

**SENATE . . . . . No. 1356**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Michael F. Rush***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to promote business continuity and recovery after a disaster.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Michael F. Rush</i>	<i>Norfolk and Suffolk</i>	
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	<i>2/1/2017</i>

**SENATE . . . . . No. 1356**

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By Mr. Rush, a petition (accompanied by bill, Senate, No. 1356) of Michael F. Rush and Paul  
McMurtry for legislation to promote business continuity and recovery after a disaster. Public  
Safety and Homeland Security.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 1558 OF 2015-2016.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act to promote business continuity and recovery after a disaster.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority  
of the same, as follows:*

1           SECTION 1. Notwithstanding the provisions of any other general or special law to the  
2 contrary, for the purposes of the act, the following terms shall have the following meanings:-

3           “Business Continuity Plan (BCP)”, a document containing the recovery timeline  
4 methodology, test-validated documentation, procedures, and action instructions developed  
5 specifically for use in restoring organization operations in the event of a declared disaster. To be  
6 effective, most Business Continuity Plans also require testing, skilled personnel, access to vital  
7 records, and alternate recovery resources including facilities.

8           “Disaster” or “emergency”, an occurrence such as a hurricane, tornado, flood,  
9 earthquake, explosion, hazardous materials accident, war, transportation accident, act of

10 terrorism, mass shooting, fire, famine, or epidemic that causes human suffering or creates human  
11 need that the victim cannot alleviate without assistance.

12 SECTION 2. Chapter 63 of the General Laws, as appearing in the 2014 Official Edition,  
13 is hereby amended by inserting at the end thereof the following new section:-

14 Section 38GG. (a) In determining the net income subject to tax under this chapter a  
15 domestic or foreign business corporation, at its election, may deduct an amount equal to one half  
16 of the expenditures paid or incurred during the taxable year for the purchase of business  
17 continuity or business interruption insurance for business operations within the commonwealth,  
18 but in no case shall the deduction exceed the minimum corporate tax payment due.

19 Such deduction shall be allowed only if the insurance remained in full force and effect  
20 throughout the taxable year and the corporation maintained a current business continuity or  
21 interruption plan on file with the municipal government where the business is located. For  
22 purposes of this section, a business continuity or interruption plan is a practiced logistical plan  
23 for how an organization will recover and restore partially or completely interrupted critical  
24 functions within a specified time after a disaster or extended disruption.

25 SECTION 3. Chapter 43D of the General Laws, as so appearing, is hereby amended by  
26 adding at the end thereof, the following new section:-

27 Section 17. Any municipality which accepts the provisions of this chapter may establish  
28 emergency permit granting procedures for the permanent or temporary relocation or rebuilding  
29 of property, including commercial entities, in any situation caused by unforeseen circumstances  
30 which render currently used real property unusable or unavailable for the purposes intended and

31 which creates an immediate need for other real property to preserve the health or safety of  
32 persons or property.

33 SECTION 4. Notwithstanding any general or special law to the contrary, the Small  
34 Business Insurance Commission is established to examine the need for guidelines for small  
35 business insurance, including, but not limited to, a requirement that the insured have and  
36 maintain a continuity of business plan, and a requirement that the business be registered with the  
37 local emergency management office.

38 The commission shall consist of the following: The commissioner of insurance, two  
39 appointees of the senate president, 2 appointees of the speaker of the house, 1 appointee of the  
40 senate minority leader, 1 appointee of the house minority leader, 1 appointee of Associated  
41 Industries of Massachusetts, 1 appointee of the Massachusetts Chamber of Commerce, 1  
42 appointee of the National Federation of Independent Business and 2 appointees of the governor,  
43 1 of whom shall be from the insurance industry with expertise in small businesses. The  
44 commissioner of insurance shall be the chair of the commission but shall have no vote except in  
45 case of a tie.

46 The commission shall be responsible for studying the need for insurance guidelines for  
47 small business and issue a report of its findings no later than December 31, 2018.

