



## Fees and Charges Report

**Date:** March 5, 2026

**To:** Audit, Finance, and Enterprise Committee

**Through:** Ken Cost, Assistant City Manager

**From:** Angelica Guevara, Code Compliance Director  
Susan Lu, Fiscal Analyst, Development Services Department

**Subject:** Code Compliance Department Update to Schedule of Fees and Charges

### Purpose and Recommendation

The purpose of this report is to recommend changes to the Schedule of Fees and Charges for the Code Compliance Department. The Department recommends an increase to the Administrative Lien Fee and proposes new fees which include the creation of a Civil Citation Fine for Non-Residential Properties, a new Title Search Fee and a new Certified Mail Fee. The proposed changes to the fees and fines, if approved by City Council, would be effective August 1, 2026.

### Background

Fees are reviewed regularly to ensure description clarity and that costs accurately reflect services provided. The last update to the Civil Violation Fines was approved by Council in 2019.

### Discussion

The Code Compliance Department is proposing the following changes to the Schedule of Fees and Charges:

1. Increase Administrative Lien Fee from \$20.00 to \$60.00 to match the Maricopa County Recorder's Fee.

The Code Compliance staff works with the Maricopa County Recorder's Office to record liens on properties for unpaid fees and fines. The current fee collected is \$20.00; this proposal increases the fee to \$60.00 to include the \$30.00 fee assessed by the County to place and release a lien.

2. Create a new category of Civil Citation Fines for Non-Residential Properties.

Existing civil citation fines and fees are currently the same for all properties

regardless of use, with fines escalating with each citation issued when violations are allowed to persist. The proposed higher citation fines would only be applied to non-residential use properties. Typically, non-residential use properties are leased or occupied by businesses that generate profit for the property owner from Mesa residents and visitors. The higher fines are intended to help encourage property owners to keep their properties in compliance with City Codes. Properties that earn revenue from our residents should be held to a higher standard and assessed higher penalties.

Proposed fines for non-residential properties:

Fine assessed for 1<sup>st</sup> Civil Violation on a non-residential property:  
\$750.00 - \$1,500.00 per violation\*

Continued 2<sup>nd</sup> finding of a prior violation on a non-residential property:  
\$1,250.00 - \$2,000.00 per violation\*

Continued 3<sup>rd</sup> finding of a prior violation on a non-residential property:  
\$1,750.00 - \$2,500.00 per violation\*

\*Civil Hearing Officer has the ability by ordinance to reduce fees and fines; typically, minimum fees and fines are assessed especially when violations are abated

### 3. Create a new Title Search Fee

There are properties where the City is unable to locate the property owner or responsible party. Often, this is due to the owner being deceased. At these properties, violations are multiple and the violations are often ongoing and exist for extended periods of time creating a burden and eyesore for the neighborhood. In these cases, the establishment of the \$650 title search fee would allow the use of a title company to help find the party responsible for the property. The title search fee would only be assessed after all internal search abilities are exhausted without success.

### 4. Create a new Certified Mail Fee

Typically, citations are personally served by code compliance officers unless the property owner is not located in the valley, if that is the case, then a private process server is used to personally serve the citation. After a code officer attempt to serve a citation without success, the civil hearing officer can authorize the use of the US Post Office certified mail to serve the citation. The Code Compliance Office is currently absorbing the cost of certified mail fees. The \$15 fee would allow us to recover the cost associated with sending the citation through certified mail.

## Methodology

The Code Compliance Department is funded by the General Fund and is not a fully cost

recovery department. Fines and fees collected are deposited into the General Fund. Fees and fines are imposed as penalties for non-compliance with City Codes. The fines accumulate if violations are allowed to persist. Consequences can also escalate to legal action in the form of criminal charges against a property owner or responsible party if compliance is not achieved. Non-compliance negatively affects our community, affecting safety, health, and property values.

### **Alternatives**

Alternative to the recommended fee and fine increases and additions could include no changes which would require the Code Compliance Department to continue to absorb the costs of providing specific services covered by the proposed fees.

### **Fiscal Impact**

Based on current administrative liens recorded and released, the estimated revenue recapture with the increased administrative lien fee is estimated at \$4,500 per fiscal year.

Based on the current number of citations issued, the increase to the civil citation fines for non-residential properties is estimated to generate approximately \$150,000 per fiscal year.

