

TOWNSHIP OF NORTH UNION
FAYETTE COUNTY, PENNSYLVANIA

ORDINANCE NO. 3-2007

AN ORDINANCE OF THE TOWNSHIP OF NORTH UNION, FAYETTE COUNTY, PENNSYLVANIA, AS OF 2007, AS AMENDED BY ACT 93 OF 1994, PROVIDING THAT IN CERTAIN FIRE LOSSES THE INSURER HAVING A POLICY WITH RESPECT TO SUCH LOSS SHALL TRANSFER INSURANCE PROCEEDS TO THE TREASURER OF THE TOWNSHIP OF NORTH UNION TO BE USED TO PAY DELINQUENT TAXES AND OTHER MUNICIPAL CLAIMS OR HELD AS SECURITY AND USED TO PAY THE TOTAL COST OF REMOVING, REPAIRING OR SECURING THE DAMAGED BUILDING AND PROVIDING FOR FEES; SETTING FORTH RELATED PROCEDURES TO IMPLEMENT SAID ACT; AND PROVIDING FOR PENALTIES FOR VIOLATION.

BE IT ORDAINED AND ENACTED by the Board of Supervisors of North Union Township, Fayette County, Pennsylvania, pursuant to the general powers permitted by the Second Class Township Code (53 P. S. Section 65101) and Act 93 of 1994 (40 P. S. 638 et seq.), the following:

SECTION 1. USE OF FIRE INSURANCE PROCEEDS

1. No insurance company, association of exchange (hereinafter "insurer") 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 North Union, Fayette County, Pennsylvania, where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500.00, unless the insurer is furnished by the Township with a Certificate pursuant to Section 508(b) of the Insurance Company Law of 1921, as amended by Act 98 of 1992, and Act 93 of 1994 (collectively the "Act"), and unless there is compliance with the procedures set forth in Section 508(c) and 508(d) of the Act.

2. Where there are delinquent taxes, assessments, penalties or user charges against the property ("municipal claims"), or there are expenses which the Township has incurred as costs for removal, repair or securing of a building or other structure on the property (collectively "municipal expenses"), the Secretary of the Township shall immediately render a bill for such work, if not already done. Upon written request of the named insured specifying the description of the property, the name and address of the insurer and the date of receipt by the insurer of a loss report of the claim, the Township shall furnish a Certificate within fourteen (14) days after the request to the insurer either:

A. Stating that there are no unpaid municipal claims or municipal expenses against the property; or

B. Specifying the nature and amount of such claims or expenses, accompanied by a bill for such amounts.

Taxes, assessments, penalties and user charges shall be deemed delinquent for this purpose if a lien could have been filed for such claims under applicable law. Upon receipt of a Certificate and bill pursuant to subsection A of this section, the insurer shall transfer to the Secretary of the Township an amount from the insurance proceeds sufficient to pay said sums prior to making payment to the named insured, subject to the provisions of subsection 3 hereof.

3. When all municipal claims and municipal expenses have been paid pursuant to subsection 2 of this section or when the Township has issued a Certificate described in subsection 2A indicating that there are no municipal claims or municipal expenses against the property, the insurer shall pay the claim of the named insured provided, however, that if the loss agreed upon by the named insured and the insurer equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or structure, the following procedures must be followed:

A. The insurer shall transfer from the insurance proceeds to the Township Treasurer, in the aggregate, \$2,000.00 for each \$15,000.00 of such claim or fraction thereof.

B. If a loss report has been submitted by the insured to the insurer, with a copy to the Township, and a contractor's signed estimate of the cost of removing, repairing or securing the building or other structure is less than the amount calculated under the foregoing transfer formula, then in that event, the insurer shall transfer to the Secretary of the Township of North Union, from the insurance proceeds the amount specified in the contractor's estimate. If there is more than one insurer, the transfer of proceeds shall be on a pro-rata basis by all insurers covering the building or other structure in order to satisfy the contractor's estimate as submitted.

