

(H. B. 1122)
(Reconsidered)

(No. 107-2017)

(Approved August 23, 2017)

AN ACT

To amend Sections 2, 3, 4, 5, 6, 8, 11, and 21 of Act No. 214-2004, as amended, known as the “Puerto Rico Science, Technology, and Research Trust Act,” in order to replace the Council of Trustees with a Board of Trustees composed by nine (9) members of the private sector and two (2) members of the government sector; temper the law to the current reality and relieve the Government Development Bank from the duties delegated thereto under the statute; redefine the purpose of the Trust, directed by the Board of Trustees, to include the establishment of a partnership between the Government and the private sector for the purpose of promoting and developing, at the educational, industrial and business level, the use of science, research, and technology as tools of economic development for the benefit of all Puerto Ricans; and for other related purposes.

STATEMENT OF MOTIVES

The Government of Puerto Rico is facing an unprecedented fiscal and socioeconomic crisis in modern times. The current situation can be traced back to a series of deeply rooted and comprehensive problems that have developed throughout the years. The result is an accrued debt of approximately \$70 billion (not counting the retirement systems and other debts which increase the total amount to approximately \$140 billion). The current credit rating of Puerto Rico has been downgraded to below investment grade or “junk” status and every year more citizens, many of them professionals or entrepreneurs from the field of technology, leave the Island thus weakening its human capital.

With the exception of the year 2012, when the Island's economy showed signs of recovery, Puerto Rico has had to face a significant economic contraction. From 2006 to the present, the Economic Activity Index (EAI) calculated by the Government Development Bank has been decreasing in a continuous and accelerated manner, which correlates with the negative growth of Puerto Rico's Gross Domestic Product (real GDP) and Gross National Product (real GNP) during that same period. By 2012, the economy had begun to improve, showing signs of positive growth for the first time in years. As a result of the fiscal measures taken, the Government regained the markets' trust and its credit rating improved. Unfortunately, the previous administration opted to abandon the policies that had yielded results. Improvisation and an incoherent public policy set back the advances that had been made and any attempts to restart Puerto Rico's economy, put its finances in order, and begin its journey towards a long-term, sustainable social and economic development were abandoned.

The goal of the current administration is to reactivate Puerto Rico's economy through the implementation of a concrete, defined, and multisector public policy. The foregoing must be achieved while taking into account our fiscal and legal reality.

Puerto Rico has been attempting to transition to an economic development model based on the knowledge economy and innovation for the past two decades. For such purposes, the Puerto Rico Science, Technology and Research Trust (hereinafter, the Trust) was created by virtue of Act No 214-2004, as amended. The Deed of Trust was executed on December 31, 2004, pursuant to Act No. 214-2004. The purpose of the Trust is to contribute towards the implementation of the public policy of the Government of Puerto Rico regarding science and technology

research and development, which shall include the establishment of a partnership between the Government and the private sector to promote and develop the same for the benefit of all Puerto Ricans.

Pursuant to Act No. 214-2004, as amended, the Trust is managed by a Council of Trustees composed of eleven (11) members; seven (7) of who represent a range of areas in academia and the knowledge and innovation economy and the remaining members being the Secretary of the Department of Economic Development and Commerce (hereinafter, DEDC), the Director of the Industrial Development Company (hereinafter, PRIDCO, Spanish acronym), the President of the Government Development Bank (hereinafter, GDB), and the Director of the Office of Management and Budget (hereinafter, OMB). The members representing the private sector are chosen by the other members of the Council and the President of the University of Puerto Rico is one of the members from academia. Moreover, Act No. 214-2004 provides that an executive director shall be in charge of the daily administration of the Trust. Lastly, the Act provided for the creation of a fund which receives various legislative appropriations under the custody of the GDB.

