

**LEGAL NOTICE  
CITY OF ONEIDA  
LOCAL LAW NO. 2 of 2026**

The Common Council of the City of Oneida, Madison County, State of New York, pursuant to the authority vested in it by law does hereby enact Local Law No. 2 of 2026 amending Chapter 80, titled "Insurance," of the Code of the City of Oneida as follows:

**CITY OF ONEIDA**

**A LOCAL LAW AMENDING CHAPTER 80, TITLED "INSURANCE," OF THE CODE OF THE CITY OF ONEIDA**

**Be it enacted by the Common Council of the City of Oneida as follows:**

**Section 1. AUTHORITY.**

This local law is enacted pursuant to the New York State Constitution and New York Municipal Home Rule Law §10.

**Section 2. PURPOSE.**

This City of Oneida finds that it is essential to the public health, safety and welfare that once a fire has damaged or destroyed a building, cleanup must occur, and when necessary, demolition and removal of buildings and debris from the premises by the property owner. The intent of this Local Law is to compel property owners to clean up properties and where necessary complete demolition and removal of buildings and debris before collecting insurance proceeds pursuant to §22 of the General Municipal Law.

**Section 3. AMENDMENT OF THE CODE OF THE CITY OF ONEIDA CHAPTER 80, ARTICLE I**

So that Chapter 80, Article I of the City Code of the City of Oneida, titled "Use of Fire Insurance Proceeds to Satisfy Municipal Liens," be amended to read in its entirety as follows:

**"§80-1 Notice of Intention to Claim.**

Whenever the City of Oneida has an existing lien for taxes, special ad valorem taxes, special assessments or municipal charges arising by operation of law against real property, as defined in §22 of the General Municipal Law, which have remained undischarged for a period of one year or more and there is fire damage to the real property for which a claim for proceeds of a fire insurance policy insuring the interests of an owner of the real property may be made, the City Chamberlain, or their designee, shall file a notice of intention to claim against the proceeds of fire insurance policies with the State Superintendent of Insurance for entry in accordance with §22 of the General Municipal Law, the New York State Insurance Law and all rules and regulations promulgated by the New York State Department of Insurance with respect to this procedure.

### **§80-2 Conflict with Other Provisions.**

The provisions of this Article shall not be deemed or construed to alter or impair the right of the City to acquire or enforce any lien against property but shall be in addition to any other power provided by law to acquire or enforce such right.

### **§80-3 Release of Proceeds.**

Whenever the proceeds of a policy of fire insurance will be or have been paid to the City instead of an insured, all or part of such proceeds may be paid or released to the insured if the insured satisfies to the City Chamberlain, or a designee thereof, that the affected premises have been or will be repaired or restored, that such repairs or restoration are in the public interest, and the insured is issued and complies with an agreement entered into pursuant to this Article. To secure such payment or release of proceeds the insured must notify the City Chamberlain, or a designee thereof, within 30 days after the mailing to the insured of a notice of the service of the certificate of special lien pursuant to this Article, of the intention to restore or repair the affected premises and must file with the City Chamberlain, or a designee thereof, a completed application with all required supporting documentation, unless the City Chamberlain, or a designee thereof, grants an extension for a stated period of time.

### **§80-4 Conditions of Release of Proceeds.**

The release or return to the insured of any amount to which he or she or it would otherwise be entitled to claim shall be subject to the following conditions:

- A. Such release or return shall be subject to the repair or restoration of the affected premises, in accordance with applicable building laws, to the condition it was in prior to the time the lien of the City of Oneida arose, or to an improved condition.
- B. The insured shall file with the City Chamberlain, or a designee thereof, an application, in affidavit form, with such supporting documentation as the City Chamberlain, or a designee thereof, shall require, containing the following:
  - 1) A complete description of the nature and extend of the damage to the insured premises and of the condition of the premises prior to the time the lien of the City arose;
  - 2) A complete description of the nature of the repairs or restoration to be undertaken and the cost thereof;
  - 3) A statement as to the source of funds needed to complete such repairs or restoration if the insurance proceeds are not sufficient therefor;
  - 4) The name and address of each contractor who will effect such repairs or restoration;
  - 5) An estimated time schedule showing how long the repairs or restoration, and each phase thereof, will take; and
  - 6) Such other information as may be required by the City to enable it to determine whether the repairs or restoration are in the public interest and will be or have been timely and properly made.