48 SECTION 5. Section 71 of chapter 59 of the General Laws, as so appearing, is hereby  
49 amended by adding after the word “bankruptcy,” the following words:- “natural disaster”

50 SECTION 6. Chapter 59 of the General Laws, as so appearing, is hereby amended by  
51 adding the following new section:-

52           Section 59B. Municipalities may establish, relative to sites or portions of sites from or at  
53   which there has been a natural disaster, an agreement between the city or town and any eligible  
54   person, as defined in section 2 of chapter 21E, regarding the abatement of outstanding interest,  
55   penalties, and payment of real estate tax obligations on said sites or portions of sites; provided,  
56   however, that said sites or portions of sites are zoned for commercial or industrial uses by the  
57   municipality in which said sites or portion of sites exist. Such agreement, for the purpose of  
58   continuing cleanup on such sites and redevelopment in such communities, shall include, but shall  
59   not be limited to, the amount outstanding, the per cent of interest to accrue if determined  
60   applicable by the parties, the description of quantifiable monthly payments, the inception date of  
61   such payments, the date of the final payment, late penalties, and any other contractual obligations  
62   arranged between the parties. The terms of repayment shall be set at the discretion of the  
63   municipality and shall be included in the agreement between the parties. A city or town that  
64   accepts this section shall adopt an ordinance or by-law specifying the method for negotiating and  
65   approving agreements under this section. Copies of each such agreement shall be signed by the  
66   municipal officer required by the ordinance or by-law and by the owner of the property in  
67   question, notarized, attested to by the city or town clerk, and provided to the department of  
68   environmental protection, the federal Environmental Protection Agency, the commissioner, the  
69   city council or board of selectmen, and the owners of the property in question. This section shall  
70   take effect in any city or town only upon its acceptance by such city or town.

71           SECTION 7. Chapter 10 of the General Laws, as appearing in the 2014 Official Edition,  
72   is hereby amended by adding at the end, thereof, the following new section:-

73           Section 70. There shall be established and set upon the books of the commonwealth a  
74   separate fund to be known as the Massachusetts Disaster Relief and Recovery Fund. There shall

75 be credited to the fund such funds as may be transferred or appropriated by the General Court  
76 and any income derived from repayment of loans from the fund and income derived from  
77 investment of amounts credited to the fund. Amounts credited to the fund shall be received and  
78 held in trust for grants to political subdivisions of the commonwealth and loan guarantees to  
79 banks for low interest loans to small businesses for relief and recovery efforts following a  
80 disaster, provided, however that no loan guarantee shall exceed fifty percent of the loan, and  
81 provided further that no interest rate on such loan shall exceed four percent per annum, nor shall  
82 any repayment period exceed ten years. Said grants or loans shall be made by the director of the  
83 massachusetts emergency management agency with the approval of the secretary of the  
84 executive office of housing and economic development. Revenues and expenditures of the fund  
85 shall be reported on the Massachusetts management and accounting and reporting system and  
86 maintained by the state treasurer. The Fund shall not exceed a maximum of \$5,000,000. For the  
87 purposes of this section a “disaster” shall mean an emergency, other than a level one emergency,  
88 as defined by the Massachusetts Comprehensive Emergency Management Plan.

89 A municipality may establish a program of emergency assistance grants of not more than  
90 one thousand dollars per business entity to assist with relocation and start-up costs, provided that  
91 businesses, to be eligible, must be adequately insured. Said grant shall be repaid when the  
92 insurance settlement is finalized.

93 SECTION 8. Notwithstanding the provisions of any other general or special law to the  
94 contrary, the secretary of the executive office of labor and workforce development is hereby  
95 authorized and directed to develop an unemployment compensation program for self-employed  
96 individuals and for small business owners who may be temporarily displaced as a result of a  
97 disaster as defined in this act. Said program shall include recommendations for administration

98 and funding of the program. The secretary shall provide a report to the general court, together  
99 with recommendations for legislation not later than December 1, 2018.