The Trust has not achieved the goals established in Act No. 214-2004 more than twelve (12) years after its creation. The previous administration's public policy on economic development through innovation and science lacks coherence and scope. It currently focuses on individual projects without defining their contribution to an integrated plan. For example, the Trust has spent millions of dollars on the development of a road and the so-called "Science City." Projects based on the principle of "if you build it, they will come" have proven to be a failure in other jurisdictions. Other initiatives may have been laudable, but it has never been established how they would relate to other elements of the Trust or the Government's public policy.

Furthermore, a report from the Office of the Comptroller published on April 25, 2016, which encompasses the period from January 1, 2010 through October 31, 2015, reflects serious deficiencies in the administration of the Trust. To wit, the Office of the Comptroller found that the Trust lacked uniform accounting procedures, conflicting duties within the accounting division, a lack of appropriate accounting controls, deficiencies in the contract records and bank reconciliations, a lack of an internal audit division, among other things.

The report also states that during fiscal years 2008-09 through 2013-14 the financial statements audited by certified public accountants indicated that the Trust received \$106,806,405 in revenues and incurred in expenses equal to \$48,162,172 for a net surplus of \$58,644,232. Ninety-five percent (95%) of such revenues consisted of public funds. This deviates from the Trust's original purpose of incorporating the private sector's input, participation, and financing to achieve its purpose. Lastly, the Trust has issued annual reports which lack the information explicitly required by Act No. 214-2004.

The Plan for Puerto Rico recognizes that investment in science, technology, and innovation represents the greatest opportunity our generation has of changing the way we govern because it creates benefits and synergies between various areas of the economy and the government, and it accelerates Puerto Rico's development. Incorporating technology shall allow us to maximize government efficiency. The development of science, technology, and innovation shall also enable us to provide more and better services to our citizens by focusing on making our processes more streamlined and less bureaucratic.

In the judgment of the Legislative Assembly, in view of this factual and legal framework, the Trust cannot continue in its current state. The Council of Trustees and the executive officers have not been able to provide the Trust with the stability, direction, and administrative and fiscal soundness these times require.

Even worse, this situation has resulted in the loss of tens of millions of dollars, a lack of transparency, and has left the Trust adrift. It is time to put the Trust back on track. In order for this entity fully achieves its objectives, it is necessary for this Legislative Assembly to exercise its constitutional prerogative and reorganize the Trust's governing body. In doing so, it must ensure that the governing board of the Trust has the flexibility, adaptability, talent, wealth of backgrounds, and profiles which enable it to achieve its goal. Moreover, it is essential to make it more adaptable by limiting government participation so that it may achieve its goals. For such purpose this Act replaces the Trust's Council of Trustees, which currently has among its members four (4) Heads of Agencies and the President of the University of Puerto Rico, with a Board of Trustees which shall have greater participation from the private sector. The Board of Trustees shall be composed of eleven (11) members of which only two (2) shall be representatives of the Government: the Secretary of the DEDC and another public official to be appointed by the Governor both of whom shall be *ex officio* members. The remaining nine (9) members shall be representatives of the private sector to be appointed by the Governor. They shall serve staggered terms which shall not be longer than five (5) years. Also, the office of director of operations is eliminated and it is provided that the office of executive director of the Trust shall answer directly to the Trust's Board of Trustees. Furthermore, the deficiencies recently indicated in the report highlight the Board's responsibility to ensure the Trust complies with the requirements previously established by Act No. 214-2004, as amended.

Through this measure we refocus the purpose of the Trust to address, together with the private sector, the educational, industrial, and business aspects in the areas of science, technology, innovation and research so as to promote the economic development of Puerto Rico. It is necessary for the Trust to work together with the private sector, without having to rely on the Government, so that

it may serve as a real tool for economic activity in Puerto Rico. Thus, by significantly increasing the number of private persons in the Board of Trustees we ensure that the direction of the Trust is in the hands of the private sector and persons who have an amalgam of qualifications, knowledge, and experiences which foster the development of science, research, and technology as tools for economic transformation and development.

