

(S. B. 6)

(No. 10-2017)

(Approved February 15, 2017)

AN ACT

To create the Puerto Rico Socioeconomic and Community Development Office for the purpose of modernizing, simplifying, unifying, and expediting government processes and services to achieve the full development of the Third Sector and of Communities; create the office of Executive Director; establish the duties and functions of the Office and the Executive Director thereof; create the Puerto Rico Social Reinvestment Fund; establish the public policy on community development; amend Act No. 1-2001, as amended; amend Act No. 271-2002, as amended; amend Section 2 of Act No. 137-2014; create the Digital Community Program in order to provide needy individuals with better access to technology; and for other related purposes.

STATEMENT OF MOTIVES

Poverty is one of the world's major problems. The vulnerability of communities and populations in need has increased in part, as a result of the financial crises that the State has experienced. According to data released by the United States Census Bureau, in 2010, 45% of Puerto Rico's population lived below the poverty line. By 2014, Puerto Rico's poverty rate had increased to 46.2%.

Puerto Rico has been undergoing an economic crisis that worsened during the last four years. Said crisis is reflected on the rise in the number of persons living below the poverty line, on the nutritional deterioration in disadvantaged communities, and on the weakening of community relations. Disadvantaged communities lack the basic needs that guarantee an adequate standard of living, because of their inability to afford or to produce them.

For one and a half decades, the State has endeavored to distribute available resources among all citizens and ensure that all stakeholders have equal participation in the economic and social transformations that Puerto Rico has undergone. However, such effort fell short. The economic crisis has revealed that the organization and action models implemented thus far are not sufficient or efficient enough to achieve the social development that we deserve as a people. For over a decade, hundreds of thousands of Puerto Ricans have been living in poverty, lacking basic infrastructure, enduring unacceptable environmental conditions and deficient housing, as well as experiencing high rates of crime, domestic violence, child abuse, and use and abuse of controlled substances, among others. Far from improving, we have borne witness to how the disparity among citizens in Puerto Rico, in terms of the access to basic goods and services, has worsened.

The mission of this Government Administration is to break the vicious cycle of poverty and to turn it into development, making use of the communities' potential and assets supported by the Government's role as facilitator in conjunction with all community development stakeholders, the communities, as well as the public and the private sectors. Thus, this joint effort to eradicate poverty in Puerto Rico does justice to community leaders, recognizes the Third Sector as a partner, and serves as a tool to fund and guarantee social work that would, in turn, strengthen and provide for the full and sustainable development of the communities that we aspire as a people.

The Plan for Puerto Rico, pp. 171-174, establishes that this Administration shall integrate all community development programs and nonprofit organization support programs that are dispersed amongst the various agencies. This shall promote the development of the Third Sector and of all Communities in Puerto Rico. This Administration is also committed to creating the necessary environment

to improve the conditions of communities that have lagged behind, and to meet their infrastructure, service, training, and financial needs.

In order to move Puerto Rico toward economic recovery, all stakeholders must be considered and empowered so that they may affirmatively contribute to achieve this goal. It is our responsibility to create enterprising communities for the purpose of ensuring the social and economic wellbeing of their members.

In the Plan for Puerto Rico we also committed to integrating all of the community development programs distributed amongst the different agencies and to supporting nonprofit organizations. This shall promote the development of the Third Sector and of all Puerto Rican communities. Moreover, this shall create the environment needed to improve the conditions of struggling communities as well as to meet their infrastructure, service, training, and financial needs.

This Act seeks to achieve the full development of the Third Sector and of Communities. We recognize that the nonprofit organizations that compose the Third Sector have been protecting both children and the poor, feeding people in need, sheltering the homeless, caring for those who are sick or helpless, contributing to the arts, and preserving the environment. All of the foregoing are compelling needs for every human being; however, they are not accessible to all. This Government validated the contributions made by the Third Sector in the search for a better quality of life for all Puerto Ricans, noting that the expansion of the Third Sector promotes government decentralization, and that its experience can be regarded as citizen participation.

