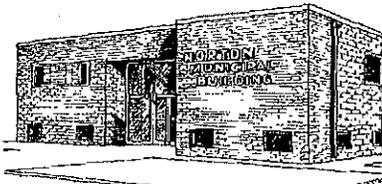


FAX



MAYOR: David N. Corns
 CITY ADMINISTRATOR: Rob Lawson
 CITY CLERK, CMC: Darla R. Ellis
 CITY ATTORNEY: Karen L. Griffiths
 CITY PROSECUTOR: Doug Sebelius
 CHIEF OF POLICE: Lynn Menagh
 FIRE CHIEF: Mitch Jones

City of Norton
P.O. Box 160
301 E. Washington
Norton, KS 67654-0160

To: State of Kansas—Dept of Insurance ATTN: Beth Gray FAX #: 785-291-3673	From: Darla Ellis, City Clerk City of Norton 301 E. Washington, P.O. Box 160 Norton, KS 67654-0160	Date: 08-04-2006 Number of Pages: 4 Phone: (785) 877-5000 Fax: (785) 877-5095
Remarks:		

Dear Beth:

Following is the City's fire lien ordinance which was passed in 1995. The City did not forward a copy to the State so that it could be included on the list of cities which have a fire lien ordinance.

Please add this on your website which shows the fire lien ordinances in Kansas. If you need any additional information, please contact me at your convenience. Thank you for your assistance in this matter.

Sincerely,

Darla R. Ellis

Darla Ellis
 City Clerk, CMC
 CITY OF NORTON

CITY OF NORTON, KANSAS
ORDINANCE NO. 1401

AN ORDINANCE RELATING TO THE REMOVAL OF FIRE AND
EXPLOSION DAMAGED STRUCTURES AND CREATING A FIRE
INSURANCE PROCEEDS FUND AND ENACTING A NEW ARTICLE 4
TO CHAPTER VII FIRE OF THE NORTON MUNICIPAL CODE.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF NORTON, KANSAS:

Section 1: A new Article 4, Chapter VII of the Norton Municipal Code is hereby enacted to read as follows:

7-401 SCOPE AND APPLICATION.

The City is hereby authorized to utilize the procedures established by K.S.A. 40-3901, et seq., whereby no insurance company shall pay a claim of a named insured for loss or damage to any building or other structure located within the City, arising out of any fire or explosion, where the amount recoverable for the loss or damage to the building or other structure under all policies is in excess of 75% of the face value of the policy covering such building or other insured structure, unless there is compliance with the procedures set out in this article.

7-402 PROCEDURE.

(a) When final settlement on a covered claim has been agreed to or arrived at between the named insured or insureds and the company or companies, and the final settlement exceeds 75% of the face value of the policy covering any building or other insured structure, and when 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, shall have been paid, the insurance company or companies shall execute a draft payable to the City Treasurer in an amount equal to the sum of \$5,000 or 10% of the covered claim payment, whichever is less, unless the building official of the City has issued a certificate to the insurance company or companies that the insured has removed the damaged building or other structure, as well as all associated debris, or repaired, rebuilt, or otherwise made the premises safe and secure.

(b) Such transfer of funds shall be on a pro-rata basis by all companies insuring the building or other structure. Policy proceeds remaining after the transfer to the City shall be disbursed in accordance with the policy terms.

(c) Upon the transfer of the funds as required by subsection (a) of this section, the insurance company shall provide the City with the name and address of the named insured or insureds, the total insurance coverage applicable to said building or other structure, and the amount of the final settlement agreed to or arrived at between the insurance company or companies and the insured or insureds, whereupon the building official shall contact the named insured or insureds

by registered mail, notifying them that said insurance proceeds have been received by the City and apprise them of the procedures to be followed under this article.

7-403 FUND CREATED; DEPOSIT OF MONEYS.

The City Treasurer is hereby authorized and shall create a fund to be known as the "Fire Insurance Proceeds Fund." All moneys received by the City Treasurer as provided for by this article shall be placed in said fund and deposited in an interest-bearing account.

7-404 BUILDING INSPECTOR; INVESTIGATION, REMOVAL OF STRUCTURE.

(a) Upon receipt of moneys as provided for by this article, the City Treasurer shall immediately notify the building official of said receipt, and transmit all documentation received from the insurance company or companies to the building official.

(b) Within 20 days of the receipt of moneys, the building official shall determine, after prior investigation, whether the City shall instigate proceedings under the provisions of K.S.A. 12-1750, et seq., as amended.

(c) Prior to the expiration of the 20 days established by subsection (b) of this section, the building official shall notify the City Treasurer whether he or she intends to initiate proceedings under K.S.A. 12-1750, et seq., as amended.

(d) If the building official has determined that proceedings under K.S.A. 12-1750, et seq., as amended shall be initiated, he or she will do so immediately, but no later than 30 days after receipt of the moneys by the City Treasurer.

(e) Upon notification to the City Treasurer by the building official that no proceedings shall be initiated under K.S.A. 12-1750, et seq., as amended, the City Treasurer shall return all such moneys received, plus accrued interest to the insured or insureds as identified in the communication from the insurance company or companies. Such return shall be accomplished within 30 days of the receipt of the moneys from the insurance company or companies.

7-405 REMOVAL OF STRUCTURE; EXCESS MONEYS.

If the building official has proceeded under the provisions of K.S.A. 12-1750, et seq., as amended, all moneys in excess of that which is ultimately necessary to comply with the provisions for the removal of the building or structure, less salvage value, if any, shall be paid to the insured.

7-406 SAME; LIEN CREATED.

If the building official, with regard to a building or other structure damaged by fire or explosion, determines that it is necessary to act under K.S.A. 12-1756, any proceeds received by the City Treasurer under the authority of Section 4-402(a) relating to that building or other structure shall

be used to reimburse the City or any expenses incurred by the City in proceeding under K.S.A. 12-1756. Upon reimbursement from the insurance proceeds, the building official shall immediately effect the release of the lien resulting therefrom. Should the expenses incurred by the City exceed the insurance proceeds paid over to the City Treasure under Section 4-402(a), the building official shall publish a new lien as authorized by K.S.A. 1756, in an amount equal to such excess expenses incurred.

7-407 EFFECT UPON INSURANCE POLICIES.

This article shall not make the City a party to any insurance contract, nor is the insurer liable to any party for any amount in excess of the proceeds otherwise payable under its insurance policy.

7-408 INSURERS; LIABILITY.

Insurers complying with this article or attempting in good faith to comply with this article shall be immune from civil and criminal liability and such action shall not be deemed in violation of K.S.A. 40-2404 and any amendments thereto, including withholding payment of any insurance proceeds pursuant to this article, or releasing or disclosing any information pursuant to this article.

Section 2. This ordinance shall take effect upon its publication in the official City newspaper.

PASSED by the Governing Body of the City of Norton, Kansas this 7th day of March, 1995.

James L. Miller
James L. Miller, Mayor

ATTEST:

Darla R. Ellis
Darla R. Ellis, City Clerk

1st Rdg: 01-17-95
2nd Rdg: 02-07-95
3rd Rdg: 03-07-95