

# Law Department Code Enforcement Lien Process

## Objective

Are code enforcement liens processed and released timely and accurately?

## Background

The City of Bowling Green's Code Enforcement Division and Code Enforcement and Nuisance Board work to achieve code compliance in City neighborhoods by identifying property maintenance violations, notifying property owners of violations and issuing citations, if necessary. Issued citations, including any abatement costs, given a final order by either by statute or the Board, are submitted to the Law Department for property liens if timely payment is not made. The Law Department calculates any fees and interest accumulated when payoff is requested and releases the property lien.

## Audit Recommendations

Prioritize a weekly lien release process to ensure liens are released in a timely fashion.

Utilize the City's procurement cards to pay fees related to liens verses requesting a paper check. This will speed up the process and save the City money by not processing multiple \$13.00 checks.

## What Was Found

**Finding #1:** Code enforcement related liens are not consistently released within thirty (30) days of payment as required by KRS 382.365. The tested Code enforcement payments averaged seventy (70) days from the payment date to the lien release date. KRS 382.365 requires that property liens must be released within thirty (30) days from the date of payment. After forty-five (45) days pass, the City could be liable for daily penalties and interest to the property owner. In 2017, a "Weekly Code Enforcement Payment Report" was created by the Information Technology Department to prevent payments being processed and not communicated to the Paralegal, which could delay lien releases. The City's Paralegal is currently working to verify that all payments prior to 2017 have been released.

**Finding #2:** Check requests for multiple \$13.00 lien related fees cost the City an estimated \$12.51 per check and slows the lien release process.

The Law Department should utilize the City's procurement cards to process and release liens to speed up the process and lessen the City's cost per transaction. The Finance Department calculated the cost per paper check, which totaled \$12.51, but each lien and release cost \$13.00 each. If the City's Procurement card is utilized, then a 3% processing fee is charged totaling \$0.39 per transaction which is added to the lien and reimbursed to the City when the payment is made.