The public policy established in this Act seeks to encourage communities to become agents of their own development. The Government shall be the partner, liaison, and promoter of partnerships between the public and private sectors. Community self-management originates from the relationship between communities and the State, by acknowledging its decision-making power in those

matters which affect their lives. Self-management is validated as a strategy through which the potential of human beings, who are sometimes restricted by social inequalities, achieves its maximum expression and as a resource whereby the democratic base of the decision-making process is expanded.

To achieve the established goals, the Puerto Rico Socioeconomic and Community Development Office (ODSEC), attached to the Office of the Governor, is hereby created to be administered by an Executive Director. This Office, which replaces the Office of the General Coordinator for Socio-Economic Financing and Self-Management created under Act No. 1-2001, as amended, shall be in charge of promoting community development, and analyzing the Special Communities Program in order to correct all that needs to be corrected or improved. Moreover, all community and Third Sector services, currently rendered by various government agencies in an inconsistent and disparate manner, shall be unified and uniformed to be rendered by the Office. The Executive Director shall have all the necessary powers and faculties to achieve the purposes of said Office.

This Act creates the “Puerto Rico Social Reinvestment Fund” administered by ODSEC, for the purpose of incentivizing both Community and Third Sector initiatives.

Traditionally, the federal block grants received by Puerto Rico are distributed among different government agencies without necessarily matching the use of said funds with the responsibilities of said agencies. This is the case of Community Service Block Grants (CSBG) and Community Development Block Grants (CDBG) funds. Both grants have been appropriated, principally, to address the social and infrastructural development of struggling communities. Currently, CSBG and CDBG funds are administered by the Family and Children Administration and by the Office of the Commissioner of Municipal Affairs, respectively. This Act integrates the federal community service programs under

ODSEC. This would allow for a better coordination of federal and state funds and programs for the benefit of the population served when an increase in the number of participants, and in the amount of funds to be disbursed, is expected.

Likewise, the Digital Community Program is hereby created to address the disparity in the access to technology in disadvantaged communities by renovating community technology centers and by providing training to community leaders on technology-related areas and activities.

In order to conform the purposes of this Act, Act No. 1-2001, as amended, is hereby amended to replace the Office of the General Coordinator for Socio-Economic Financing and Self-Management, and to attach “La Obra en Tus Manos” Program to the new ODSEC. Moreover, Act No. 271-2002, as amended, is hereby amended to reduce the number of members of the Board of Directors of the Special Communities Perpetual Trust.

For all of the foregoing, and for the purpose of changing the perception of how to handle poverty in Puerto Rico and to break the vicious cycle of marginalization, this Act is approved to do justice to disadvantaged communities, community stakeholders, and the Third Sector, thus maximizing Puerto Rico’s resources.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

CHAPTER I

INTRODUCTORY PROVISIONS

Section 1.1.-Title.

This Act shall be known and may be cited as: the “Puerto Rico Socioeconomic and Community Development Office Organic Act.”

CHAPTER II PUBLIC POLICY

Section 2.1.- Public Policy.

The challenges that we face as a People require us to develop a swift and efficient government structure that guarantees the services offered by the Government. This legislation integrates into a single body the community services provided through various government agencies. In addition, it seeks to standardize procedures and reduce bureaucracy. Moreover, this legislation integrates in this effort, municipalities and nonprofit organizations in order to improve their capabilities and maximize their resources in perfect harmony with the Central Government.

CHAPTER III

THE SOCIOECONOMIC AND COMMUNITY DEVELOPMENT OFFICE

Section 3.1.- Creation of the Puerto Rico Socioeconomic and Community Development Office.

The Puerto Rico Socioeconomic and Community Development Office, hereinafter “ODSEC” (Spanish acronym), is hereby created and attached to the Office of the Governor of Puerto Rico. ODSEC shall be subject to the Public Service Human Resources Administration Act and directed by an Executive Director who shall comply with the duties and functions imposed by this Act.