Based on the anticipated number of title searches to be performed, the estimated revenue is \$6,500 per fiscal year.

Based on the current number of certified mailings sent, the estimated revenue is anticipated to be approximately \$5,000 per fiscal year.

The total estimated FY 2026/27 fiscal impact for the Code Compliance Department is estimated at \$166,000.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

Font	Font Indications
Regular Font	Existing fee or language
<del>Strikethrough</del>	Fee or language will be deleted from the Fee Schedule
<b>BOLD CAPS</b>	Language is being added to Fee Schedule
<b>Bold</b>	New or increased Fee Amount

**Schedule of Fees & Charges**

**Exhibit A – Code Compliance Department**

**Department: Code Compliance**

<b>Description of Service</b>	<b>Current Fee Range</b>	<b>Proposed Fee Range</b>	<b>Unit</b>	<b>Total Fiscal Impact</b>	<b>Notes</b>
<b>RE-INSPECTION FEES</b>				\$0	Move from Development Services Department
<b>NON-COMPLIANCE FEE</b> Fee assessed upon the second inspection if the violation remains	\$200.00			\$0	Move from Development Services Department
<b>CONTINUED NON-COMPLIANCE FEE</b> Fee assessed after a citation is issued for each inspection where the violation still remains	\$100.00			\$0	Move from Development Services Department
<b>COMPLIANCE AGREEMENT FEE</b> <i>When complex circumstances make achieving compliance time-consuming, a compliance agreement can be entered into to establish the required actions and timeline</i>	\$150.00		Per Agreement	\$0	Move from Development Services Department. Revised language to clarify intent.
<b>RESIDENTIAL CIVIL VIOLATION FINES*</b>					Create a new category of civil violations (residential vs non-residential)
<b>FINE ASSESSED FOR 1st CIVIL VIOLATION</b>	\$250.00- \$1,500.00		PER VIOLATION	\$0	Move from Development Services Department
<b>CONTINUED 2<sup>ND</sup> FINDING OF A PRIOR VIOLATION</b>	\$350.00- \$2,500.00	\$350.00- \$2,000.00	PER VIOLATION	\$0	Move from Development Services Department, Decrease max to \$2,000 to match non-residential
<b>CONTINUED 3<sup>RD</sup> FINDING OF A PRIOR VIOLATION</b>	\$500.00- \$2,500.00		PER VIOLATION	\$0	Move from Development Services Department

<b>NON-RESIDENTIAL CIVIL VIOLATION FINES*</b>			<b>PER VIOLATION</b>		Create new civil violation category to differentiate between residential and non-Residential properties
<b>FINE ASSESSED FOR 1<sup>st</sup> CIVIL VIOLATION</b>		<b>\$750.00- \$1,500.00</b>	<b>PER VIOLATION</b>	\$130,000.00	Create new fine range for Non-Residential civil violations
<b>CONTINUED 2<sup>ND</sup> FINDING OF PRIOR VIOLATION</b>		<b>\$1,250.00- \$2,000.00</b>	<b>PER VIOLATION</b>	\$10,000.00	Create new fine range for Non-Residential civil violations
<b>CONTINUED 3<sup>RD</sup> FINDING OF PRIOR VIOLATION</b>		<b>\$1,750.00- \$2,500.00</b>	<b>PER VIOLATION</b>	\$10,000.00	Create new fine range for Non-Residential civil violations
<b>ADMINISTRATIVE LIEN FEE</b>	<b>\$20.00</b>	<b>\$60</b>	<b>Lien</b>	\$4,500.00	Increase fee to comply with current Maricopa County Recorder's Office fees to place and release liens
<b>TITLE SEARCH FEE</b>		<b>\$650.00</b>	<b>PER CASE</b>	\$6,500.00	Create new fee to recover cost of staff research of owners or responsible parties' properties in violation of City Code that are difficult to locate
<b>CERTIFIED MAIL FEE</b>		<b>\$15</b>	<b>EACH</b>	\$5,000.00	Create new fee to recover cost of certified mail to property owners
<b>*INCLUDING PROCESS SERVER FEES AND ALL OTHER APPLICABLE FEES AND CHARGES</b>					Footnote to clarify miscellaneous fees that makes up Civil Violation fee

**Estimated Total Annual Fiscal Impact:            \$166,000**