of lien for certain properties.



### Next Steps

Modify Lien Amnesty Program: Amendments will be presented at a future City Commission Meeting

- Key Changes:
  - Change amnesty discount from 90% to 85%
  - Limit amnesty discount to 50% for nuisance violations, repeat violations, noise, vacation rentals, and irreparable/irreversible violations.



### Items Requiring Commission Direction

- Restart lien foreclosure
  - Provide direction on what types of properties and/or the value of liens staff should refer for lien foreclosure.
- Revise existing discharge policy for uncollectible liens
  - Accounts may be written off of the City's financial accounting records and no longer recognized as collectible receivables for financial reporting purposes, but the legal obligation to pay the debt may still remain. Accounts written off remain debts to the City until discharged by action of the City Commission, by statute of limitations, a duly recognized court proceeding, or other legal settlement.





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### DISCUSSION