The Executive Director shall be appointed by the Governor of Puerto Rico with the advice and consent of the Senate, and shall discharge his duties based on a relationship of trust with the appointing authority. The Executive Director, who shall be knowledgeable in community and Third Sector affairs, shall have the necessary and appropriate powers to ensure that the functions and objectives set forth in this Act are fulfilled.

Section 3.2.- Functions and Duties of ODSEC.

ODSEC shall be responsible for implementing and enforcing the public policy on community development set forth in this Act, in addition to any public policy on Third Sector development. Moreover, this Office shall be responsible for serving as the main advisor to municipal governments in all matters under its jurisdiction.

Furthermore, ODSEC shall be in charge of providing all community-based services, Third Sector-related services, as well as the municipal services offered by the Government of Puerto Rico in connection therewith. Therefore, all similar services distributed among different government agencies shall be unified within ODSEC in order to:

- a. Create an inclusive environment among the Municipalities, the Third Sector, and the Communities.
- b. Simplify, expedite, and standardize processes.
- c. Eliminate the duplication of efforts and services.
- d. Render services more efficiently.
- e. Gather statistics on services, beneficiaries, and results obtained.
- f. Administer federal funds under its supervision more efficiently.
- g. Promote a supportive rather than a paternalist government.
- h. Develop Puerto Rico socioeconomically by:
 - i. Strengthening the organization of municipal governments, communities, and nonprofit organizations in general.
 - ii. Implementing strategies that allow for an increase in the number of proactive Community Boards and Nonprofit Organizations.
 - iii. Improving the physical, structural, and environmental conditions of disadvantaged communities and municipalities.

iv. Formulating strategies consistent with the public policy on community established in this Act and with any public policies relating to the Third Sector in Puerto Rico.

v. Strengthening the participation of Municipal Governments in community restoration, improvement, and self-management initiatives.

vi. Establishing systematic processes to seek state, federal, or private funds in order to capitalize the “Social Reinvestment Fund” created herein.

vii. Making analyses and recommendations regarding the services provided by the Government of Puerto Rico and the facilities thereof that can be delegated to Municipal Governments and the Third Sector, in addition to qualifying and certifying Nonprofit Organizations that can render the delegated services.

Furthermore, ODSEC shall be responsible for analyzing, addressing, and correcting all matters relating to the Special Communities Program including the Special Communities Perpetual Trust. To achieve this, ODSEC shall investigate, without it being construed as a limitation, the award of projects, the obligation and disbursement of funds, certifications, and all such elements that in one way or another were part of this Program. No person or public or private entity that has been part of the Program or that has received benefits or funds thereunder may refuse to furnish the documents requested by ODSEC for purposes of this investigation. ODSEC shall submit a detailed report with its findings and recommendations to the Governor and the Legislative Assembly within a term not to exceed six (6) months after the approval of this Act.

Section 3.3.- Donations and Acquisitions.

ODSEC may accept or make monetary, service, or goods donations and receive funds from allocations made by nonprofit entities, municipalities, and the Central Government and the instrumentalities thereof. In addition, ODSEC may

acquire real or personal property by any lawful means, including by gift, concession, purchase, or donation and shall have and may exercise all property rights thereon, as well as dispose of the same.

Section 3.4.- Functions and Duties of the Executive Director.

The Executive Director shall implement the public policy set forth in this Act, in addition to the public policy on the Third Sector in Puerto Rico. Likewise, the Executive Director shall have the following duties and responsibilities:

a. To determine the internal organization of the Office and establish systems as are necessary for the proper functioning and operation thereof, as well as for carrying out the necessary administrative and managerial actions to discharge the duties and responsibilities delegated to the Office under this Act or any other law.

b. To appoint personnel as necessary to carry out the duties of the Office, fix their salary or pay, and establish their duties and responsibilities, subject to the provisions of this Act.

c. To contract technical and professional services as are necessary to comply with the functions, duties, and responsibilities of the Office.

