**Establishing a Fire Escrow Account, LMC Model Resolution**

*League staff thoughtfully develops models for your city’s consideration. Models should be customized as appropriate for an individual city’s circumstances in consultation with the city’s attorney. Helpful background information on this model may be found in* [*“Dangerous Properties.”*](https://www.lmc.org/resources/dangerous-properties/)

**This icon marks places where the city must customize the model. They offer additional provisions, optional language, or comments for your consideration. The icon, and language you do not wish to include, should be deleted from this model before use. Make other changes, as needed, to customize the model for your city.**

**RESOLUTION NO.** \_\_\_\_\_

**A RESOLUTION ESTABLISHING A FIRE ESCROW ACCOUNT PURSUANT TO**

**Minn. Stat. § 65A.50**

**WHEREAS,** Minn. Stat. § 65A.50 (“the statute”) authorizes a city to establish a trust or escrow account to receive a portion of insurance settlement proceeds from a claim on real property located in the city that is damaged by fire or explosion.

**WHEREAS,** the proceeds received by the city are used as security to ensure that the damaged property is repaired, replaced, removed, or demolished and brought into compliance with city ordinances.

 *If the city has a code of ordinances, substitute the word “code.”*

**WHEREAS,** the city finds that damaged structures may violate existing health or safety standards which endanger the public health, safety, and welfare if the damaged structures are not repaired, replaced, or removed.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_, MINNESOTA AS FOLLOWS:

1. That pursuant to Minn. Stat. § 65A.50, the City Council of \_\_\_\_\_\_\_\_\_\_\_ does hereby establish an escrow account to receive a portion of insured real property fire or explosion settlement proceeds as prescribed by the statute.
2. That the City of \_\_\_\_\_\_\_\_\_\_\_ intends to uniformly apply Minn. Stat. § 65A.50 with respect to all property located within the city.
3. That the city \_\_\_\_\_\_\_\_\_\_\_ be authorized to proceed to establish the escrow account as provided for in the statute.

*Designate which employee or employees will be responsible for establishing the account, such as the city clerk, administrator, manager, treasurer, finance officer, etc.*

1. That the city \_\_\_\_\_\_\_\_\_\_\_ give the required written notification to the commissioner of Commerce of the city’s intention to apply Minn. Stat. § 65A.50 and the establishment of the escrow account.

*Designate which employee or employees will be responsible for notifying the commissioner of commerce, such as the city clerk, administrator, manager, treasurer, finance officer, etc.*

1. That the city \_\_\_\_\_\_\_\_\_\_\_ is authorized to execute affidavits certifying violations of health and safety standards as required by Minn. Stat. § 65A.50, subd. 3.

*Designate which employee or employees will be responsible for executing affidavits certifying violations of health and safety standards, such as the fire chief, building inspector, etc.*

1. That the city \_\_\_\_\_\_\_\_\_\_\_ is authorized to receive reasonable proof that damaged or destroyed portions of an insured structure are repaired, replaced, or removed or that an insured has entered into a contract for repair, replacement, or removal of the damaged portions as required by Minn. Stat. § 65A.50, subd. 6.

*Designate which employee or employees will be responsible for receiving reasonable proof, such as the fire chief, building inspector, etc.*

Passed by the City Council of \_\_\_\_\_\_\_, Minnesota this \_\_\_\_\_ day of Month, Year.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mayor

Attested:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City Clerk