

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2386 Session of 2020

INTRODUCED BY MEHAFFIE, KAUFER, QUINN, SCHLOSSBERG, RADER, STAATS, BURGOS, DeLUCA, STEPHENS, MALAGARI, RYAN, READSHAW, DONATUCCI, NEILSON, KEEFER, FRANKEL, ZABEL AND DEASY, APRIL 6, 2020

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 27, 2020

AN ACT

1 ~~Providing for COVID-19 disaster emergency business interruption grants.~~ <--

2
3 PROVIDING FOR BUSINESS INTERRUPTION INSURANCE ASSISTANCE AND FOR <--
4 POWERS AND DUTIES OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC
5 DEVELOPMENT.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 ~~Section 1. Short title.~~ <--

9 ~~This act shall be known and may be cited as the COVID-19~~
10 ~~Disaster Emergency Business Interruption Grant Act.~~

11 ~~Section 2. Definitions.~~

12 ~~The following words and phrases when used in this act shall~~
13 ~~have the meanings given to them in this section unless the~~
14 ~~context clearly indicates otherwise:~~

15 ~~"Business." Any business, industry or trade operating with a~~
16 ~~physical location in this Commonwealth, regardless of whether~~
17 ~~that physical location is open to the public.~~

18 ~~"COVID-19 disaster emergency." The proclamation of disaster~~

1 ~~emergency issued by the Governor on March 6, 2020, published at~~
2 ~~50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of~~
3 ~~disaster emergency.~~

4 ~~"Department." The Department of Community and Economic~~
5 ~~Development of the Commonwealth.~~

6 ~~"Grant." A grant awarded under the COVID 19 Disaster~~
7 ~~Emergency Business Interruption Grant Program established under~~
8 ~~section 3(a).~~

9 ~~Section 3. COVID 19 Disaster Emergency Business Interruption~~
10 ~~Grant Program.~~

11 ~~(a) Establishment. The COVID 19 Disaster Emergency Business~~
12 ~~Interruption Grant Program is established within the department~~
13 ~~to provide funding for the continuing operation of businesses~~
14 ~~during and after the COVID 19 disaster emergency. The department~~
15 ~~shall award, to the extent that money is appropriated to the~~
16 ~~department for the purpose, grants to eligible businesses as~~
17 ~~provided under this section.~~

18 ~~(b) Eligibility. A business shall be eligible for a grant~~
19 ~~under this section if:~~

20 ~~(1) The business has submitted an insurance claim under~~
21 ~~a business interruption insurance policy and the insurance~~
22 ~~claim was denied prior to applying for a grant.~~

23 ~~(2) The business demonstrates in its application that~~
24 ~~the business has been adversely impacted by the COVID 19~~
25 ~~disaster emergency.~~

26 ~~(3) The business is based in this Commonwealth and~~
27 ~~employs not more than 200 individuals.~~

28 ~~(c) Grant amount. A grant may not exceed the amount of the~~
29 ~~insurance claim submitted by the business under subsection (b)~~
30 ~~(1).~~

1 ~~(d) Application. A business may apply for a grant for the~~
2 ~~duration of the COVID-19 disaster emergency and for 60 days~~
3 ~~after the COVID-19 disaster emergency is terminated by executive~~
4 ~~order, proclamation or operation of law. The application shall~~
5 ~~be in a form and manner determined by the department.~~

6 ~~(e) Conditions. If a business receives a grant, the~~
7 ~~business must remain open and not lay off any employees for the~~
8 ~~duration of the COVID-19 disaster emergency. If a business that~~
9 ~~receives a grant does not comply with this subsection, the~~
10 ~~business shall repay the amount of the grant plus 10%.~~

11 ~~(f) Rules and regulations. The department shall promulgate~~
12 ~~rules and regulations necessary to implement the provisions of~~
13 ~~this section.~~