d. To delegate to any official or employee of the Office such functions, duties, and responsibilities he deems necessary pursuant to the provisions of this Act.

e. To acquire materials, supplies, equipment, property, and services as are necessary for the operation of the Office, subject to Reorganization Plan No. 3-2011, as amended, known as the "Reorganization Plan of the General Services Administration of 2011."

f. To prepare and administer the general expense budget of the Office and the funds that, by virtue of any law, donation, or any other lawful means are allocated to the Office, in accordance with Act No. 230 of July 23, 1974, as

amended, known as the “Puerto Rico Government Accounting Act,” and the regulations adopted thereunder.

g. To preserve and keep custody of all files, registries, records, and other documents kept by the Office pursuant to the provisions of Act No. 5 of December 8, 1955, as amended, known as the “Public Documents Administration Act.”

h. To evaluate the conditions of Communities and Nonprofit Organizations in Puerto Rico.

i. To direct government strategies to assist Communities and the Third Sector in Puerto Rico in order to strengthen and empower them.

j. To establish and adopt rules and regulations to govern the operations of ODSEC and the procurement of goods and non-professional services for “La Obra en Tus Manos” Program, whose cost does not exceed one hundred ninety-five thousand dollars (\$195,000.00) or any other Program of the Office with similar purposes that substitutes it.

k. To promote the creation of the Puerto Rico Social Reinvestment Fund, pursuant to the purposes for which it is created under this Act.

l. To promote the Digital Community Program pursuant to the purposes for which it is created under this Act.

m. To undertake such tasks entrusted to him by the Governor of Puerto Rico or inherent to the discharge of the duties delegated under this Act.

n. Administer the Integrated Services Program for the Elderly.

Section 3.5.- Transitory Clause.

Once this Act is approved and takes effect, the General Coordinator for Socio-Economic Financing and Self-Management, who is currently holding said office and has been confirmed by the Senate of Puerto Rico, shall automatically become the Executive Director of the Puerto Rico Socioeconomic and Community Development Office (ODSEC).

CHAPTER IV
ADMINISTRATION OF FEDERAL FUNDS

Section 4.1.- Federal Funds.

ODSEC shall be the entity designated to receive and administer Community Service Block Grant (CSBG) and Community Development Block Grant (CDBG) funds, in addition to the special funds included in the CDBG program, to wit, the Neighborhood Stabilization Program (NSP), Disaster Recovery, and funds under the Section 108 Loan Guarantee Assistance Program. However, such funds already approved by OCAM for the municipalities shall not be affected by the provisions of this Act.

Section 4.2.- Section 2 of Act No. 137-2014 is hereby amended to read as follows:

“Section 2.- Allocation of Funds.

Pursuant to Federal Law, from all the CDBG funds allocated, the State shall set aside a State Administration Fund to defray administrative costs and to provide technical assistance to municipalities. In accordance with the Code of Federal Regulations (24 CFR 570-483 (d)), after setting aside the state administration fund and the technical assistance fund for municipalities, ODSEC may allocate funds for emergency events. Once the Puerto Rico Socioeconomic and Community Development Office (ODSEC) deducts these items, any funds available shall be distributed equally among all non-entitlement municipalities, except for the municipalities of Vieques and Culebra, to which an additional fifteen percent (15%) shall be allocated. These funds may be used by the municipalities to carry out the eligible activities listed in the State Action Plan of the corresponding Program Year.”

Section 4.3.- Section 3 of Act No. 137-2014 is hereby amended to read as follows:

“Section 3.- As sub-recipients of CDBG funds, non-entitlement municipalities are required to receive training on matters related to this Program, the management of federal funds in general, and any other applicable federal and local requirements, as established by ODSEC. ODSEC may also promulgate rules or regulations as are necessary to ensure compliance with this provision. ODSEC is hereby empowered to impose sanctions for noncompliance with this provision, which may include the recapture of funds granted to the municipality.”

