

**MONROE TOWNSHIP
SNYDER COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2010 - 01

AN ORDINANCE OF MONROE TOWNSHIP (hereinafter "Municipality"), PURSUANT TO ACT 98 OF 1992 PROVIDING THAT IN CERTAIN FIRE LOSSES THE INSURANCE COMPANY, ASSOCIATION OR EXCHANGE SHALL TRANSFER INSURANCE PROCEEDS TO A DESIGNATED OFFICER OF THE MUNICIPALITY AS A PORTION OF THE INSURANCE PROCEEDS TO BE HELD AS SECURITY AGAINST THE TOTAL COST OF REMOVING, REPAIRING OR SECURING THE DAMAGED BUILDING, PROVIDING FOR FEES AND FOR PENALTIES FOR VIOLATION AND SETTING FORTH PROCEDURES AND REQUIREMENTS PERTAINING TO SUCH INSURANCE PROCEEDS AND TO THE IMPLEMENTATION OF ACT 98 OF 1992 IN THE MUNICIPALITY.

WHEREAS, the Commonwealth of Pennsylvania has enacted Act 98 of 1992 effective on September 7, 1992 amending the Insurance Company Law of 1921 to provide procedures for the payment of certain fire loss claims; and

WHEREAS, it is the purpose of said legislation to deter the commission of arson and related crimes, to discourage the abandonment of property and to prevent blight and deterioration; and

WHEREAS, the Municipality desires to adopt an ordinance pursuant to Section 508 of the Insurance Company Law of 1921 to provide for the payment of proceeds from certain fire loss claims to the Municipality:

It is THEREFORE ORDAINED and ENACTED by the Board of Supervisors of Monroe Township as follows:

SECTION I: DESIGNATED OFFICER: The Township Secretary/Treasurer is hereby appointed as the designated officer (hereinafter "Designated Municipal Officer") who is authorized to carry out all responsibilities and duties stated herein:

SECTION II: USE OF FIRE INSURANCE PROCEEDS: No insurance company, association or exchange (hereinafter "Insuring Agent") doing business in the Commonwealth of Pennsylvania shall pay a claim of a named insured for fire damage to a structure located within the Municipality where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500, unless the Insuring Agent is furnished by the Municipality with a municipal certificate pursuant to Section 508 (B) of Act 98 of 1992 (and unless there is compliance with Section 508 [C] and [D]) of Act 98 of 1992 and the provisions of this Ordinance.

SECTION III: MUNICIPAL CLAIMS: Upon written request of the named insured specifying the tax description of the property, the name and address of the Insuring Agent and the date of receipt by the Insuring Agent of a loss report of the claim, the Designated Municipal Officer shall furnish the Insuring Agent either of the following within fourteen (14) days of said request:

- A. A certificate stating that as of the date of the certificate there are no delinquent taxes, assessments, penalties or user charges against the property and that the Municipality has not certified any amount as total costs incurred by the Municipality for the removal, repair or securing of any building or other structure on the property in question; or
- B. A certificate and bill showing the amount of delinquent taxes, assessments, penalties or other user charges against the property that have not been paid as of the date of the certificate and also showing as of the date of the certificate the amount of total costs, if any, certified by the Municipality as being incurred by the Municipality to remove, repair or secure any building or other structure on the property. A tax, assessment, penalty or user charge becomes delinquent at the time and on the date a lien could otherwise have been filed against the property

by the Municipality under applicable law.

SECTION IV: PAYMENT OF BILL: Upon the receipt of a certificate and bill pursuant to subsection B of Section III, the Insuring Agent shall return to the Designated Municipal Agent the bill along with an amount from the insurance proceeds necessary to pay the taxes, assessments, penalties, charges and costs as shown on the bill. The Designated Municipal Agent shall receive the amount and apply or credit it to payment of the items shown in the bill.