C. Upon receipt of the above-described portion of the insurance proceeds, the Secretary of the Township of North Union, Fayette County, Pennsylvania, shall do the following:

i. Place the proceeds in a separate fund to be used solely as security against the total municipal expenses anticipated by the Township to be required in removing, repairing or securing the building or structure as required by this Ordinance. Such costs shall include, without limitation, any engineering, legal or administrative costs incurred by the Township in connection with such removal, repair or securing or any proceedings related thereto;

ii. Mail to the named insured at the address received from the insurer a notice that the proceeds have been received by the Township and that the procedures under this subsection shall be followed;

iii. After the transfer, the named insured may submit to the Township of North Union, a contractor's signed estimate of the cost of removing, repairing or securing the building or other structure, in which event the Township Secretary shall, if such estimates deemed by the Township Secretary to be reasonable, return to the insured the amount of the funds transferred to the Township of North Union in excess of that amount required to pay the municipal expenses; provided, however, that the Township has not commenced to remove, repair or secure the building or other structure in which case the Township will complete the work;

iv. Pay to the Secretary of the Township for reimbursement to the Township General Fund, the amount of the municipal expenses paid by the Township.

v. Pay the remaining balance in the fund without interest to the named insured upon receipt of a Certificate issued by the Township that the repair, removal or securing of the building or other structure has been completed in accordance with all applicable Codes and Regulations of the Township.

vi. Nothing in this section shall be construed to limit the ability of the Township to recover any deficiency in the amount of municipal claims or municipal expenses recovered pursuant to this Ordinance, or to insurance proceeds, by an action at law or in equity to enforce the Township Codes or to enter into an agreement with the named insured with regard to such other disposition of the proceeds as the Township may deem responsible.

SECTION 2. LIMITS OF LIABILITY

Nothing in this Ordinance shall be construed to make an insurance company, association, or exchange liable for any 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 or any public official of the Township 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 3. 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 Township of North Union shall have full benefit of such payment including all rights of subrogation and of assignment.

SECTION 4. CONSTRUCTION

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 urban blight and deterioration.

SECTION 5. NOTIFICATION OF PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The Secretary of the Township of North Union shall transmit a certified copy of this Ordinance promptly to the Pennsylvania Department of Community and Economic Development.

SECTION 6. PENALTY

Any owner of property, any named insured or insurer who violates the provisions of this Ordinance, or who shall fail to comply with any of the requirements hereof shall be sentenced upon conviction thereof to pay a fine not greater than \$1,000.00 plus costs and in default of payment of said fine and costs to a term of imprisonment not to exceed thirty (30) days. Each day in which an offense shall continue shall be deemed a separate offense.

SECTION 7. SEVERABILITY

The provisions of this Ordinance are severable. If any sentence, clause or section of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such decision shall not affect the validity of any of the remaining provisions of this Ordinance. It is hereby declared as a legislative intent that this Ordinance would have been adopted had such unconstitutional, illegal or invalid provision been included herein.

SECTION 8. EFFECTIVE DATE

This Ordinance shall take effect five (5) days after the adoption thereof.

SECTION 9. REPEALER

Any ordinances, or parts of ordinances, in conflict herewith be and the same are hereby repealed.

ENACTED AND ORDAINED by the Board of Township Supervisors of
North Union Township, Fayette County, Pennsylvania, on the 13th
of NOV, 2007.

NORTH UNION TOWNSHIP SUPERVISORS

BY: Thomas Kumor
Thomas Kumor, Chairman

BY: Robert Tupta
Robert Tupta, Treasurer

ATTEST:

Curtis Matthews
Curtis Matthews, Secretary

(SEAL)

I hereby certify that the foregoing ordinance was advertised in
The Herald Standard on 11th day of Oct, 2007, a
newspaper of general circulation in the municipality and was duly
enacted and approved as set forth at a regular meeting of the North
Union Township Supervisors held on the 13th day of NOV,
2007.

Curtis Matthews
Curtis Matthews, Secretary

(SEAL)