Section 4.4.- Section 4 of Act No. 137-2014 is hereby amended to read as follows: the new “Puerto Rico Socioeconomic and Community Development Office.”

“Section 4.- ODSEC is hereby empowered to prescribe regulations as are necessary to comply with the provisions of Public Law 93-383 of August 22, 1974, and of this Act.

ODSEC may request the recapture of funds or may cancel the allocation of funds in the event it determines that the municipality has failed to comply with federal, state, or ODSEC regulations applicable to the Program. ODSEC shall prescribe the use and the method for distributing recaptured or unused Community Development Block Grant Program (CDBG) funds in accordance with the mechanisms established by federal law and the pertinent regulations.

ODSEC may receive federal fund transfers from other government agencies of Puerto Rico, insofar as such transfers are made in accordance with the parameters established by the Secretaries in the action plans, pursuant to an Executive Order, or state legislation; and any regulation, memorandum, agreement, and circular letter of the Federal Government.”

CHAPTER V

COMMUNITY DEVELOPMENT

Section 5.1.- Public Policy of the Government of Puerto Rico on Community Development.

It shall be the public policy of the Government of Puerto Rico to promote an environment where communities may become agents of their own development. Said development shall be based on self-management that allows persons from every community to be an integral part of every step taken in favor of their communities and their surroundings. This government strategy shall enable the integration of the community in the decision making process, since it recognizes the people's ability to achieve their goals through their own efforts and determination as a fundamental principle. Therefore, the Government shall become their main partner, improving processes and playing a more active role in addressing community issues.

Likewise, it is critical that both communities and community members commit to working actively toward improving their quality of life and to partake in government processes as necessary for their wellbeing. In the government work established in this public policy, the Government of Puerto Rico shall serve as liaison and as promoter of partnerships among the communities and the public and private sectors in order to achieve the goals of this Act. This public policy shall be consistent with the public policy established by Act No. 1-2001, as amended, regarding the communities within the list of Special Communities.

Section 5.2.- Amendments to Act No. 1-2001, as amended.

Section 1.- Sections 3, 5, 6, 8, and 10 of Act No. 1-2001, as amended, are hereby amended, and a new Section 10 is hereby added to read as follows:

“Section 10.- Advisory Council.

The Advisory Council for the Development of Special Communities, hereinafter the Council, is hereby created. The Council shall be chaired by the Executive Director of the Puerto Rico Socioeconomic and Community Development Office (ODSEC, Spanish acronym) and composed of the following members: the Commissioner of Municipal Affairs, the Secretary of the Department of Housing, the Secretary of the Department of the Family, the Superintendent of the Puerto Rico Police, the Secretary of the Department of Health, the Secretary of the Department of Education, the Secretary of the Department of Sports and Recreation, the Department of Transportation and Public Works, the Chair of the Planning Board, a mayor from the Mayor’s Association, and a mayor from the Mayor’s Federation. The above-described members shall be appointed by the Governor of Puerto Rico every four (4) years upon taking their oath of office.

Likewise, four (4) residents of the Special Communities, who shall be selected by the Executive Director from a list of potential candidates submitted by the Special Communities, shall be members of the Council. The Executive Director shall establish, by regulations, the process as well as uniform criteria to select the Representatives of the Special Communities. Said regulations shall be prescribed by the Executive Director within a term of ninety (90) days after the effective date of this Act.

Three (3) representatives of the Third Sector, as defined in this Act, to be appointed by the Governor of Puerto Rico, shall also be members of the Council.

The Advisory Council shall make recommendations to the Executive Director of the Puerto Rico Socioeconomic and Community Development Office (ODSEC) and shall be called for a meeting at least once every two (2) months.”

Section 2.- Sections 4, 7, 9, 10, 11, and 12 of Act No 1-2001, as amended, are hereby renumbered as Sections 3, 4, 5, 6, 7, and 8, respectively.

Section 3.- A new Section 4 of Act No. 1-2001, as amended, is hereby amended to read as follows:

“Section 4.- Creation of ‘La Obra en Tus Manos’ Program.