With this measure we promptly conclude the effort to refocus and revindicate the interests and mission of the Trust to ensure that its operation is consistent with our government plan, our public policy, and so that it may become a real tool for change that enables greater economic development in Puerto Rico.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Section 2 of Act No. 214-2004, as amended, known as the “Puerto Rico Science, Technology, and Research Trust Act,” is hereby amended to read as follows:

“Section 2.- Definitions.

...

(a) Eligible activities.- shall mean: any activity that strengthens scientific research and enables industrial innovation for the benefit of Puerto Rico’s economic development and which furthers the purposes of the Trust as they are established in Section 3 of this Act.

(b) Federal Agency.- ...

(c) Bond or Bonds - shall mean any bond, note, promissory note, or any other evidence of indebtedness issued or contracted by the Trust.

(d) Benefit Assessment or Assessments - shall mean the fees imposed by the Trust under Section 11 of this Act.

(e) Puerto Rico Science City - shall have the meaning attributed to such term in Section 7 of this Act, or as this area may be designated by the Board of Trustees.

(f) Company.- shall mean the Puerto Rico Industrial Development Company.

(g) Board of Trustees.- shall mean the group of persons designated as Trustees of the Trust.

(h) District Development Costs.- ...

(i) Department.- ...

(j) Executive Director.- ...

(k) District.- shall mean the Puerto Rico Science, Technology, and Research District, established in Section 7 of this Act, to be developed and operated by the Trust or by any person designated by the Board of Trustees to attain the purposes and carry out the activities established in the Strategic Plan or Plans. The term District shall include all real and personal property located within the District and any rights derived therefrom.

(l) Benefited Entity or Entities - shall mean any natural or juridical person, including any government entity that receives assistance from the Trust.

(m) Deed of Trust.- ...

(n) Trust.- ...

(o) Fund.- ...

(p) Government.- shall mean the Government of Puerto Rico including all the subdivisions, public corporations, and municipalities thereof.

(q) Office.- ...

(r) Special Parcel or Parcels.- ...

(s) Person.- shall mean any natural or juridical person; provided, that in the case of juridical persons, they could be of public or private nature, and organized or existing under the laws of the Government of Puerto Rico, the United States of America or any state of the United States of America.

(t) Strategic Plan or Plans.- shall mean the plan or plans to be approved by Board of Trustees in order to define the Trust's work schedule under this Act, as well as the master plan for the development and construction of any improvements within the District. The master plan shall include a plan for the development of the Puerto Rico Science City, which shall be a scientific conglomerate that combines science and technology research and development with other related or incidental activities that may render the Puerto Rico Science City more competitive than other science, research, and technology conglomerates around the world. Said activities include the development of a safe, high-quality residential and academic community that offers, but is not limited to, services and programs aimed towards encouraging and developing the potential of gifted and talented students, as well as social, sports, cultural, and historical activities to attract scientists, researchers, technicians, academics, and other persons who may wish to work and live in the District

(u) Proponent or Proponents.- shall mean the person who requests assistance from the Trust.

(v) Trust Projects.- shall mean the science or technology and innovation research or development projects that the Board of Trustees deems qualified to be promoted by the Trust.

(w) Improvement Project or Projects - shall mean any development, infrastructure, facility, improvement, work, or service provided, constructed, operated, or maintained in or for the benefit of the District, such as laboratories, hospitals, schools, office buildings, water and sewage, gas, electric, and other

utility infrastructures, roads, recreational and sports facilities, hotels, parking, canals, fountains, security systems, landscapes, transportation facilities and equipment, restaurants, stores, telecommunications facilities, and any service related to any of the foregoing whose cost shall be financed by the Trust in accordance with the mechanisms provided for in this Act, and for the benefit of the District. An Improvement Project may be carried out in any parcel within the District or outside of the District; provided, that the Board of Trustees deems the project to be beneficial for the District and that it furthers the purposes of the Trust.

- (x) Trade Secrets.- ...
- (y) University.- ...
- (z) Private University.- ...”

Section 2.- Section 3 of Act No. 214-2004, as amended, known as the “Puerto Rico Science, Technology, and Research Trust Act,” is hereby amended to read as follows:

“Section 3.- Creation, Purpose, and Duties.