- C. Upon a preliminary approval of an application by the City Chamberlain, or a designee thereof, and the Code Enforcement Officer and/ or Fire Marshal, the City Chamberlain, or a designee thereof, may enter into a written agreement with the insured, which shall set forth the terms and conditions for the release and return of all or part of the proceeds, and the City Chamberlain, or a designee thereof, is hereby authorized to enter into such an agreement of behalf of the City of Oneida.
- D. The repairs or restoration required by the City Chamberlain, or a designee thereof, upon the advice and recommendation of the Code Enforcement Officer and/ or Fire Marshal, shall be completed in compliance with the terms and conditions of the agreement prior to the release or return of any part of the insurance proceeds; provided, however, that the City Chamberlain, or a designee thereof, may, upon the written request of the insured and in its sole discretion, approve a prior release of such proceeds or a portion thereof, in a lump sum or installments, where the insured certifies and demonstrates that such release is required to permit such repairs or restoration to go forward. Any such insurance proceeds released or returned prior to the completion of the repairs or restoration required by the City Chamberlain, or a designee thereof, may be paid directly to the contractors responsible for making such repairs or restoration. Such payment shall, to the extent thereof, release the City Chamberlain, or a designee thereof, from further liability to the insure.
- E. Whenever the City Chamberlain, or a designee thereof, releases the entire amount of the proceeds prior to compliance with the terms and conditions of the agreement, the insured shall post an undertaking in an amount sufficient to assume the restoration or improvement of the property.

**§80-5 Termination of the Right of Insured to Assert Claim.**

If the insured (1) fails to notify the City of his or her or its intention to repair or restore the affected premises, (2) fails to file a completed application pursuant to this Article, or (3) fails to enter into an agreement with the City Chamberlain, or a designee thereof, or comply therewith within the time set forth, the right of the insured to assert a claim against the insurance proceeds, except to the extent they exceed the amount of the lien, shall terminate.

**§80-6 Fund for Insurance Proceeds.**

There shall be established in the City a fund for the deposit of fire insurance proceeds to be held and applied in accordance with this Article. Such funds shall not be held together with the general tax levies in the general fund.

**§80-7 Disposition of Funds.**

Until such termination, any insurance proceeds received by the City of Oneida shall be deposited in a special fund and shall be retained therein. Upon termination of the insured's right to claim against the proceeds, the proceeds and any interest accrued thereon shall be applied to the liens affecting the premises in a manner to be determined by the City Chamberlain, or a designee thereof, and may be transferred to the general fund.

**§80-8 Continuance of Liens in Effect Until Paid.**

The lien or liens against the affected premises upon which the special lien against proceeds is based shall continue in full force and effect, except that such lien or liens are or have been paid.

**§80-9 Purpose of Agreements**

Any agreement entered into by the City Chamberlain, or a designee thereof, pursuant to this Article shall be for the purpose of preserving and evidencing the right of release of the special lien created pursuant to this procedure and shall be subject solely to the provisions of this Chapter. Any repair or restoration performed in anticipation of a release of insurance proceeds shall not be deemed to be a public work or City project nor to have been done pursuant to a City contract.”

**Section 4. SEVERABILITY.**

If any clause, sentence, paragraph, subdivision, or part of this Local Law shall be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or part thereof directly involved in the controversy.

**Section 5. EFFECTIVE DATE.**

This Local Law shall take effect immediately upon filing with the Secretary of State in accordance with the provisions of the New York State Municipal Home Rule Law.”

SANDRA L. LAPERA  
CITY CLERK  
Adopted May 19, 2026