‘La Obra en Tus Manos’ Program is hereby established in the Puerto Rico Socioeconomic and Community Development Office (ODSEC) for the purpose of promoting self-management among the members of our low-income communities by carrying out capital improvements on infrastructure, facilities, and housing of low-income individuals in said communities, relying on the efforts of community members or community organizations, and under the supervision of ODSEC; among other functions.

Said Program shall be excluded from the application of the Reorganization Plan of the General Services Administration with regard to every work carried out thereunder, which does not exceed the sum of one hundred ninety-five thousand dollars (\$195,000).”

Section 4.- New Section 4 of Act No. 271-2002, as amended, is hereby amended to read as follows:

“Section 4.- Board of Directors of the Trust.

The powers of the Trust shall be exercised by a Board of Directors which shall be composed of seven (7) members; to wit, the Secretary of Housing, the Secretary of Transportation and Public Works, the Executive Director of the Puerto Rico Socioeconomic and Community Development Office, one (1) Mayor, one (1) Community Leader who is a resident of a special community, and two (2) private citizens representing the public interest. The Governor shall appoint the Chairperson of the Board from among its members. The Mayor and the Community Leader shall be appointed by the Governor for a term of four (4) years and shall hold office until their successors are appointed. The Mayor may be removed if he no longer enjoys the Governor’s trust, and the Community Leader

shall be selected from a list of potential candidates submitted by the Special Communities and may only be removed during his term for just cause. The two (2) private citizens who represent the public interest in the Board shall be appointed by the Governor for staggered terms of five (5) and six (6) years each, until their successors are appointed. Said citizens may be removed from office by the Governor at any time. In the event any member of the Board resigns, his successor shall be appointed for the remainder of the original term of the outgoing director. The members of the Board of Directors shall not receive any compensation whatsoever for their services as such; however, those who are not public officials shall be entitled to receive an expense refund.”

Section 5.3.- Creation of the Puerto Rico Social Reinvestment Fund.

The Puerto Rico Social Reinvestment Fund (hereinafter, the “Fund”) is hereby created. Said Fund shall be administered by ODSEC and may be used to promote Community and Third Sector initiatives. Said initiatives may serve different purposes, including, but not limited to:

- a. Infrastructure projects.
- b. The restoration of housing, community centers, technology centers, and sport or recreation areas.
- c. The implementation of community service programs.
- d. The procurement of assistive technology for persons with health conditions or disabilities.
- e. Assistance to Nonprofit Organizations or Community Boards other than for defraying administrative costs.
- f. Training workshops, among other initiatives.

This Fund shall receive state appropriations, federal funds, and contributions from individuals or the private sector.

CHAPTER VI DIGITAL COMMUNITY

Section 6.1.- “Digital Community” Program.

The “Digital Community” program is hereby created to promote access to, and use of, information technology as a tool to narrow the social and economic gap in various sectors of our society. With this Project, the Government of Puerto Rico, through an interdisciplinary approach, shall act as an advisor, facilitator, and collaborator in the task of eliminating technological barriers that isolate disadvantaged communities. For such purposes, ODSEC shall provide assistance and promote that communities have an appropriate organizational structure as well as Internet-capable information technology equipment to be used by the members of the community.

Section 6.2.- Transfer of Information Technology Equipment to Communities.

ODSEC is hereby authorized to transfer information technology equipment to communities that exhibit a high level of organization. Said transfer of equipment shall be made pursuant to the applicable rules of the General Services Administration.

The Puerto Rico Socioeconomic and Community Development Office shall prescribe, through Regulations, all that pertains to the transfer of equipment and the minimum requirements that communities must meet to officially receive property transfers. The Regulations shall establish the necessary guidelines to determine whether the recipient community has the fiscal and human resources to properly operate the transferred equipment. Said Regulations shall establish mechanisms, in accordance with the principle of self-management, that allow communities to generate the necessary income to contribute with the maintenance and servicing costs of such equipment, in order to provide continuity to the

“Digital Community” Project. Compliance with said guidelines shall be an essential requirement for the community to participate in the Project.