The Secretary of the Department of Economic Development and Commerce is hereby authorized, as trustor, to execute a Deed of Trust whereby a private nonprofit trust shall be established, to be known as the ‘Puerto Rico Science, Technology, and Research Trust,’ hereinafter ‘the Trust.’ The Trust shall have legal personality separate from its Fiduciaries or Trustees.

(a) The purpose of the Trust shall be to contribute to the creation and implementation of the public policy of the Government of Puerto Rico on scientific research and technological development. The Trust shall enter into agreements with the Government and the private sector to promote, at the educational, industrial and business level, the use of science, research, and technology as tools for economic development and the creation of economic activity for the benefit of all Puerto Ricans. In order to achieve its purpose, the Trust shall act as an agent for

the promotion, as well as the investment in and financing of, activities that strengthen scientific research which enables industrial innovation for the benefit of Puerto Rico's economic development; it shall promote close collaboration between the Puerto Rico's government, academic, and industrial sectors with a focus on, but not limited to, conducting advanced scientific research for the discovery of new knowledge with socioeconomic impact potential, and applied scientific research to translate this new knowledge into processes, products, and services that have a commercial value; and it shall develop and encourage a culture that recognizes the importance of scientific research and technology development in furthering the Island's economic and social improvement. Moreover, it shall promote the transfer of technology and the commercialization of the products resulting from local research and create a coherent strategy to attract world class researchers to Puerto Rico in order to promote new scientific initiatives.

(b) The efforts of the Trust shall be directed at activities and projects that have an impact on science and technology research and/or development in Puerto Rico, with a particular focus on innovation and enhancing innovation capacity as well as the commercialization of the products resulting from such science and technology research for the purpose of accelerating the creation of businesses and jobs.

(c) The Trust is hereby designated as a Public Health Institute.

(d) The Trust is hereby designated as an Educational Organization.

(e) The Trust is hereby designated as a *bona fide* fiscal agent of the Government of Puerto Rico to enable the successful filing of proposals for competitive subsidies that the Government of Puerto Rico is unable to apply for in time or operate pursuant to the requirements of the federal entities which grant such subsidies.

(f) In order to achieve the objectives of this Act, the Trust shall perform the following tasks, among others:

1. ...
2. ...
3. ...
4. To promote private investment in science and technology research or development activities and projects, as well as in emerging high technology companies and multinational corporations with a strong presence in Puerto Rico;
5. To increase investment in innovation through public and private partnerships;
6. To enable initiatives for patent acquisition and the protection of intellectual property, the work of scientists, and the results of science and technology research and development activities feasible;
7. To collaborate with the private sector in the development of innovative products, businesses, services, and processes while stimulating economic growth and the ability to compete at a global level;
8. To promote mechanisms that facilitate access to and optimal use of existing sources of international science and technology research or development resources by interested citizens;
9. To strengthen the research capabilities of both public and private educational institutions in order to foster long-term industrial development; and
10. To provide services, either directly or by contracting external consultants and experts, that render the District more desirable as a location, such as compensated or free advice on the creation of start-up incubators that includes, but is not limited to, strategic commercial and technological consulting; advice to

scientists and researchers on the patent application process, marketing, and defense of their intellectual rights with regard to inventions made in the District; training for personnel who work in entities located within the District; and any other service that encourages and facilitates the creation of new initiatives and businesses, supports the development of new inventions, and makes the patenting, commercialization, and protection of intellectual property developed within the District feasible;

11. To consider and, if deemed prudent, establish a Research Institute that the experts from public and private universities may join, that may serve as a fiscal agent and which may evaluate proposals.

Section 3.- Section 4 of Act No. 214-2004, as amended, known as the “Puerto Rico Science, Technology, and Research Trust Act,” is hereby amended to read as follows:

“Section 4.- Trustees of the Trust.

