

ORDINANCE NO. 2022-3186

AN ORDINANCE CLARIFYING CLAIMS UPON PROPERTY INSURANCE PROCEEDS; REPEALING CONCORDIA CODE SECTION 2-503; AND AMENDING THE CONCORDIA CODE BY ADDING A NEW SECTION 2-503.

BE IT ORDAINED by the governing body of the City of Concordia, Kansas:

SECTION 1. Section 2-503 of the Code of Ordinances of the City of Concordia is hereby repealed as of the effective date set forth below.

SECTION 2. The Code of Ordinances of the City of Concordia is hereby amended, by adding a new section 2-503, which shall read as follows:

2-503. Property Insurance Proceeds Fund.

(a) Scope and application.

1. The City is hereby authorized to utilize procedures established by K.S.A. 40-3901 et seq. to ensure structures damaged by natural or man-made causes are demolished or made safe in a timely manner. As such, the City hereby establishes a procedure for payment of 15% of the proceeds of any insurance policy for a covered claim made for damage or loss to a building or other structure which is in excess of 75% of the face value of the policy covering the building or other insured structure.
2. The insurer first shall pay all amounts due the holder of a first real estate mortgage against the building or other structure pursuant to the terms of the policy and endorsements thereto, and then shall withhold from the covered claim payment of a sum equal to 15% of the proceeds of insurance claim, and shall pay such monies to the City to deposit in an interest-bearing account, unless the City has issued a certificate pursuant to K.S.A. 40-3906, and amendments thereto.
3. The City shall release the insured's proceeds and any interest which has accrued on such proceeds received under subsection (a)2 within 45 days after receipt of such monies, unless the City has instituted legal proceedings under the provisions of K.S.A. 12-1752, and amendments thereto. If the city has proceeded under the provisions of K.S.A. 12-1752 and amendments thereto, all monies in excess of that necessary to comply with the provisions of K.S.A. 12-1752 et seq. and amendments thereto, for the removal of the building or structure, less salvage value, shall be paid to the insured.

(b) Lien created.

The city hereby creates a lien in favor of the city on the proceeds of any insurance policy based upon a covered claim payment made for the damage or loss to a building or other structure located within the city, caused by or arising out of any natural or man-made cause, where the amount recoverable for all the loss or damage to the building or structure under the policy is in excess of 75% of the face value of the policy covering such building or other insured structure. The lien arises upon any unpaid tax, special ad valorem levy, or any other charge imposed upon real property by or on behalf of the city which is an encumbrance on real property, whether or not evidenced by written instrument, or such tax, levy, assessment, expense or other charge that has remained undischarged for at least one year prior to the filing of a proof of loss.

SECTION 3. This ordinance shall be summarized for publication as follows:

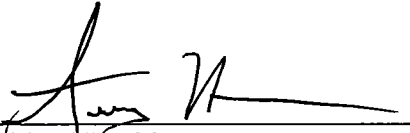
On April 6, 2022, the City of Concordia adopted Ordinance No. 2022-3186, amending the Concordia Code by amending Section 2-503, for the purpose of clarifying claims made upon property insurance proceeds. A reproduction of this ordinance will be available for not less than one week following the publication of this summary of the

ordinance at the website address of the City of Concordia, <http://www.concordiaks.org>.
This summary is certified by the city attorney to be legally accurate and sufficient.

SECTION 4. This ordinance shall be in full force and effect from and after its passage and publication of the above ordinance summary in the official city newspaper. The provisions hereof are severable, and in the event of invalidity, for any reason, of any portion of this ordinance, the remaining provisions of the ordinance shall remain in full force and effect, with the invalid provisions deemed excised.


PASSED by the governing body and signed by the mayor this 6th day of April, 2022.

(Seal)



Ashley Hutchinson
Mayor


ATTEST:



Stacey Smith
City Clerk

ORDINANCE CERTIFICATE

I hereby certify that the foregoing is an original ordinance; that said ordinance was passed on the 6th day of April, 2022; that the record of the final vote on its passage is found on page ____ of the minutes journal; that the ordinance summary was published in the Concordia Blade-Empire on the 8th day of April, 2022.


_____, City Clerk