SECTION V: PAYMENT OF CLAIM: Upon the receipt of a certificate pursuant to subsection B of Section III, the insuring agent shall pay the claim of the named insured in accordance with the policy terms; provided, however, that if the loss agreed to between the named insured and the insuring agent equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or other structure, the following procedures shall be followed:

A The Insuring Agent shall transfer from the insurance proceeds to the Designated Municipal Officer the aggregate of \$2,000 for each \$15,000 of a claim and for each fraction of that amount of a claim (this section to be applied such that if the claim is \$15,000 or less, the amount transferred to the Municipality shall be \$2,000); or,

B. If at the time of a proof of loss agreed to between the named insured and the Insuring Agent, the named insured has submitted a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure on the property, the Insuring Agent shall transfer to the Municipality from

the insurance proceeds the amount specified in the estimate.

C. The transfer of proceeds shall be on a pro rata basis by all companies, associations or exchanges insuring the building or other structure.

D. It is the obligation of the Insuring Agent when transferring the proceeds to provide the Municipality with the name and address of the named insured.

E. If there is a transfer of insurance proceeds as specified in subsection A, after the transfer the named insured may submit a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure, and the Designated Municipal Officer shall return the amount of the funds transferred to the Municipality in excess of the estimate to the named insured if the Municipality has not commenced to remove, repair or secure the building or other structure.

F. Upon receipt of proceeds under this section the Municipality shall do the following:

(1) Upon receipt of the transferred funds and the name and address of the named insured, the Designated Municipal Officer shall contact the named insured, certify that the proceeds have been received by the Municipality and notify the named insured that the procedures under this subsection shall be followed, and:

(2) The Designated Municipal Officer shall place the proceeds in a separate fund to be used solely as security against the total costs of removing, repairing or securing the building or structure that are incurred by the Municipality. Such costs shall include, without limitation, any

engineering, legal or administrative costs incurred by the Municipality in connection with such removal, repair or securing of the building or any proceedings related thereto, and:

(3) When removal, repairs or securing of the building or other structure has been completed in accordance with all applicable regulations and codes of the Municipality and the required proof of such completion received by the Designated Municipal Officer, and, if the Municipality has not incurred any costs for removal, repairs, or securing of the building or other structure, the proceeds shall be returned to the named insured. If the Municipality has incurred costs for removal, repairs or securing of the building or other structure, the costs shall be paid from the proceeds and if excess proceeds remain, the Municipality shall transfer the remaining proceeds to the named insured; and:

(4) To the extent that interest is earned on proceeds held by the Municipality pursuant to this section and these proceeds are not to be returned to the named insured, such interest shall belong to the Municipality. To the extent that proceeds are returned to the named insured, interest on such proceeds shall be distributed to the named insured at the time that the proceeds are returned.

(5) Nothing in this section shall be construed to limit the ability of the Municipality to recover any deficiency. Furthermore, nothing in this section shall be construed to prohibit the Municipality and the named insured from entering into an agreement that permits the transfer of funds to the named insured if some other reasonable disposition of the damaged

property has been negotiated.

SECTION VI: INSURANCE COMPANY RIGHTS RESERVED: An insurance company, association or exchange making payment of policy proceeds under this Ordinance for delinquent taxes or structural removal liens or removal expenses incurred by the Municipality shall have full benefit of such payment including all rights of subrogation and of assignment.

SECTION VII: REASONABLE MUNICIPAL FEES: The Board of Supervisors may by resolution adopt procedures and regulations to implement Act 98 of 1992 and this Ordinance and may by resolution fix reasonable fees to be charged for municipal activities or services provided pursuant to Act 98 of 1992 and this Ordinance; including but not limited to issuance of certificates and bills, performance of inspections and opening separate fund accounts.

SECTION VIII: PENALTIES, COSTS AND ATTORNEYS FEES: Any owner of property, any named insured or any insuring agent who violates this Ordinance shall be subject to a penalty of up to \$1,000.00 per violation together with legal costs and reasonable attorneys fees of not less than 5% of the amount due, as incurred by the Municipality in enforcement of this Ordinance.