(a) The Board of Trustees of the Trust, hereinafter ‘the Board,’ shall be composed of eleven (11) trustees of which one shall be the Secretary of the Department of Economic Development and Commerce, and another a public official to be appointed by the Governor in representation of the Government, both of whom shall be *ex officio* members. They may be represented by the persons they designate to such effect. The remaining nine (9) trustees shall represent the private sector. For all legal purposes, the trustees shall act as fiduciaries of the Trust.

The Deed of Trust shall provide that the nine (9) private citizens shall serve as trustees for a term not to exceed five (5) years and until their successors are appointed. The private citizens shall satisfy at least one of the following criteria: to represent the university community of a public or private institution, to be engaged in scientific research, to have practical and theoretical knowledge of natural sciences, to have practical and theoretical knowledge of social sciences, to

have practical and theoretical knowledge of engineering, to work in the high technology, innovation, or the export of goods and services sector, to work in the health sector, to have theoretical and practical knowledge of economics or the commercialization of products or services, and/or any other technical or scientific knowledge that can be applied to stimulate economic development.

(b) The Governor of Puerto Rico shall appoint the nine (9) private citizens who shall initially act as trustees and, successively, the private trustees shall be selected through the majority vote of the members of the Board. The appointments shall be made for the following terms: three (3) trustees for three (3) years; three (3) trustees for four (4) years and; three (3) trustees for five (5) years. Any vacancy in the trustee positions held by the private citizens that arises before the term of said position has expired shall be filled, for the remaining term, by a new appointment to be chosen through the majority vote of the members of the Board.

(c) The private citizens appointed or chosen as members of the Board of Trustees shall not be deemed to be public officials for all effects, including the provisions of Act No. 1-2012, as amended, known as the 'Puerto Rico Government Ethics Act of 2011.' Notwithstanding the foregoing, they shall be trained on the sound administration of and contracting in the Government.

It is hereby provided that no member of the Board who has any personal, institutional, or financial interest, as such terms are defined hereinbelow, may participate in any decision or have access to any information regarding the matter or matters in which he has a personal or financial interest. 'Financial Interest' shall mean direct or indirect ownership, whether legal or through equity, by an individual or a member of his family unit, as it is defined herein, of (1) at least ten percent (10%) of the stocks issued by a corporation; (2) at least ten percent (10%) of the interest in any other entity; or (3) the ownership of enough

stock or participation in an entity to grant such person effective control of the decisions made by the entity. The term 'Personal Interest' shall mean any personal, family, or business relationship that could be construed as affecting the objectivity of a member of the Board. The term 'Family Unit' shall mean the wife or husband of a person, their children, dependents, or those persons who share his legal residence or whose financial matters are under the de jure or de facto control of such person.

(d) The Chairman of the Board of Trustees shall be the Secretary of the Department of Economic Development and Commerce. From among its members who are private citizens, the Board shall select a Vice Chairman to substitute the Chairman in his absence, as well as a Secretary.

(e) The members of the Board of Trustees who are not public officials shall be entitled to receive the basic per diem established through the unanimous vote of the Board.

(f) A majority of the members of the Board shall constitute quorum for all purposes, and the decisions shall be reached by the majority of those present. Provided, that any action that needs to be taken or that is allowed during any meeting of the Board shall be authorized without the need for a meeting as long as all the members of the Board give their consent in writing to such an action. In such a case, the written document shall be entered into the minutes of the Board. It is furthermore provided that the members of the Board may respectively participate in any meeting of the Board or in any committee thereof, through telephone conference or other means of communication through which all persons participating in the meeting may be heard simultaneously. The participation of any member of the Board in the manner described above shall constitute attendance to said meeting. It is hereby provided that members who participate via telephone conference shall not be entitled to per diems.

(g) The members of the Board of Trustees shall not be personally liable for monetary damages arising from their actions or from breach of trust as members of the Board of Trustees, except for acts or omissions made in bad faith or consisting of willful misconduct or willful violations of law, or any transaction from which the member derived an improper personal benefit. The Trust may hold harmless any person who is or has been a trustee, official, employee, or agent of the Trust under the same parameters that a corporation may hold harmless its directors, officials, employees, or agents under Act No. 164-2009, as amended, known as the ‘General Corporations Act.’”

