

TOWNSHIP OF SPRING
BERKS COUNTY, PENNSYLVANIA

ORDINANCE NO. 244

AN ORDINANCE OF THE TOWNSHIP OF SPRING, BERKS COUNTY, PENNSYLVANIA AMENDING CHAPTER V, ENTITLED "BUILDINGS", OF THE CODIFICATION OF ORDINANCES OF THE TOWNSHIP OF SPRING, ENACTED AUGUST 25, 1975, AS AMENDED, BY CREATING A NEW PART 4 THEREOF, ENTITLED "INSURANCE-FIRE LOSS"; BY THEREIN PROVIDING FOR THE PAYMENT OF CERTAIN FIRE LOSS CLAIMS; SETTING FORTH PROCEDURES AND REQUIREMENTS PERTAINING TO INSURANCE PROCEEDS ARISING FROM FIRE LOSSES; PROVISIONS FOR THE PENALTIES FOR VIOLATION OF THE ORDINANCE AND FOR THE IMPLEMENTATION OF ACT NO. 1994-93 FOR THE USE AND BENEFIT OF THE SAID TOWNSHIP OF SPRING.

The Board of Supervisors of the Township of Spring, Berks County, Pennsylvania, enacts and ordains this Ordinance pursuant to the terms and provisions of Act No. 1994-93 which Act of Assembly amends Section 508 of the Act of May 17, 1921 (P.L. 682, No. 284) known as "The Insurance Company Law of 1921", added July 9, 1992 (P.L. 678, No. 98) and implemented by Act No. 1994-93, for this use and benefit of the Township of Spring, Berks County, Pennsylvania (the "Township") as follows:

SECTION 1. That Chapter V, entitled "Buildings" of the Codification of Ordinances of Township, enacted August 25, 1995, as amended, is amended by creating the following new Part 4 thereof:

"Part 4"

Insurance - Fire Loss

SECTION 200. Municipal Certificate Required Prior to Payment of Fire Loss Claims

(a) No insurance company, association or exchange doing business in this Commonwealth shall pay a claim of a named insured for fire damage to a structure located within Township where the amount recoverable for the fire loss to the structure under all policies exceeds seven thousand five hundred dollars (\$7,500.00) unless the insurance company, association or exchange is furnished with a certificate pursuant to subsection (b) of this section and unless there is compliance with the procedures set forth in subsections (c) and (d) of this section.

(b)(1) The treasurer of Township 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 the 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:

(i) a certificate or, at the discretion of Township, 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, Township has not certified any amount as total costs incurred by the Township for the removal, repair or securing of a building or other structure on the property; or

(ii) 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 treasurer's certificate, the amount of the total costs, if any, certified to the treasurer that have been incurred by Township for the removal, repair or securing of a building or other structure on the property. For the purposes of this subclause, Township 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 Township under applicable law.

(2)(i) Upon the receipt of a certificate pursuant to clause (1)(i) 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 agreed to between the named insured and the company, association or exchange equals or exceeds sixty per centum (60%) 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 Township shall follow the procedures set forth in subsections (c) and (d) of this section.

(ii) Upon the receipt of a certificate and bill pursuant to clause (1)(ii) of this subsection, 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. Township shall receive the amount and apply or credit it to payment of the items shown in the bill.

(c) When the loss agreed to between the named insured and the company, association or exchange equals or exceeds sixty per centum (60%) 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 Township in the aggregate of two thousand dollars (\$2,000.00) for each fifteen thousand dollars (\$15,000.00) 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 pro rata basis by all companies, associations or exchanges insuring the building or other structure. Policy proceeds remaining after the transfer to Township 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 Township has not commenced to remove, repair or secure the building or other structure. The duly appointed treasurer of Township is authorized to carry out the duties of this section.

(d) Upon receipt of proceeds by Township as authorized by this section, 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 Township. When transferring the funds as required in subsection (c) of this section, an insurance company, association or exchange shall provide Township

with the name and address of the named insured, whereupon Township shall contact the named insured, certify that the proceeds have been received by Township and notify 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. 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 Township has not incurred any costs for repairs, removal or securing. If Township 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, Township shall transfer the remaining funds to the named insured. Nothing in this section shall be construed to limit the ability of Township to recover any deficiency. Further, nothing in this subsection shall be construed to prohibit 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.

(e) Proof of payment by the insurance company, association or exchange of proceeds under a policy in accordance with subsection (c) of this section is conclusive evidence of the discharge of its obligation to the insured under the policy to the extent of the payment and of compliance by the company, association or exchange with subsection (c) of this section.

(f) Nothing in this section 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 section or to make Township or a public official of 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 section.

(g) An insurance company, association or exchange making payments of policy proceeds under this section for delinquent taxes or structure removal liens or removal expenses incurred by Township shall have a full benefit of such payment, including all rights of subrogation and of assignment.

(h) 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 within the confines of Township.

SECTION 201. Penalty. The Board of Supervisors of Township herewith prescribes fines and penalties not exceeding six hundred dollars (\$600.00) for each violation of this Ordinance, which fines and penalties may be collected by suit or summary proceedings brought in the name of Township before the appropriate district justice. Proceedings for the violation of this Ordinance may be commenced by warrant, or by summons, at the discretion of the district justice before whom the proceeding is begun. Upon judgment against any person, named insured, or other insuring entity by summary conviction, or by proceedings by summons on default of the payment of the fine or penalty imposed and the costs, the defendant may be sentenced and committed to the lockup of Township for a period not exceeding five (5) days, or to Berks County Prison for a period not exceeding thirty (30) days.

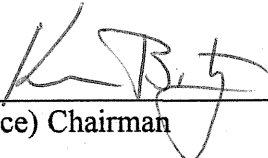
SECTION 202. Severability. The provisions of this Ordinance shall be severable, and if any of its provisions shall be held to be unconstitutional, illegal or otherwise invalid, such decision shall not

effect 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 otherwise invalid provision not been included.


SECTION 203. Effective Date. The terms and provisions of this Ordinance shall become effective five (5) days after the date of enactment of this Ordinance.

DULY ENACTED AND ORDAINED at a public meeting of the Board of Supervisors of the Township of Spring, Berks County, Pennsylvania held on the 27th day of March, 1995.

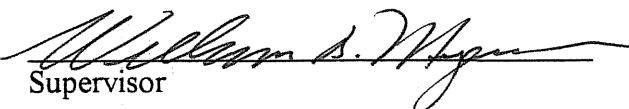
TOWNSHIP OF SPRING
BOARD OF SUPERVISORS



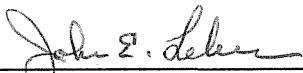
(Vice) Chairman

Attest: 


(Assistant) Secretary
SEAL



Supervisor



Supervisor



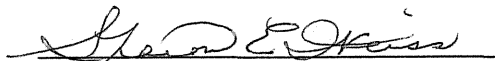
Supervisor



Supervisor

CERTIFICATION

I, SHARON E. WEISS, Manager/Secretary of the Township of Spring, Berks County, Pennsylvania, hereby certify that the foregoing Ordinance No. 244 of the Township of Spring is a true and correct copy of the original Ordinance No. 244 of the Township of Spring, enacted on March 27, 1995.


Sharon E. Weiss