

RESOLUTION NO. 26-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHIPLEY, FLORIDA, ADOPTING A POLICY FOR THE RESOLUTION OF LEGACY CODE ENFORCEMENT LIENS; ESTABLISHING STANDARDIZED PROCEDURES FOR LIEN REDUCTION, CIVIL ENFORCEMENT, AND ADMINISTRATIVE CLOSURE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Chipley, Florida (the "City") has accumulated a backlog of legacy code enforcement liens where the subject properties have been brought into physical compliance, but daily fines were never paid and the exact date of compliance is unknown or difficult to prove; and

WHEREAS, under Florida law, including Sections§ 162.09 and 162.10, Florida Statutes, the City possesses the authority to record liens for uncorrected code violations, pursue collection, and reduce or forgive fines; and

WHEREAS, code enforcement liens expire twenty (20) years after the date the certified copy of the order imposing the fine is recorded, unless a foreclosure or civil action is commenced within that time frame, pursuant to Section 162.10, Florida Statutes; and

WHEREAS, the City cannot foreclose on a code enforcement lien against a property that qualifies for homestead exemption under the Florida Constitution, though such lien remains attached to the property and must be satisfied upon sale or transfer of title; and

WHEREAS, the local governing body, or its designated Special Magistrate, has the statutory authority to reduce or execute a release of a fine imposed pursuant to Chapter 162, Florida Statutes; and

WHEREAS, the City Council finds it to be in the best interest of the public health, safety, and welfare of the citizens of Chipley to establish standardized procedures for resolving legacy code enforcement liens, in order to clear clouded titles, return properties to productive use, and recover reasonable administrative costs;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Chipley as follows:

Section 1. Adoption of Policy. The City Council hereby adopts the following Policy for the Resolution of Legacy Code Enforcement Liens (the "Policy").

Section 2. Establishing the Date of Compliance. Because code enforcement fines accrue daily until compliance is achieved, establishing a stop date is necessary to calculate the maximum accrued fine. Where the actual date of compliance is unknown or unverifiable, the City shall use the following hierarchy to establish a presumptive compliance date:

(a) Circumstantial Evidence: The Code Enforcement Officer may accept secondary evidence, such as closed building permits, utility activation records, sworn affidavits from licensed contractors, dated photographs, or property insurance records, to establish a retroactive compliance date. The Code Enforcement Officer shall document the basis for any compliance date determination in the property file.

1. Date of Current Verification. If no reliable retroactive evidence exists, the fine accrual period shall be permanently capped on the date a City Code Enforcement Officer conducts a current inspection and verifies the property is presently free of the original violation(s).
2. Inspection Timeline. Upon submission of a complete lien reduction application, the City shall conduct a compliance inspection within thirty (30) calendar days. If the inspection cannot be completed within that period, the Code Enforcement Officer shall notify the applicant in writing with a revised inspection date.

Section 3. Legal Options and Resolution Procedures. Once the property is verified as compliant and the accrued fine is calculated or capped, the City may utilize the following options to resolve the lien:

Lien Reduction and Settlement Program (Preferred). To incentivize the clearing of old liens and facilitate real estate transactions, the City hereby establishes an administrative lien reduction process governed by the following provisions:

- Eligibility. The property must be in current compliance with all City codes, and the applicant must pay a non-refundable application fee in the amount established by the City's adopted fee schedule, as amended from time to time.
- One-Time Amnesty Waiver. As a one-time amnesty consideration, the City Council hereby authorizes the full waiver of all outstanding accrued fines, provided the applicant satisfies the minimum Hard Costs Recovery requirement set forth above. This waiver is a one-time administrative courtesy and shall not be construed as a precedent or entitlement for any future lien resolution.
 - Hard Costs Recovery. The settlement must, at a minimum, cover all administrative costs incurred by the City, including recording fees, mailing costs, title search fees, administrative time, attorney's fees, and court costs.
- Execution. Upon payment of the settled amount, the City Clerk shall record a Satisfaction and Release of Lien in the public records of Washington County.
- Appeal. An applicant who disagrees with the reduction amount determined under this Subsection (A) may submit a written appeal to the City Council within thirty (30) calendar days of receiving the written determination. The City Council's decision on appeal shall constitute final agency action and shall exhaust all administrative remedies available under this Policy.

