

**PLEASANT TOWNSHIP, WARREN COUNTY,  
PENNSYLVANIA**

**ORDINANCE NO. 01-2021**

**FIRE INSURANCE ESCROW ORDINANCE FOR  
PLEASANT TOWNSHIP,  
WARREN COUNTY, PENNSYLVANIA**

**AND NOW**, this 26<sup>th</sup> day of October, 2021, the Supervisors of Pleasant Township, Warren County, Pennsylvania, do hereby enact and ordain as follows:

**WHEREAS**, the Board of Supervisors of Pleasant Township finds it necessary to establish a Fire Insurance Escrow for the removal, repair or securing of buildings within the Township damaged by fire, and the payment of delinquent taxes and other municipal claims, which is authorized by the Commonwealth of Pennsylvania Fire Insurance Escrow Act, Act 93 of 1994, P.L. 682, No. 284 Section 508, found at 40 P.S. 638, entitled "Municipal certificate required prior to payment of fire loss claims"; and

**WHEREAS**, the Board of Supervisors of Pleasant Township wishes to deter the commission of arson and related crimes, to discourage the abandonment of property and to prevent blight and deterioration; and

**WHEREAS**, in order to promote the preservation of peace and good order and to protect the public health, safety, welfare and property of all persons, the Township hereby adopts this Ordinance.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED** by the Board of Supervisors of Pleasant Township, Warren County, Pennsylvania, in accordance with statute noted above, as follows:

**SECTION 101: TITLE.**

This ordinance shall be known as the “Pleasant Township Fire Insurance Escrow Ordinance”.

**SECTION 102: SCOPE.**

The provisions of this Ordinance shall apply to all buildings located within the Township.

**SECTION 103: DEFINITIONS.**

The following words, terms and phrases when used in this Ordinance shall have the meaning ascribed to them in this Section, except where the context clearly indicates a different meaning:

TOWNSHIP – Pleasant Township, Warren County, Pennsylvania.

INSURER – Any insurance company, association or exchange doing business in the Commonwealth of Pennsylvania.

MUNICIPAL CLAIMS – Any delinquent taxes, assessments, penalties or user charges against the property.

MUNICIPAL EXPENSES – Any expenses which the Township has incurred as costs for removal, repair or securing of a building or other structure on the property.

TREASURER – The Treasurer of Pleasant Township, Warren County, Pennsylvania.

**SECTION 104: USE OF FIRE INSURANCE PROCEEDS.**

No insurer shall pay a claim of a named insured for fire damage to a structure located within the 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 insurer is furnished by the Treasurer with a Certificate certifying that there are no municipal claims or assessments against the subject property and unless there is compliance with the procedures set forth in Section 508(c) and 508(d) of the Act and Sections 105, 106 and 107 of this Ordinance.

**SECTION 105: TAX DELINQUENCIES AND EXPENSES.**

Where there are municipal claims or municipal expenses against the property, the Treasurer of the Township shall immediately render a bill for such claims and expenses, if not done so already. 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.

**SECTION 106: ISSUANCE OF CERTIFICATE.**

**Section 106.1:** Upon written request by 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 Treasurer of the Township shall furnish the insurer with a Certificate within fourteen (14) days after the request of the insured either:

**Section 106.1.1:** Stating that there are no unpaid municipal claims or municipal expenses against the property; or

**Section 106.1.2:** Specifying the nature and amount of such claims or expenses, accompanied by a bill for such amounts.

**SECTION 107: PAYMENT OF CLAIM AND ESCROW ACCOUNT.**

**Section 107.1:** When all municipal claims and municipal expenses have been paid pursuant to Sections 104, 105 and 106 of this Ordinance, and the insurer has received a Certificate stating such from the Treasurer pursuant to Section 106.1 of this Ordinance, 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 sixty percent (60%) of the aggregate limits of liability on all fire policies covering the building or structure, the following procedures must be followed:

**Section 107.1.1:** The insurer shall transfer from the insurance proceeds to the Treasurer, in the aggregate, Two Thousand Dollars (\$2,000.00) for each Fifteen Thousand Dollars (\$15,000.00) of such claim or fraction thereof.

**Section 107.1.2:** If at the time a loss report is submitted by the insured, such insured has submitted to the insurer, a contractor's signed estimate of the cost of removing, repairing or securing a building or other structure in an amount less than the amount calculated under the foregoing transfer formula, the insurer shall transfer to the Treasurer from the insurance proceeds



the amount specified in the estimate. If there is more than one insurer, the transfer of proceeds shall be on a pro-rata basis by all insurers insuring the building or other structure.

**Section 107.1.3:** Upon receipt of the above described portion of the insurance proceeds, the Treasurer shall do the following:

**Section 107.1.3.1:** 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.

**Section 107.1.3.2:** 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 section have been followed.

**Section 107.1.3.3:** After the transfer, the named insured may submit to the Township a contractor's signed estimate of the cost of removing, repairing or securing a building or other structure, in which event the Treasurer shall, if such estimate is deemed by the Treasurer to be reasonable, return to the insured the amount of the funds transferred to the Township 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.

**Section 107.1.3.4:** Pay to the Treasurer for reimbursement to the Township's General Fund, the amount of municipal expenses paid by the Township.

**Section 107.1.3.5:** Pay the remaining balance in the fund without interest to the named insured upon receipt of a Certificate by the Treasurer that the repair, removal or securing of the building or other structure has been completed in accordance with all applicable Codes, Regulations and Ordinances of the Township.

**Section 107.1.3.6:** Nothing in this Section shall be construed to limited 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 of law or in equity to enforce the Township Ordinance, 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 108: PROOF OF PAYMENT.**

Proof of payment by the insurer of proceeds under a policy in accordance with Section 107 of this Ordinance 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 insurer with Section 107 of this Ordinance.

**SECTION 109: LIMITS OF LIABILITY.**

Nothing in this Ordinance shall be construed to make an insurer 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 110: INSURANCE COMPANY RIGHTS RESERVED.**

An insurer making payment of policy proceeds under this Ordinance for delinquent taxes or structural removal liens or removal expenses incurred by the Township shall have full benefit of such payment including all rights of subrogation and of assignment.

**SECTION 111: 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 112: PENALTIES.**

Any person or entity, who shall violate any provision of this Ordinance, shall be, upon conviction thereof, sentenced to pay a fine of not more than One Thousand Dollars (\$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. In addition to any penalty imposed in accordance with this Ordinance, the property owner shall be required to correct the violation(s) of any and all applicable rules and regulations of the Township, which are discovered at the premises.

**SECTION 113: REPEAL OF ORDINANCES.**

Any ordinance, parts of ordinances, resolution or parts of resolutions conflicting with the provisions of this Ordinance are hereby repealed insofar as they are inconsistent with this Ordinance's provisions.

**SECTION 114: SAVINGS CLAUSE.**

The provisions of this Ordinance are hereby declared to be severable. If any clause, sentence, paragraph, section or subsection is declared void or inoperable for any reason by any Court, it shall not affect any other part or portion other than the part or portion declared void or inoperable.

**SECTION 115: EFFECTIVE DATE.**

This Ordinance shall become effective five (5) days after the date of its adoption.

*IN WITNESS WHEREOF*, the Supervisors of Pleasant Township have adopted and enacted this Ordinance the day and year first above written.

**PLEASANT TOWNSHIP SUPERVISORS**

ATTEST: (seal)

  
Secretary

By \_\_\_\_\_

By John R. Phillips

By [Signature]

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