AN ACT

Providing for COVID-19 disaster emergency business interruption grants.

Providing for business interruption insurance assistance and for powers and duties of the Department of Community and Economic Development.

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

Section 1. Short title.

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

Section 2. Definitions.

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

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

"COVID-19 disaster emergency." The proclamation of disaster...
emergency issued by the Governor on March 6, 2020, published at
50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of
disaster emergency.

"Department." The Department of Community and Economic-
Development of the Commonwealth.

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

Section 3. COVID-19 Disaster Emergency Business Interruption
Grant Program.

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

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

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

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

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

(c) Grant amount. A grant may not exceed the amount of the
insurance claim submitted by the business under subsection (b)
(1).
(d) Application.—A business may apply for a grant for the
duration of the COVID-19 disaster emergency and for 60 days
after the COVID-19 disaster emergency is terminated by executive
order, proclamation or operation of law. The application shall
be in a form and manner determined by the department.

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

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

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

Section 4. Effective date.

This act shall take effect immediately.
BUSINESSES TO ACQUIRE BUSINESS INTERRUPTION INSURANCE COVERAGE FROM AN INSURANCE PROVIDER FOR ASSISTANCE WITH EXPENSES IN THE EVENT A BUSINESS IS IMPACTED BY A PERIL AND TO PROVIDE BUSINESS INTERRUPTION INSURANCE FINANCIAL ASSISTANCE, SUBJECT TO THE AVAILABILITY OF FUNDING, TO ELIGIBLE BUSINESSES FOR BUSINESS INTERRUPTION INSURANCE PREMIUM COSTS.

SECTION 3. DEFINITIONS.

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

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

"BUSINESS INTERRUPTION INSURANCE." AN INSURANCE POLICY ISSUED BY STOCK FIRE, STOCK MARINE, STOCK FIRE AND MARINE OR Stock Casualty Insurance Company as incorporated under Section 202(C), (D), (E), (F) OR (G) OF THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE INSURANCE COMPANY LAW OF 1921, TO ASSIST WITH DAMAGES INCURRED BY A BUSINESS.

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

SECTION 4. BUSINESS INTERRUPTION INSURANCE ASSISTANCE PROGRAM.

(A) ESTABLISHMENT.--THE DEPARTMENT, IN CONSULTATION WITH THE INSURANCE DEPARTMENT, SHALL ESTABLISH A PROGRAM TO EDUCATE BUSINESSES ON THE BENEFITS OF BUSINESS INTERRUPTION INSURANCE COVERAGE. THE BUSINESS INTERRUPTION INSURANCE ASSISTANCE PROGRAM SHALL PROMOTE THE PURCHASE OF BUSINESS INTERRUPTION INSURANCE AND MAY PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE BUSINESSES TO
PARTIALLY OFFSET BUSINESS INTERRUPTION INSURANCE PREMIUMS. THE
PROVISION OF FINANCIAL ASSISTANCE SHALL BE SUBJECT TO THE
AVAILABILITY OF FUNDING.

(B) POWERS AND DUTIES OF DEPARTMENT.—THE DEPARTMENT SHALL
HAVE THE FOLLOWING POWERS AND DUTIES:

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

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

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

(C) BUSINESS INTERRUPTION INSURANCE FINANCIAL ASSISTANCE.—
THE DEPARTMENT MAY PROVIDE BUSINESS INTERRUPTION INSURANCE
FINANCIAL ASSISTANCE TO ELIGIBLE BUSINESSES IN AN AMOUNT UP TO
10% OF THE COST OF THE INSURANCE PREMIUMS IN YEARS IN WHICH
FUNDS ARE APPROPRIATED OR MADE AVAILABLE TO THE DEPARTMENT. IF
SUFFICIENT FUNDS ARE NOT AVAILABLE TO PROVIDE FOR UP TO 10% OF
THE COST OF THE INSURANCE PREMIUMS, THE DEPARTMENT SHALL PRORATE
THE AVAILABLE FUNDS AMONG ALL THE BUSINESSES WHO APPLIED FOR AND
RECEIVED BUSINESS INTERRUPTION INSURANCE FOR THE FISCAL YEAR.
(D) FUNDING.--The Department is authorized to use funds specifically appropriated by the General Assembly for the purposes of this section and any funds, contributions or payments which may be made available to the Department by the Federal Government, another State agency or any public or private source for the purpose of implementing this section.

(E) REPORT.--The Department shall annually submit a report that provides details of the Department's expenditures, including administrative expenditures, under this section to the Chairperson and Minority Chairperson of the Community, Economic and Recreational Development Committee of the Senate, the Chairperson and Minority Chairperson of the Banking and Insurance Committee of the Senate, the Chairperson and Minority Chairperson of the Commerce Committee of the House of Representatives and the Chairperson and Minority Chairperson of the Insurance Committee of the House of Representatives.

SECTION 5. EFFECTIVE DATE.

This Act shall take effect immediately.