Section 6.3- Responsibilities of the Puerto Rico Socioeconomic and Community Development Office.

The Puerto Rico Socioeconomic and Community Development Office shall ensure the appropriate use of the public funds allocated to this Project, as well as compliance with the provisions of this Act and the applicable regulations. Thus ODSEC shall require that recipient communities establish control mechanisms that guarantee the appropriate use of the transferred public property. To such effect, the Regulations promulgated under this Act shall include provisions related to equipment use, the daily schedule of the facility where the equipment shall be located, the minimum facility security requirements, and guaranteed access to the facilities, among others. For purposes of this Act, the provisions of Act No. 267-2000, known as the “Act for the Protection of Boys, Girls, and Youths in the Use and Management of the Internet” shall apply to the communities that benefit from the provisions of this Act. ODSEC shall educate recipient communities on the provisions of Act No. 267-2000.

The Puerto Rico Socioeconomic and Community Development Office shall carry out the administrative transfer of property pursuant to the applicable rules.

Section 6.4.- Responsibilities of the Communities.

Pursuant to the principles of self-management, the communities that benefit from this Act shall be responsible for the appropriate use of the resources provided to them and for ensuring access to information technology equipment free of charge. These communities shall be required to comply with the rules prescribed by ODSEC through regulations.

Section 6.5.- Transfer of Funds.

The Office of Management and Budget and the Puerto Rico Socioeconomic and Community Development Office are hereby directed to identify funds and programs that allow for the attainment of the objectives of this Chapter. For such purposes, the Director of the Office of Management and Budget is hereby authorized to reallocate up to three million (3,000,000.00) from existing funds for such purposes; insofar as any federal requirement related to the fiscal crisis is met. Moreover, ODSEC and the Telecommunications Regulatory Board are hereby directed to seek funds to defray the costs of the “Digital Community” Project created herein. Such funds shall be covered into the Puerto Rico Social Reinvestment Fund.

Section 6.6.- Use of Appropriated Funds.

The funds appropriated to the Puerto Rico Socioeconomic and Community Development Office under this Chapter shall be used for the following purposes:

- a. To procure equipment, furniture, and computer programs for community use, upon the technical advice of the Office of Management and Budget and the Government’s Chief Information Officer.
- b. To habilitate the centers to be devoted to the use of Internet-capable computers, for example, installing the proper connections and security infrastructure, such as security bars, etc.
- c. To provide maintenance and service to said equipment.

CHAPTER VII

EMPOWERING THE THIRD SECTOR

Section 7.1.- Definition of Third Sector.

Only for purposes of this Act, the Third Sector shall be defined as follows:

Organizations with legal personality or Civil Society, nonprofit, and non-governmental organizations registered in the Register for Nonprofit Corporations

of the Department of State, whose mission, resources, and main activities shall be directed towards addressing community issues including, but not limited to: physical and mental health, education, housing, transportation, economic development, entrepreneurialism, community empowerment, service cooperatives, art and culture development, and sports.

Section 7.2.- Delegation of Certification Process.

The Third Sector is proof of efficiency, rigor, and social commitment. Nonprofit, community, and faith-based organizations oftentimes offer better social services than the Government and at a significantly lower cost. In order to encourage them to carry on with such exemplary work, ODSEC is hereby entrusted with the task of supporting Third Sector entities. The foregoing shall allow the Government of Puerto Rico to become a practical tool for strengthening the Third Sector rather than impairing its development.

For such purposes, the Puerto Rico Socioeconomic and Community Development Office is hereby entrusted with the following responsibilities:

a. To support nonprofit entities in the application process for Certificates of Incorporation. The Department of State shall notify ODSEC of any certificate of incorporation it issues to a nonprofit entity or to any social reinvestment fund for its information and knowledge.

b. To assist nonprofit entities in the application for State Tax Incentives. ODSEC may issue a recommendation for Certification for a Tax Incentive Application to the Department of the Treasury. The Department of the Treasury shall act on said recommendation within a term not to exceed sixty (60) calendar days. Otherwise, the applicant organization shall receive the applicable tax incentives beginning on the following fiscal period.

