

(S. B. 64)

(No. 6-2023)

(Approved January 12, 2023)

AN ACT

To amend subsection (b)(2) of Section 4010.01 of Chapter 1 of Subtitle D of Act No. 60-2019, known as the “Puerto Rico Incentives Code,” in order to include the hours worked by agricultural workers among the alternatives for granting a wage subsidy; and to clarify the primary jurisdiction of the Secretary of Agriculture in relation to the Agricultural Worker Wage Subsidy Program.

STATEMENT OF MOTIVES

Act No. 60-2019, known as the “Puerto Rico Incentives Code,” empowered the Secretary of Agriculture to establish a wage subsidy based on production unit. However, various representatives of the agricultural sector have raised their voices in support of considering and reincorporating the provisions of Act No. 46 of August 5, 1989, as amended, repealed by Act No. 60, *supra*, which allowed for the granting of a wage subsidy based on the number of hours worked by agricultural workers.

The granting of the agricultural wage subsidy is generally based on the damages caused by hurricane Maria to our agricultural industry and, particularly, the coffee industry. According to a study conducted by the University of Puerto Rico, Mayagüez Campus, in 2017-2018, after hurricane Maria, Puerto Rico produced 77% less coffee than what was projected before this weather event.¹

Nonetheless, given our tropical climate, we should be aware that hurricanes and tropical storms are not the only threats to our agriculture. As a matter of fact,

¹ Alamo, C. Baiges, S., et. al. (n.f.). “Un año después del Huracán María: Impacto, Necesidades y Lecciones Aprendidas para la Recuperación de la Producción de Café de Puerto Rico.” UPRM. <https://www.uprm.edu/cafe/wp-content/uploads/sites/292/2019/05/Huracan-Maria-Impacto-en-la-produccion-de-cafe-y-lecciones-aprendidas-Alamo-et-al-Agrotemas-Noviembre-2018.pdf/>

many coffee crops have been lost to drought or heavy rain, as well as to pests such as coffee rust and the coffee berry borer. This latter insect is considered one of the most damaging pests to coffee crops globally. The variety of factors that threaten coffee crops, as well as other agricultural products such as citrus fruits and farinaceous products, is definite proof that our agricultural crops are exposed to many unpredictable factors which, ultimately, affect their production.

To grant the agricultural wage subsidy solely based on production unit threatens and interferes with our agricultural workers' performance because they feel discouraged by the already precarious state of Puerto Rican agriculture. Likewise, focusing this benefit on production alone is inconceivable if we consider, for example, the devastation that a hurricane may cause. Coffee for instance, if it is necessary to start all over again or plant new crops, takes approximately three (3) years to be harvested. The case with citrus fruits and farinaceous products is similar. After banana or plantain seeds are planted, it takes at least eighteen (18) months for the crops to be ready for production. In view of this, it would be reasonable to include the hours worked by agricultural workers among the criteria for granting the agricultural wage subsidy.

Therefore, this Legislative Assembly, considering the impact of granting an agricultural wage subsidy based only on production unit, deems it appropriate to amend the Incentives Code to establish other criteria that would do justice to the agricultural workers of Puerto Rico.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Subsection (b)(2) of Section 4010.01 of Chapter 1 of Subtitle D of Act No. 60-2019, known as the “Puerto Rico Incentives Code,” is hereby amended to read as follows:

“Section 4010.01.- Establishment of the Agricultural Worker Wage Subsidy Program.

(a) ...

(1) ...

(2) ...

(b) Payment Method

(1) ...

(2) The Secretary of the DEDC, in consultation with, and with the consent of the Secretary of Agriculture, shall prescribe in the incentives regulations or through special regulations which may be delegated to the Secretary of Agriculture, the criteria to determine the agricultural workers’ eligibility to receive the benefits of this Section. Among such criteria, the Secretary of Agriculture shall consider the number of hours that workers shall work weekly in relation to crops or seasonal and non-seasonal agricultural and livestock activities, and the wage subsidies to be paid, taking into account the different manpower needs required to produce each kind of crop based on the degree of mechanization achieved by each business and group of entrepreneurs, the wages paid in Puerto Rico for each kind of agricultural activity, and any other factor that, in the judgment of the Secretary of Agriculture, should be taken into consideration. The Secretary of Agriculture shall fix the wage subsidy to be paid taking into consideration the number of hours worked per week by workers in relation to crops and seasonal and non-seasonal agricultural activities, taking into account the different manpower needs required to produce each kind of crop based on the degree of mechanization achieved by each business and

group of entrepreneurs, the wages paid in Puerto Rico for each kind of agricultural activity, and any other factor that, in the judgment of the Secretary of Agriculture, should be taken into consideration. For purposes of the Wage Subsidy concerning the egg, milk, and broiler chicken production industries, the Secretary of Agriculture shall use as a basis the Production Unit or such other bases prescribed by regulations. The wage subsidy shall not be less than the sum of two dollars and seventy-two cents (\$2.72), from July 1, 2021, Fiscal Year 2021-2022, per every certified hour of work.”

Section 2.- This Act shall take effect upon its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 6-2023 (S. B. 64)** of the **5th Regular Session** of the **19th Legislative Assembly of Puerto Rico**:

AN ACT amend subsection (b)(2) of Section 4010.01 of Chapter 1 of Subtitle D of Act No. 60-2019, known as the “Puerto Rico Incentives Code,” in order to include the hours worked by agricultural workers among the alternatives for granting a wage subsidy; and to clarify the primary jurisdiction of the Secretary of Agriculture in relation to the Agricultural Worker Wage Subsidy Program.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 22nd day of September, 2023.

Mónica Freire-Florit, Esq.
Director