

ORDINANCE NO. 718

AN ORDINANCE CONCERNING PAYMENT OF INSURANCE PROCEEDS.

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

Section 1. Amendment. That Section 8-701 of the Code of the City of Ogden, Kansas, is hereby amended to read as follows:

8-701. 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, where the amount recoverable for the loss or damage to the building or other structure under all policies is in excess of 75 percent 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 ordinance.

Section 2. Amendment. That Section 8-702 of the Code of the City of Ogden, Kansas, is hereby amended to read as follows:

8-702. LIEN CREATED. The governing body of 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 damage or loss to a building or other structure located within the city, where the amount recoverable for all the loss or damage to the building or other structure under all policies is in excess of 75 percent of the face value of the policy(s) 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. Amendment. That Section 8-707 of the Code of the City of Ogden, Kansas, is hereby amended to read as follows:

8-707. BUILDING INSPECTOR; INVESTIGATION, REMOVAL OF STRUCTURE.

- (a) Upon receipt of moneys as provided for by this ordinance, the city treasurer shall immediately notify the chief building inspector of said receipt, and transmit all documentation received from the insurance company or companies to the chief building inspector.
- (b) Within 30 days of the receipt of said moneys, the chief building inspector 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 30 days established by subsection (b) of this ordinance, the

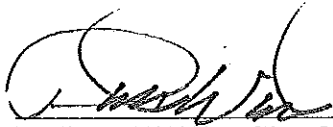
chief building inspector shall notify the city treasurer whether he or she intends to initiate proceedings under K.S.A. 12-1750 et seq., as amended.

(d) If the chief building inspector 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 45 days after receipt of the moneys by the city treasurer.

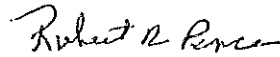
(e) Upon notification to the city treasurer by the chief building inspector that no proceedings shall be initiated under K.S.A. 12-1750 et seq., as amended, the city treasurer shall return all such moneys received, plus accrued interest, to the insured or insureds as identified in the communication from the insurance company or companies. Such return shall be accomplished within 45 days of the receipt of the moneys from the insurance company or companies.

Section 4. EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its adoption and publication in the official city newspaper.

PASSED AND ADOPTED THIS 7th DAY OF DECEMBER, 2016, BY THE GOVERNING BODY OF THE CITY OF OGDEN, KANSAS.



DAVID WARD, City Clerk



ROBERT PENCE, Mayor

