

**SENATE . . . . . No. 1386**

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The Commonwealth of Massachusetts

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PRESENTED BY:

***Richard T. Moore***

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*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 passage of the accompanying bill:

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

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PETITION OF:

NAME:

*Richard T. Moore*

DISTRICT/ADDRESS:

*Worcester and Norfolk*

**SENATE . . . . . No. 1386**

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By Mr. Richard T. Moore, a petition (accompanied by bill, Senate, No. 1386) of Richard T. Moore for legislation to promote business continuity and recovery after a disaster. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE  
□ SENATE  
□ , NO. 1495 OF 2011-2012.]

**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Thirteen**  
\_\_\_\_\_

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 2010 Official Edition,  
13 is hereby amended by adding at the end thereof the following new section:

14 Section 3SQ. (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 appearing in the 2010 Official  
26 Edition, is hereby amended by 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, 2014.

48 SECTION 5. Section 71 of Chapter 59 of the General Laws, as appearing in the 2010  
49 Official Edition, is hereby amended by adding after the word "bankruptcy," the following words  
50 -: "natural disaster"

51 SECTION 6. Chapter 59 of the General Laws, as appearing in the 2010 Official Edition,  
52 is hereby amended by adding the following new section:

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

72 SECTION 7. Chapter 10 of the General Laws, as appearing in the 2010 Official Edition,  
73 is hereby amended by adding at the end, thereof, the following new section:

74 Section 70. There shall be established and set upon the books of the commonwealth a  
75 separate fund to be known as the Massachusetts Disaster Relief and Recovery Fund. There shall  
76 be credited to the fund such funds as may be transferred or appropriated by the General Court  
77 and any income derived from repayment of loans from the fund and income derived from  
78 investment of amounts credited to the fund. Amounts credited to the fund shall be received and  
79 held in trust for grants to political subdivisions of the commonwealth and loan guarantees to  
80 banks for low interest loans to small businesses for relief and recovery efforts following a  
81 disaster, provided, however that no loan guarantee shall exceed fifty percent of the loan, and  
82 provided further that no interest rate on such loan shall exceed four percent per annum, nor shall  
83 any repayment period exceed ten years. Said grants or loans shall be made by the director of the  
84 massachusetts emergency management agency with the approval of the secretary of the  
85 executive office of housing and economic development. Revenues and expenditures of the fund  
86 shall be reported on the Massachusetts management and accounting and reporting system and  
87 maintained by the state treasurer. The Fund shall not exceed a maximum of \$5,000,000. For the  
88 purposes of this section a "disaster" shall mean an emergency, other than a level one emergency,  
89 as defined by the Massachusetts Comprehensive Emergency Management Plan.

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

94           SECTION 8. Notwithstanding the provisions of any other general or special law to the  
95 contrary, the secretary of the executive office of labor and workforce development is hereby  
96 authorized and directed to develop an unemployment compensation program for self-employed  
97 individuals and for small business owners who may be temporarily displaced as a result of a  
98 disaster as defined in this act. Said program shall include recommendations for administration  
99 and funding of the program. The secretary shall provide a report to the general court, together  
100 with recommendations for legislation not later than December 1, 2014.