

ORDINANCE NO. 95-3

AN ORDINANCE OF WALKER TOWNSHIP, HUNTINGDON COUNTY, PENNSYLVANIA, PROVIDING THAT CERTAIN FIRE INSURANCE PROCEEDS SHALL BE PAID TO THE TOWNSHIP FOR CERTAIN MUNICIPAL CHARGES RELATING TO THE INSURED PROPERTY, PROVIDING THAT IN CERTAIN FIRE LOSSES, A PORTION OF THE INSURANCE PROCEEDS SHALL BE HELD FOR THE TOWNSHIP AS SECURITY AGAINST THE TOTAL COST OF REMOVING, REPAIRING OR SECURING THE DAMAGED BUILDING, PROVIDING FOR FEES FOR ADMINISTRATION, DESIGNATING AN OFFICER FOR ADMINISTRATION AND ESTABLISHING PENALTIES FOR VIOLATION.

BE IT ENACTED AND ORDAINED by the Supervisors of Walker Township, Huntingdon County, Pennsylvania, and it is hereby ENACTED AND ORDAINED by the authority of the same as follows:

SECTION 1

1.1 Compliance with Act 98 of 1992. This Ordinance of Walker Township, Huntingdon County, Pennsylvania, is intended to comply with the Act of July 9, 1992, P.L. 678, No. 98, Section 1, as amended, 40 P.S. Section 638. The provisions herein shall be interpreted to comply with said provisions and amendments.

1.2 Designated Officer. The Township Secretary is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties of Walker Township stated herein, other than the responsibilities and duties specifically assigned to the tax collector.

1.3 Duties of Insurance Companies, Associations and Exchanges. No insurance company, association or exchange (hereinafter the "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 Walker Township where the amount recoverable for the fire loss to the structure under all policies exceeds Seven Thousand Five Hundred and 00/100 (\$7,500.00) Dollars unless the insuring agent is furnished with a certificate pursuant to Section 1.4 of this Ordinance and unless in compliance with procedures set forth in this Ordinance.

1.4 Certification. The municipal tax collector shall, upon the written request of the named insured specifying the tax description of the property, name and address of the insuring agent, and the date agreed upon by the insuring agent and the named insured as the date of the receipt of a loss report of the claim, furnish the insuring agent either of the following within fourteen (14) days of the request:

1. A certificate, or at the discretion of the Township, a verbal notification which shall be confirmed in writing by the insuring agent, 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 tax collector'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 tax collector's certificate, the amount of the total costs, if any, certified to the tax collector that have been incurred by a municipality for the removal, repair or securing of a building or other structure on the property. The certification may also specify the payee(s) of amounts owed, including without limitation the tax collector, Tax Claim Bureau or Township. For the purpose of this subsection, the Township shall certify to the tax collector the total amount, if any, of such costs, as well as the amount of any delinquent taxes, assessment, penalties and user charges not otherwise available to the tax collector. 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.

1.5 Payment of Proceeds.

1. Upon the receipt of a certificate pursuant to Subsection 1.4.1 of this Ordinance, the insuring agent shall pay the claim of the

named insured in accordance with the policy terms, unless the loss agreed to between the named insured and the insuring agent 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 insuring agent, the insured property and the Township shall following the procedures set forth in Section 1.6 of this Ordinance.

2. Upon the receipt of a certificate and bill pursuant to Subsection 1.4.2 of this Ordinance, the insuring agent shall return the bill to the tax collector and transfer to the tax collector an amount from the insurance proceeds necessary to pay the taxes, assessments, penalties, charges and costs as shown on the bill, made payable as designated by the tax collector in the certificate and bill. The Township shall receive the amount and apply or credit it to the payment of the items shown on this bill.

1.6 Proceeds to be Escrowed. When the loss agreed upon by the named insured and the insuring agent equals or exceeds sixty (60%) percent of the aggregate limits of liability on all fire policies covering the building or other structure, the following procedures shall be followed:

1. The insuring agent shall transfer from the insurance proceeds to the designated officer of the Township in the aggregate Two Thousand and 00/100 (\$2,000.00) Dollars for each Fifteen Thousand and 00/100 (\$15,000.00) Dollars and each fraction of that amount of a claim unless Subparagraph 2 herein applies.

2. 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 insuring agent shall transfer from the insurance proceeds to the designated officer the amount specified in the estimate.

3. The transfer of proceeds shall be on a pro-rata basis by all insuring agents insuring the building or other structure.

4. When transferring proceeds to the Township, an insuring agent shall provide the Township with the name and address of the named insured.

5. Policy proceeds remaining after the transfer to the Township shall be disbursed in accordance with the policy terms.

6. 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 officer shall return the amount of the funds transferred to the Township in excess of the estimate to the named insured, if the Township has not commenced to remove, repair or secure the building or other structure.

7. This section applies only to fire losses that occur after the effective date of this Ordinance.

1.7 Use of Escrowed Proceeds. Upon receipt of proceeds under Section 1.6, the Township shall do the following:

1. 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 the building or other structure which are incurred by the Township. Such cost shall include, without limitation, any material, labor, engineering, legal or administrative costs incurred by the Township in connection with such removal, repair or securing of the building or any proceedings related thereto.

2. Upon receipt of the funds to be escrowed and the name and address of the named insured, the Township shall contact the named insured, certify that the proceeds have been received by the Township and notify the named insured that the procedures under this section shall be followed.

3. When repairs, removal or securing of the building or other structure have been completed and the required proof received by the designated officer, and if the Township has not incurred any costs for repairs, removal or securing, the fund shall be returned to the named insured.

4. If the Township has incurred costs for repairs, removal or securing of the building or other structure, the costs shall be paid from the fund. If excess funds remain, the Township shall transfer the remaining funds to the named insured.

5. Nothing in this Ordinance shall be construed to limit the ability of the Township to recover any deficiency.

6. Nothing in Section 1.7 of this Ordinance shall be construed to prohibit the Township 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.

1.8 Fees and Further Procedures by Resolution. The Supervisors of Walker Township may by resolution adopt procedures and regulations to implement Act 98 of 1992 as amended and this Ordinance may be resolution fix reasonable fees to be charged for Township activities or services provided pursuant to Act 98 of 1992 as amended and this Ordinance, including without limitation to issuance of certificates and bills, performance of inspections and opening separate fund accounts. Nothing in this section shall prohibit or limit the Township from recovering costs under Section 1.7 of this Ordinance, whether or not such costs or fees have been fixed by resolution.

1.9 Penalty for Violation. Any owner of property, any named insured, any insuring agent or any individual acting on behalf of an insuring agent who violates this Ordinance shall be subject to a penalty not exceeding One Thousand and 00/100 (\$1,000.00) Dollars per violation.

1.10 Severability. If any sentence, clause or section of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses or sections of this Ordinance. It is hereby declared as the intent of Walker Township that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

**SECTION 2**

Any ordinance or part of ordinance conflicting with this Ordinance is hereby repealed insofar as the same affects this Ordinance.

**SECTION 3**

This Ordinance shall take affect immediately upon adoption.

ENACTED AND ORDAINED at a meeting of the Supervisors of Walker Township, held this 5th day of JUNE, 1995.

**WALKER TOWNSHIP SUPERVISORS**

By: Elwood B. Kypers  
Chairman

By: George A. Law  
Supervisor

By: Donald K. Rink  
Supervisor

**ATTEST:**

Catherine J. King  
Secretary

(SEAL)