Section 4.- Section 5 of Act No. 214-2004, as amended, known as the “Puerto Rico Science, Technology, and Research Trust Act,” is hereby amended to read as follows:

“Section 5.- Rights, Powers, and Duties of the Board of Trustees.

(a) The Trust, as a juridical entity with its own personality, shall have all those powers and authorities expressly conferred thereto in the Deed of Trust, insofar as such powers and authorities are not inconsistent with this Act, including the power to sue and be sued. The Deed of Trust shall provide the powers and duties of both the Trust and the Board of Trustees, as applicable, which shall include, among others, the following:

...

3. To revise and update the focus and scope of the Trust every four (4) years and notify the Governor of Puerto Rico as well as the presiding officers of the Senate and House of Representatives of such revision and update subject to penalties for noncompliance. Such plan shall reflect the fiscal reality of Puerto Rico which requires adjustments to the strategies for the implementation of the public policy on Science and Technology;

...

5. To appoint an ‘Executive Director’ establish his powers and duties in accordance with the provisions of this Act, and fix his compensation, which the Board of Trustees shall ordinarily determine based on compensation surveys for similar offices in jurisdictions that are comparable to Puerto Rico. The Executive Director shall hold an at-will position and shall serve according to the parameters set forth by the Board of Trustees. The Executive Directors shall be recruited based on their experience, knowledge, and administrative and managerial skills in institutions whose purposes are similar to the Trust and they shall have knowledge of sound Government administration and contracting; provided, that every official or employee may be compensated from any of the resources of the Trust, including the Fund;

...

11. To delegate to any Person the execution of measures, plans, and Projects of the Trust that are approved by the Board of Trustees pursuant to this Act;

...

15. To borrow money and issue notes, Bonds, and any other evidence of indebtedness of the Trust in order to finance the District’s Development Costs as well as Trust Projects, and provide funds to defray the Trust’s operating costs, as well as to make investments or provide financial assistance to any Benefitted Entity, pay the costs of acquiring any property for the Trust, achieve any of its goals, or refinance, pay, or redeem any of its notes, Bonds, or other obligations. The Trust may secure the payment of such Bonds, or any part thereof, by a pledge, mortgage, assignment, or any other encumbrance on the properties of the Trust located within or outside the District, or through the Benefit Assessment and the income, revenues, fees, and any interest on Trust contracts, leases, or subleases. The Trust may enter into any agreement with purchasers or

holders of such Bonds or with other obligees of the Trust in connection with any Bonds, whether issued or to be issued, and which shall constitute contracts with such purchasers or holders; may acquire any facility that increases its borrowing capacity or its capacity to issue debt, or that increases its liquidity with regard to any Bonds; and, in general, it may provide any type of security for said payment of such Bonds and the rights of the holders thereof, as well as negotiate and execute with any entity financing agreements, notes to evidence indebtedness, and any other instruments, agreements, and obligations of any nature that may be necessary or convenient to exercise the powers and duties conferred upon the Trust. The Trust may lend all or part of the proceeds from the sale of the Bonds or otherwise, in order to finance the District's Development Costs and to further any of the purposes of the Trust. It may draft and execute financing and security agreements, as well as the documents necessary to provide evidence of said debts of third parties with the Trust, under such terms and conditions as required by the Trust at its sole discretion. Provided, that regarding any debt issue of the Trust, the Fiscal Agency and Financial Advisory Authority shall act as fiscal agent, as provided in Act No. 2-2017. Real and personal property owned by the University of Puerto Rico and its instrumentalities shall not be encumbered or used by the Trust to guarantee the aforesaid transactions;

16. To provide financing to third parties and make investments or donations under the terms and conditions that the Board of Trustees deems appropriate for Trust Projects;

...