14 ~~(g) Annual report. Within 90 days of the end of the fiscal~~
15 ~~year, the department shall prepare an annual report to the~~
16 ~~chairperson and minority chairperson of the Appropriations~~
17 ~~Committee of the Senate and the chairperson and minority~~
18 ~~chairperson of the Appropriations Committee of the House of~~
19 ~~Representatives. The report, which shall be for the immediately~~
20 ~~preceding fiscal year, shall include the number of businesses~~
21 ~~that applied for the grant and the funds appropriated to each~~
22 ~~business.~~

23 ~~Section 4. Effective date.~~

24 ~~This act shall take effect immediately.~~

25 SECTION 1. SHORT TITLE.

26 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE BUSINESS
27 INTERRUPTION INSURANCE ASSISTANCE ACT.

28 SECTION 2. PURPOSE.

29 THE PURPOSE OF THIS ACT IS TO ESTABLISH A PROGRAM WITHIN THE
30 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO ENCOURAGE

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1 BUSINESSES TO ACQUIRE BUSINESS INTERRUPTION INSURANCE COVERAGE
2 FROM AN INSURANCE PROVIDER FOR ASSISTANCE WITH EXPENSES IN THE
3 EVENT A BUSINESS IS IMPACTED BY A PERIL AND TO PROVIDE BUSINESS
4 INTERRUPTION INSURANCE FINANCIAL ASSISTANCE, SUBJECT TO THE
5 AVAILABILITY OF FUNDING, TO ELIGIBLE BUSINESSES FOR BUSINESS
6 INTERRUPTION INSURANCE PREMIUM COSTS.

7 SECTION 3. DEFINITIONS.

8 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
9 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
10 CONTEXT CLEARLY INDICATES OTHERWISE:

11 "BUSINESS." AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY
12 COMPANY, LIMITED LIABILITY PARTNERSHIP, PARTNERSHIP,
13 ASSOCIATION, JOINT STOCK COMPANY, TRUST, UNINCORPORATED
14 ORGANIZATION, SOLE PROPRIETOR, SIMILAR ENTITY OR COMBINATION OF
15 THE FOREGOING ACTING IN CONCERT.

16 "BUSINESS INTERRUPTION INSURANCE." AN INSURANCE POLICY
17 ISSUED BY STOCK FIRE, STOCK MARINE, STOCK FIRE AND MARINE OR
18 STOCK CASUALTY INSURANCE COMPANY AS INCORPORATED UNDER SECTION
19 202(C), (D), (E), (F) OR (G) OF THE ACT OF MAY 17, 1921
20 (P.L.682, NO.284), KNOWN AS THE INSURANCE COMPANY LAW OF 1921,
21 TO ASSIST WITH DAMAGES INCURRED BY A BUSINESS.

22 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
23 DEVELOPMENT OF THE COMMONWEALTH.

24 SECTION 4. BUSINESS INTERRUPTION INSURANCE ASSISTANCE PROGRAM.

25 (A) ESTABLISHMENT.--THE DEPARTMENT, IN CONSULTATION WITH THE
26 INSURANCE DEPARTMENT, SHALL ESTABLISH A PROGRAM TO EDUCATE
27 BUSINESSES ON THE BENEFITS OF BUSINESS INTERRUPTION INSURANCE
28 COVERAGE. THE BUSINESS INTERRUPTION INSURANCE ASSISTANCE PROGRAM
29 SHALL PROMOTE THE PURCHASE OF BUSINESS INTERRUPTION INSURANCE
30 AND MAY PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE BUSINESSES TO

1 PARTIALLY OFFSET BUSINESS INTERRUPTION INSURANCE PREMIUMS. THE
2 PROVISION OF FINANCIAL ASSISTANCE SHALL BE SUBJECT TO THE
3 AVAILABILITY OF FUNDING.