Civil Action or Foreclosure. If a property owner refuses to pay the accrued fines or participate in the Lien Reduction Program, the City may pursue legal action prior to the twenty (20)-year statutory expiration, as follows:

- Non-Homestead Properties. Where the total accrued lien amount equals or exceeds two thousand five hundred dollars (\$2,500.00) and the property owner has failed to respond to the Courtesy Notice within sixty (60) calendar days of the date of the notice or has declined participation in the Lien Reduction Program, the City Attorney is hereby authorized to

initiate foreclosure proceedings at the direction of the City Administrator, to force the sale of the property to satisfy the lien.

- **Money Judgment.** The City may sue the original violator personally for a money judgment, which may be pursued even if the property itself is protected by homestead exemption.

Statutory Expiration - Administrative Closure.

- **Twenty-Year Rule.** If a lien has been recorded for twenty (20) years and the City has not initiated a civil action or foreclosure within that period, the lien is null and void by operation of Florida law pursuant to Section 162.10, Florida Statutes.
- **Procedure.** For expired liens, the Code Enforcement Officer shall administratively close the file. Upon request by a property owner or title company, the City may issue a formal notice acknowledging the statutory expiration of the lien to assist in clearing the title.

Section 4. Proactive Notification of Current Property Owners. Although a recorded code enforcement lien legally serves as constructive notice to the public and attaches to the property regardless of ownership changes, the City recognizes that current owners - especially those who inherited the property or purchased it via quitclaim deed - may be unaware of legacy liens. To actively reduce the backlog of outstanding liens, the City shall implement the following proactive notification procedure:

- **Periodic Audit.** The Code Enforcement Officer, in coordination with the City Clerk, shall conduct an audit of all active code enforcement liens recorded in the public records of Washington County no less than once every two (2) years to identify properties where no active enforcement or collection actions are currently underway.
- **Ownership Verification.** For identified legacy liens, staff shall consult the Washington County Property Appraiser's database to determine the current owner of record and their official mailing address.
- **Courtesy Notice of Outstanding Lien.** The City shall issue a formal Courtesy Notice of Outstanding Code Enforcement Lien to the current property owner via **both First-Class U.S. Mail and Certified Mail, Return Receipt Requested**. The notice shall include the following:
 - The property address and parcel identification number;
 - The date the original order imposing the fine was recorded and the nature of the original violation;
 - An acknowledgment that while the property may currently be in compliance, a monetary lien remains attached to the title;
 - The current accrued fine amount, or a notification that daily fines must be officially capped by a new inspection; and
 - Detailed information regarding the City's **Lien Reduction and Settlement Program**, including instructions on how to apply for a reduction and a deadline of sixty (60) calendar days from the date of the notice to submit a complete application or contact the Code Enforcement Officer in writing.
- **Proof of Mailing.** The Code Enforcement Officer shall retain the certified mail receipt and a copy of the notice sent via regular mail in the property's code enforcement file.
- **Legal Disclaimer.** The proactive notification is an administrative courtesy. Failure of the current property owner to receive or sign for this notice does not invalidate the original lien, waive the City's right to collect the debt, or toll the twenty (20)-year statutory expiration period.

Section 5. Effective Date. This Resolution shall take effect immediately upon adoption by the City Council of the City of Chipley, Florida. The Code Enforcement Officer, in coordination with the City Attorney's office, shall review this Policy no less than once every three (3) years to ensure continued compliance with Florida Statutes Chapter 162 and any other applicable law, and shall present any recommended amendments to the City Council for approval.

DULY PASSED AND ADOPTED by the City Council of the City of Chipley, Florida at a special meeting on this 12th day of May, 2026.

CITY OF CHIPLEY

Tracy L. Andrews, Mayor

ATTEST:

Sherry Snell, City Clerk