21. To fix, charge, alter, and collect rentals, fees, tariffs, prices, Benefit Assessments, and other charges that every holder, tenant, lessee, owner, licensee, user, exhibitor, franchisee, or vendor shall be required to pay to the Trust for the use of any facility within the District or any Special Parcel, or for any

benefit received for any Improvement Project, for the sale of goods and services within the District, and/or for goods and services to be provided by the Trust within the District. The Board of Trustees shall be empowered to grant waivers or discounts on those payments, as circumstances may warrant; provided, that said waiver or discount furthers the purposes of the Trust;

...

26. To create companies, partnerships, or corporations as subsidiaries or affiliates of the Trust, subject to its total or partial control, to carry out any assignment that the Board of Trustees may deem to be in the best interest of the Trust. Said corporations shall have and may exercise each and every power, function, duty, and right conferred to the Trust through this Act or through the Deed of Trust, provided, that in the judgment of the Council of Trustees, said action is necessary, appropriate, or convenient to achieve the purposes of the Trust or to exercise its powers. The Trust may sell, lease, assign, or otherwise convey to these corporations any of its real or personal property. The revenues, operations, and properties of the Trust's subsidiaries shall enjoy the same tax exemption as the Trust, and the bonds, notes, and other obligations of such subsidiaries and their income on account thereof shall enjoy the same tax exemption as the bonds, notes, and other obligations of the Trust;

...

(b) The Board of Trustees shall prescribe by regulations the criteria to be used for the disbursement of Trust funds.

(c) The Board of Trustees shall have the discretionary power to choose the investment or financing mechanisms that it shall use to promote the field of science and technology research and development in Puerto Rico, including the loan, gift, donation, and investment mechanisms, or any combination thereof.”

Section 5.- Section 6 of Act No. 214-2004, as amended, known as the “Puerto Rico Science, Technology, and Research Trust Act,” is hereby amended to read as follows:

“Section 6.- The Puerto Rico Science, Technology and Research Trust Fund.

(a) A fund to be known as the ‘Puerto Rico Science, Technology, and Research Trust Fund,’ is hereby created. The moneys of the Fund shall derive from:

- i. ...
- ...
- v. ...

On or before ninety (90) days after the close of every Government of Puerto Rico fiscal year, the Secretary of the Treasury shall submit a report to the Board of Trustees concerning the revenues generated and transferred to the Fund pursuant to paragraphs (ii) through (iv) of this Section 6 and the revenues transferred to the Company pursuant to paragraph (i) of this Section.

(b) The Board of Trustees may create, within said Fund, any accounts it deems necessary to better manage its operations and to meet the requirements of its creditors, donors, and gift givers, or of legislative appropriations. All contributions received by the Trust and all revenues on account of return on investments made with the moneys deposited in the Fund shall be deposited in such accounts as determined by the Board of Trustees.

(c) The money deposited in the Fund may be invested in any obligation or instrument approved by the Fiscal Agency and Financial Advisory Authority pursuant to Act No. 113-1995, as amended. The Fiscal Agency and Financial Advisory Authority shall ensure that the investments authorized in this Act generate the highest yield allowed by market conditions while ensuring that the

invested principal is secured and shall submit an annual activity report to the Board of Trustees.

(d) The money deposited in the Fund shall be used to achieve the purposes of this Act. The disbursements of money deposited in the Fund shall be made in accordance with the purposes of this Act, and pursuant to the provisions of the Deed of Trust, the procedures and budgets approved by the Board of Trustees, and any applicable legal practices.

...”

Section 6.- Section 8 of Act No. 214-2004, as amended, known as the “Puerto Rico Science, Technology, and Research Trust Act,” is hereby amended to read as follows:

“Section 8.- Development of the District.

For purposes of the development, design, and construction of the District, Improvement Projects, and any other project in Special Parcels, the Trust shall:

(a) Contract the services of planners, architects, engineers, and a construction team with experience in projects similar to those sought to be developed in the District.