4 (B) POWERS AND DUTIES OF DEPARTMENT.--THE DEPARTMENT SHALL
5 HAVE THE FOLLOWING POWERS AND DUTIES:

6 (1) THE DEPARTMENT SHALL ADMINISTER THE BUSINESS
7 INTERRUPTION INSURANCE ASSISTANCE PROGRAM ESTABLISHED UNDER
8 SUBSECTION (A) AND SHALL EXERCISE ALL ADMINISTRATIVE POWERS
9 NECESSARY TO EFFECTUATE THE PURPOSES OF THIS SECTION,
10 INCLUDING, BUT NOT LIMITED TO, DRAFTING AND ENTERING INTO
11 AGREEMENTS NECESSARY TO IMPLEMENT THIS SECTION, ESTABLISHING
12 ELIGIBILITY CRITERIA FOR BUSINESS INTERRUPTION INSURANCE
13 FINANCIAL ASSISTANCE AND DEVELOPING AN APPLICATION AND
14 APPLICATION PROCEDURE FOR BUSINESS INTERRUPTION INSURANCE
15 FINANCIAL ASSISTANCE, INCLUDING TIME FRAMES FOR THE
16 SUBMISSION, REVIEW AND APPROVAL OF APPLICATIONS.

17 (2) THE DEPARTMENT MAY DRAFT AND ENTER INTO AGREEMENTS
18 WITH FEDERAL AGENCIES, OTHER STATE AGENCIES AND PRIVATE
19 ENTITIES AS NECESSARY TO IMPLEMENT THIS SECTION.

20 (3) THE DEPARTMENT, IN CONSULTATION WITH THE INSURANCE
21 DEPARTMENT, SHALL ISSUE GUIDELINES TO IMPLEMENT THIS SECTION.

22 (C) BUSINESS INTERRUPTION INSURANCE FINANCIAL ASSISTANCE.--
23 THE DEPARTMENT MAY PROVIDE BUSINESS INTERRUPTION INSURANCE
24 FINANCIAL ASSISTANCE TO ELIGIBLE BUSINESSES IN AN AMOUNT UP TO
25 10% OF THE COST OF THE INSURANCE PREMIUMS IN YEARS IN WHICH
26 FUNDS ARE APPROPRIATED OR MADE AVAILABLE TO THE DEPARTMENT. IF
27 SUFFICIENT FUNDS ARE NOT AVAILABLE TO PROVIDE FOR UP TO 10% OF
28 THE COST OF THE INSURANCE PREMIUMS, THE DEPARTMENT SHALL PRORATE
29 THE AVAILABLE FUNDS AMONG ALL THE BUSINESSES WHO APPLIED FOR AND
30 RECEIVED BUSINESS INTERRUPTION INSURANCE FOR THE FISCAL YEAR.

1 (D) FUNDING.--THE DEPARTMENT IS AUTHORIZED TO USE FUNDS
2 SPECIFICALLY APPROPRIATED BY THE GENERAL ASSEMBLY FOR THE
3 PURPOSES OF THIS SECTION AND ANY FUNDS, CONTRIBUTIONS OR
4 PAYMENTS WHICH MAY BE MADE AVAILABLE TO THE DEPARTMENT BY THE
5 FEDERAL GOVERNMENT, ANOTHER STATE AGENCY OR ANY PUBLIC OR
6 PRIVATE SOURCE FOR THE PURPOSE OF IMPLEMENTING THIS SECTION.

7 (E) REPORT.--THE DEPARTMENT SHALL ANNUALLY SUBMIT A REPORT
8 THAT PROVIDES DETAILS OF THE DEPARTMENT'S EXPENDITURES,
9 INCLUDING ADMINISTRATIVE EXPENDITURES, UNDER THIS SECTION TO THE
10 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE COMMUNITY, ECONOMIC
11 AND RECREATIONAL DEVELOPMENT COMMITTEE OF THE SENATE, THE
12 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE BANKING AND
13 INSURANCE COMMITTEE OF THE SENATE, THE CHAIRPERSON AND MINORITY
14 CHAIRPERSON OF THE COMMERCE COMMITTEE OF THE HOUSE OF
15 REPRESENTATIVES AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF
16 THE INSURANCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES.
17 SECTION 5. EFFECTIVE DATE.

18 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.