Section 7.3.- Administration of Documents.

ODSEC may keep custody of any public documents or any copies thereof, statements, reports, and corporate resolutions of nonprofit organizations and reinvestment funds that, by law, regulation, or contract, are kept by another State entity. However, other government entities shall keep custody of any such documents that they are required to keep by law, regulation, or contract. ODSEC shall provide a safe location for such documents.

Section 7.4.- Statistics.

ODSEC shall be responsible for collecting measurable data on the following:

- (a) Active and inactive organizations.
- (b) Organizational levels of the organizations.
- (c) Compliance with federal requirements.
- (d) Compliance with the stipulations of work proposals.
- (e) Compliance with the standards required to achieve the delegation of State services.

CHAPTER VIII

FINAL PROVISIONS

Section 8.1.- Operating Funds, Employees, and Interaction with Other Provisions of Law.

The operating funds of ODSEC shall be those previously appropriated to the Office of the General Coordinator for Socio-Economic Financing and Self-Management which shall be justified through zero-based budgeting, in addition to the Community Service Block Grant (CSBG) and the Community Development Block Grant (CDBG) funds. The funds already appropriated to the Municipalities of Puerto Rico by virtue of a preceding legislation that is in effect as of the

approval of this Act, shall continue to be used for the purposes provided by said legislation as to the services for special communities.

None of the provisions of this Act may be used as the basis for the dismissal or layoff of career public employees.

None of the provisions of this Act may be used in contravention of the provisions of Act No. 8-2017, known as the “Government of Puerto Rico Human Resources Administration and Transformation Act.”

Section 8.2.- Rulemaking Authority.

The ODSEC shall adopt regulations as are necessary to implement this Act.

Section 8.3.- Severability.

If any clause, paragraph, subparagraph, sentence, word, letter, Article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Act were held to be null or unconstitutional, the ruling, holding, or judgment to such effect shall not affect, impair, or invalidate the remainder of this Act. The effect of said holding shall be limited to the clause, paragraph, subparagraph, sentence, word, letter, Article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Act thus held to be null or unconstitutional. If the application to a person or a circumstance of any clause, paragraph, subparagraph, sentence, word, letter, Article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Act were held to be null or unconstitutional, the ruling, holding, or judgment to such effect shall not affect or invalidate the application of the remainder of this Act to such persons or circumstances where it may be validly applied. It is the express and unequivocal will of this Legislative Assembly that the courts enforce the provisions and application of this Act to the greatest extent possible, even if it renders ineffective, nullifies, invalidates, impairs, or holds to be unconstitutional any part thereof, or even if it renders ineffective, invalidates, or holds to be unconstitutional the

application thereof to any person or circumstance. This Legislative Assembly would have approved this Act regardless of any determination of severability that the Court may make.

Section 8.4.- Effectiveness.

This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 10-2017 (S. B. 6)** of the **1st Regular Session** of the **18th Legislative Assembly of Puerto Rico**:

AN ACT to create the Puerto Rico Socioeconomic and Community Development Office for the purpose of modernizing, simplifying, unifying, and expediting government processes and services to achieve the full development of the Third Sector and of Communities; create the office of Executive Director; establish the duties and functions of the Office and the Executive Director thereof; create the Puerto Rico Social Reinvestment Fund; establish the public policy on community development; amend Act No. 1-2001, as amended; amend Act No. 271-2002, as amended; amend Section 2 of Act No. 137-2014; create the Digital Community Program in order to provide needy individuals with better access to technology; and for other related purposes.

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

In San Juan, Puerto Rico, on this 13th day of December, 2017.

Orlando Pagán-Ramírez
Acting Director