

SHAMOKIN TOWNSHIP BOARD OF SUPERVISORS
NORTHUMBERLAND COUNTY, PENNSYLVANIA

ORDINANCE NO. 1995 - 1

AN ORDINANCE OF THE TOWNSHIP OF SHAMOKIN, AMENDING ORDINANCE NO. 1993-1, PROVIDING FOR THE AMENDMENT OF THE AFORESAID ORDINANCE SO AS TO BRING IT INTO COMPLIANCE WITH ACT NO. 1994-93, 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, PROVIDING FOR PENALTIES FOR VIOLATION AND SETTING FORTH PROCEDURES AND REQUIREMENTS PERTAINING TO SUCH INSURANCE PROCEEDS AND TO THE IMPLEMENTATION OF ACT 98 OF 1992, AS AMENDED BY ACT 93 OF 1994.

WHEREAS, the Township of Shamokin has enacted Ordinance No. 1993-1; and

WHEREAS, the Commonwealth of Pennsylvania has amended the enabling legislation by Act 93 of 1994, effective January 12, 1995; and

WHEREAS, the Township of Shamokin must amend Ordinance No. 1993-1 so as to be in compliance with Act 93 of 1994.

It is therefore ORDAINED and ENACTED by the Township of Shamokin as follows:

Section I.

Ordinance No. 1993-1 is hereby repealed in its entirety.

Section II.

The designated agent for the Township shall be the Tax Collector. In default of the Tax Collector, the alternate designated agent shall be the Secretary. The afore-referenced agents are hereby appointed as the designated officer and alternate, authorized to carry out all responsibilities and duties stated herein.

Section III.

No insurance company, association or exchange doing business in the Commonwealth of Pennsylvania shall pay a claim of a named insured for fire damage to a structure located within the Township of Shamokin where the amount recoverable for the fire loss to the structure under all policies exceeds Seven Thousand Five Hundred (\$7,500.00) Dollars, unless the insurance company, association or exchange is furnished with a certificate pursuant to Section 4 of this Ordinance and unless there is compliance with the procedure set forth in Sections 5 and 6 of this Ordinance.

Section IV.

- (A) The designated agent shall, upon the written request of the named insured specifying the tax description of the property, name and address of the insurance company, association or exchange and the date agreed upon by the insurance company, association or exchange and the named insured as the date of receipt of a loss report of the

claim, furnish the insurance company, association or exchange either of the following within fourteen (14) working days of the request:

- (1) a certificate or, at the direction of the municipality, a verbal notification which shall be confirmed in writing by the insurer to the effect that, as of the date specified in the request there are no delinquent taxes, assessments, penalties or user charges against the property and that, as of the date of the treasurer's certificate or verbal notification, no municipality has certified any amount as total costs incurred by the municipality for the removal, repair or securing of a building or other structure on the property; or
- (2) a certificate and bill showing the amount of delinquent taxes, assessments, penalties and user charges against the property as of the date specified in the request 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 the total costs, if any, certified to the treasurer that have been incurred by a municipality for the removal, repair or securing of a building or other structure on the property. For the purposes thereof, the municipality shall certify to the treasurer the total amount, if

any, of such costs. 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.

- (B) (1) Upon the receipt of a certificate pursuant to clause (A) (1) of this subsection, the insurance company, association or exchange shall pay the claim of the named insured in accordance with the policy terms, unless the loss agree to between the named insured and the company, association or exchange equals or exceeds sixty (60%) percent of the aggregate limits of liability on all fire policies covering the building or other structure. In the case of such a loss, the insurance company, association or exchange, the insured property owner and the municipality shall follow the procedures set forth in Sections V and VI of this Ordinance.
- (2) Upon the receipt of a certificate and bill pursuant to Subsection (A) (2) of this Ordinance, the insurance company, association or exchange shall return the bill to the treasurer and transfer to the treasurer an amount from the insurance proceeds necessary to pay the taxes, assessments, penalties, charges and costs as shown on the bill. The municipality shall

receive the amount and apply or credit it to payment of the items shown in the bill.

Section V.

When the loss agreed to between the named insured and the company, association or exchange equals or exceeds sixty (60%) percent of the aggregate limits of liability on all fire policies covering the building or other structure, the insurance company, association or exchange shall transfer from the insurance proceeds to the designated officer of the municipality in the aggregate Two Thousand (\$2,000.00) Dollars for each Fifteen Thousand (\$15,000.00) Dollars and each fraction of that amount of a claim, or, if at the time of a loss report the named insured has submitted a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure in an amount less than the amount calculated under the foregoing transfer formula, the insurance company, association or exchange shall transfer from the insurance proceeds the amount specified in the estimate. The transfer of proceeds shall be on a prorata basis by all companies, associations or exchanges insuring the building or other structure. Policy proceeds remaining after the transfer to the municipality shall be disbursed in accordance with the policy terms. The named insured may submit a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure after the transfer, and the designated officer shall return the amount of the fund 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. This section only applies to fire losses occurring after the adoption of this Ordinance.

Section VI.

Upon the receipt of proceeds by the municipality as authorized by this Ordinance, the designated officer shall place the proceeds in a separate fund to be used solely as security against the total cost of removing, repairing or securing incurred by the Township of Shamokin. When transferring the funds as required in Section V of this Ordinance, an insurance company, association or exchange shall provide the Township of Shamokin with the name and address of the named insured, whereupon the Township of Shamokin shall contact the named insured, certifying that the proceeds have been received by it and notify the named insured that the procedures under this Ordinance shall be followed. The fund shall be returned to the named insured when repairs, removal or securing of the building or other structure have been completed and the required proof received by the designated officer if the Township of Shamokin has not incurred any costs for repairs, removal or securing. If the Township of Shamokin has incurred costs for repairs, removal or securing of the building or other structure, the costs shall be paid from the fund, and, if excess funds remain, the Township of Shamokin shall transfer the remaining funds to the named insured. Nothing in this Ordinance shall be construed to limit the ability of the Township of Shamokin to recover any deficiency. Further, nothing in

this Ordinance shall be construed to prohibit the Township of Shamokin 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 VII.

Nothing in this Ordinance shall be construed to make an insurance company, association or exchange liable for an amount in excess of proceeds payable under its insurance policy or for any other act performed pursuant to this Ordinance or to make the Township of Shamokin or any public official an insured under a policy of insurance or to create an obligation to pay delinquent property taxes or unpaid removal liens or expenses other than as provided in this Ordinance.

Section VIII.

An exact copy of this Ordinance shall be filed with the Department of Community Affairs together with the name, position and phone number of the municipal officer responsible for compliance of this Ordinance.

Section IV.

The term "municipality", as used in this section, shall mean the Township of Shamokin. The term "designated officer" shall mean the tax collector or the Secretary of the Township, in the absence of the tax collector.

Section X.

This Ordinance shall be liberally construed to accomplish its purpose to deter the commission of arson and related crimes, to discourage the abandonment of property and to prevent blight and deterioration.

Section XI.

This Ordinance shall take effect immediately.

ATTEST:

SHAMOKIN TOWNSHIP BOARD OF
SUPERVISORS

Glen S. Herrings

Robert Ammerman

Norm P. Zimmerman

John T. Reigh