(b) Promote, implement, and coordinate the planning, design, and development of the District, the projects on Special Parcels, and other Improvement Projects, including the creation, imposition, recording, and administration of covenants and restrictions ensuring compliance with the Strategic Plan and design criteria adopted by the Trust.

(c) Create an Executive Financing Committee (the ‘Committee’) within the Board of Trustees, composed of the Secretary of the Department of Economic Development and Commerce or his delegate to the Board of Trustees, and two (2) members of the Board of Trustees representing the private sector who must have the necessary experience and availability to be part of the Committee. This

Committee shall evaluate all financing proposals to cover the District's Development Costs. Moreover, this Committee shall have the power to request the assistance of consultants as it may deem beneficial to achieve the purposes of this Section. The Committee shall submit its recommendations to the whole Board of Trustees for the approval of such financing before making any commitment to third parties."

Section 7.- Section 11 of Act No. 214-2004, as amended, known as the "Puerto Rico Science, Technology, and Research Trust Act," is hereby amended to add paragraph (f), to read as follows:

"Section 11.- Imposition of Benefit Assessments.

(a) ...

(f) The Trust, as a collaborating entity of the Government of Puerto Rico, shall collaborate during the government transition process carried out in accordance with Act No. 197-2002, known as the 'Act to Regulate the Transition Process of the Government of Puerto Rico' by submitting a detailed and comprehensive report on the financial and administrative state of the Trust, its achievements, and the return on investment of its projects."

Section 8.- Section 21 of Act No. 214-2004, as amended, known as the "Puerto Rico Science, Technology, and Research Trust Act," is hereby amended to read as follows:

"Section 21.- Transfer of Funds and Property Between the Trust and Other Governmental and Municipal Agencies.

(a) ...

(b) Notwithstanding any other provisions of law or regulations to the contrary, all agencies, departments, public corporations, instrumentalities, municipalities, and any other political subdivisions of the Government are hereby authorized to assign or otherwise transfer to the Trust, at the request of any of these

government entities and after the Board of Trustees has considered it with the consent of the Secretary of the Department of Economic Development and Commerce as an *ex officio* member, to accept such transfers under reasonable terms and conditions, any real or personal property or any interest or right thereon (including, but not limited to property already devoted to public use) which the Trust and the government entity concerned may deem necessary or convenient to further the purposes of the Trust. Satellite land plots may be created for the District, on the real property transferred pursuant to this Section 21, in those cases where the provisions of Section 5(a)(26) are complied with.

...”

Section 9.- Effect and Transition.

The members of the Council of Trustees who held such offices until the effective date of this Act, shall be confirmed by the Governor as members of the Board of Trustees created by virtue of this Act and shall continue to discharge their duties until the expiration of the remaining term of their respective appointments, as carried out prior to this Act. It is further provided that the Governor shall appoint the remaining three (3) members from the private sector for a term of five (5) years, respectively, in accordance with the provisions of this Act. The current appointment of the person holding the office of Executive Director, pursuant to Section 5 of Act No. 214-2004, as amended, until the effective date of this Act, shall be ratified by the Board of Trustees pursuant to the terms and conditions originally agreed upon; provided that, the appointment of the person holding the office of Director of Operations shall expire as of the date of effectiveness of this Act. Moreover, the Governor is hereby empowered to appoint the other *ex officio* member of the Board of Trustees, who shall be another public official, to hold office in accordance with the provisions of this Act.

Any provision of law or regulation in effect that makes reference to the Council of Trustees shall be understood as referring to the Board of Trustees of the Trust.

Section 10.- Incompatibility.

The provisions of this Act that are incompatible with the provisions of any other law or regulation shall prevail over the latter.

Section 11.- Trust.

The Secretary of the Department of Economic Development and Commerce shall amend the Trust's public deed so that it reflects the changes made by virtue of this Act within a term of ninety (90) days.

Section 12.- 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 thereof 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 thereof 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.

Section 13.- Effectiveness.

This Act shall take effect immediately after its approval.