SECTION VIX: SEVERABILITY: The provisions of this Ordinance shall be severable and, if any of the provisions hereof shall be held to be invalid or unenforceable, the remaining provisions of this Ordinance shall remain in effect.

SECTION X: CONSTRUCTION: This Ordinance shall be liberally construed to accomplish its purpose to deter commission of arson and related

crimes, to discourage the abandonment of property and to prevent blight and deterioration, and to assure the payment of municipal expenses.

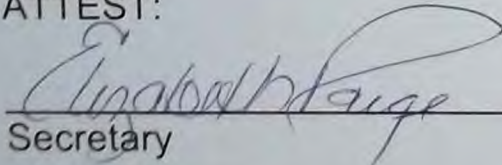
SECTION XI: CONFLICTS AND COMPLIANCE WITH STATE LAW: All ordinances or parts of ordinances conflicting with any of the provisions of this Ordinance are hereby repealed insofar as same affects this Ordinance.

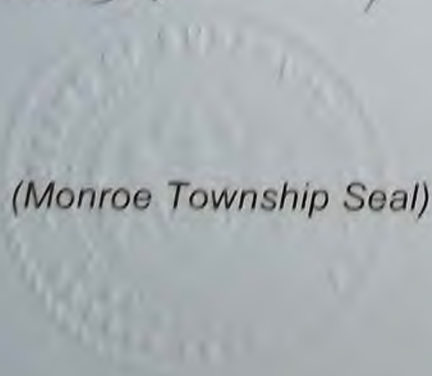
If any sentence, clause, section and/or provision of this Ordinance is deemed to be in conflict with state law, the terms of any such state law shall supersede the language and provisions of this Ordinance and such state law shall control. Any conflict with state law shall not invalidate this Ordinance nor be a basis for failing to pay any and all municipal expenses. Act 93 of 1994 is incorporated herein and shall be the basis for payment of all municipal expense if this Ordinance is rendered null and void, in whole or in part.

SECTION XII: EFFECTIVE DATE: This Ordinance shall become effective five days after the adoption hereof.

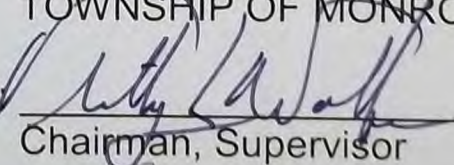
ORDAINED AND ENACTED at a duly assembled public meeting by the Board of Supervisors of Monroe Township, this 23rd day of March, 2010.

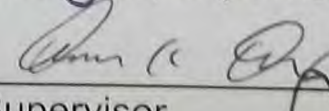
ATTEST:

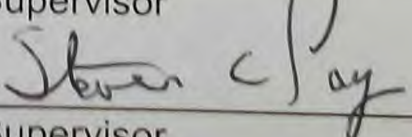

Secretary



TOWNSHIP OF MONROE

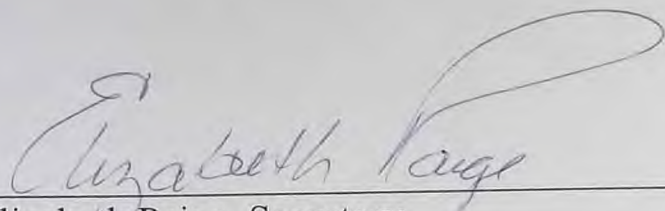
BY: 
Chairman, Supervisor

BY: 
Supervisor

BY: 
Supervisor

CERTIFICATION

I, Elizabeth Paige, Secretary for the Board of Supervisors of The Township of Monroe, Snyder County, Pennsylvania, hereby attest and certify that the foregoing is a true and correct copy of Township Ordinance No. 2010-01, which was duly enacted at the regular meeting of the Board of Supervisors of Monroe Township on March 23, 2010.

A handwritten signature in cursive script, reading "Elizabeth Paige", written over a horizontal line.

Elizabeth Paige, Secretary



Township
Seal