

TOWNSHIP OF LACKAWAXEN
PIKE COUNTY, PENNSYLVANIA

ORDINANCE #61

AN ORDINANCE AUTHORIZING THE ESCROW OF FIRE INSURANCE PROCEEDS FROM FIRE DAMAGED PROPERTIES AS SECURITY FOR THE DEMOLITION, REPAIR, OR SECURING OF A FIRE DAMAGED STRUCTURE AS PROVIDED FOR IN ACT 98 OF 1992; DESIGNATING AN OFFICIAL TO MANAGE THE ESCROW FUND; AND AUTHORIZING CERTAIN PROCEDURES FOR THE HANDLING AND DISTRIBUTION OF THE INSURANCE PROCEEDS.

Be It Enacted and Ordained by the Board of Supervisors of Lackawaxen Township, Pike County, Pennsylvania, under the authority of the Second Class Township Code, Act of May 1, 1933 (P.L. 103, No. 69), reenacted and amended November 9, 1995 (P.L. 350, No. 60), as amended, and the Insurance Company Law of 1921 (P.L. 682, No. 284) as amended by Act 98 of 1992, as follows:

Section 1 Notice; Compliance

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 the Lackawaxen Township where the amount recoverable for the fire loss to the structure under all policies exceeds Ten Thousand Dollars (\$10,000.00) unless the provisions of this ordinance are complied with. It is the obligation of the Insuring Agent to provide Lackawaxen Township with the name and address of the named insured.

Section 2 Escrow Fund

If the aggregate loss agreed upon by the insured and the insurance company equals or exceeds sixty (60%) percent of the aggregate limits of all fire policies applicable to the damaged property, the Township shall receive One Thousand (\$1,000.00) Dollars for each Twenty Thousand (\$20,000.00) Dollars, and each fraction of that amount, of a claim. These funds shall be placed in a separate, interest-bearing escrow fund, to be used solely as security against the total cost of removing, repairing, or securing the fire damaged property, as incurred by the Township.

In the alternative, the amount to be placed in escrow may be based upon estimates for the cost of repair, demolition, or securing of the building, signed by a Contractor and submitted by the property owner, provided the named insured (property owner) and the insurance company have agreed on a proof of loss.

Section 3 Escrow Fund Management

The Township Treasurer is hereby designated as the township official responsible for the management of each escrow fund which is established under this Ordinance.

Section 4 Repair, Demolition, Removal

If the property owner repairs, demolishes and removes, or secures the fire damaged property, the Township Building Inspector shall inspect the property before funds held in escrow are released by the Township Treasurer. If the demolition, repairs, or securing of the property is not properly performed, the Township shall have the option to complete the work and to apply the escrow fund to the costs incurred by the Township.

Section 5 Township Costs

If the property owner fails to meet the requirements of applicable Township Ordinances, Regulations, and Codes, and the Township elects to perform the removal, repair, or securing of the fire damaged property, the funds held in escrow shall be applied to the costs incurred by the Township, together with any administrative charge incurred by the Township.

Section 6 Return of Unused Escrow Funds

After the structure is repaired, demolished, or secured to the satisfaction of the Township Building Inspector, the Township shall return any remaining unused escrow funds to the property owner. One half of the accrued interest shall be retained by the Township for the cost of administrating this Ordinance and the remaining accrued interest shall be paid to the property owner.

Section 7 Partial Release

Upon request from the property owner, the Township in its discretion may allow for the disbursement of some of the funds held in escrow to cover the costs associated with demolition and removal, repairs, or securing of the property.

Section 8 Escrow Deficiency

Nothing in this Ordinance shall prohibit the Township from recovering any deficiency in the costs incurred by it in the demolition, repair, or securing of the fire damaged property.

Section 9 Penalties and Remedies

Any person, partnership or corporation who or which shall violate or permit to be violated the provisions of this ordinance shall, upon being found guilty therefore in a proceeding brought by the Township before a District Justice, pay a fine of not more than one thousand (\$1,000.00) dollars plus all court costs, including reasonable attorneys fees incurred by a municipality as a result thereof. No fine shall commence or be imposed, levied or be payable until the date of the determination of the violation by a district justice. Each day that a violation is continued shall constitute a separate offense, unless the district justice that determines that a violation has occurred and further shall determine that there was a good faith basis for the defendant to have believed that there

was no such violation until the fifth day following the date of the determination by such district justice and thereafter every day shall constitute a separate offense. All fines and cost collected for the violation of this ordinance shall be paid over to the Township Supervisors.

Incase of any violation of this ordinance the Township Supervisors or, with the approval of the Township Supervisors, an officer of the Township, in addition to other remedies, may institute in the name of the Township any appropriate action or proceeding to prevent, restrain, correct, or abate such violation.

Section 10 Effective Date

This ordinance shall become effective immediately.

ENACTED AND ORDAINED into law by the Board of Supervisors of Lackawaxen Township, Pike County, Pennsylvania, on this 16 day of October 2002.

Brian Skat
John McGe
[Signature]

Attest:

Shawn Fox