

(H. B. 1403)
(Conference)

(No. 141-2018)

(Approved July 11, 2018)

AN ACT

To create the “Act for the Implementation of the Department of Economic Development and Commerce Reorganization Plan of 2018”; amend Sections 4 and 5, repeal Sections 6, 7, 11 and 12, add a new Section 6, renumber Section 8 as Section 7, and renumber Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22 as Sections 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 of Reorganization Plan No. 4-1994 of the Department of Economic Development and Commerce; amend Section 5 of Act No. 22 of July 24, 1985, as amended, known as the “Economic Development Bank for Puerto Rico Act”; amend Section 4 of Act No. 103-2007, as amended, known as the “Puerto Rican Institute for Mutual Assistance with Democratic Cuba Act”; amend Section 2.01 of Act No. 351-2000, as amended, known as the “Puerto Rico Convention Center District Act”; amend Section 4 of Act No. 118-2010, as amended, known as the “Municipal Economic and Tourist Development Incentives Act”; amend Section 5 of Act No. 13-2017; amend Section 3 of Act No. 196-2010, as amended, known as the “Medical Tourism Act of Puerto Rico”; amend Section 8 of Act No. 188 of May 11, 1942, as amended, known as the “Puerto Rico Industrial Development Company Act”; amend Sections 2, 2-A, 2-B, 3, 4, 5, 7, 7-A, 7-B, 8, 9, 9-A, 9-B, 11, 12, 13, and 14, and repeal and leave vacant Section 10 of Act No. 221 of May 15, 1948, as amended; amend Sections 1, 2, 4 renumbered as 3, 5 renumbered as 4, 6 renumbered as 5, 8 renumbered as 7, 9 renumbered as 8, 20 renumbered as 10, and 21 renumbered as 11, repeal Sections 3, 7, 10, 11, 12, 13, 14, 15, 16, 17, and 18, and renumber current Sections 8, 9, 19, 20, 21, 22, 23, as 7, 8, 9, 10, 11, 12, and 13 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act”; amend the Title of Chapter III and Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, and 3.7 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act”; amend Section 12 of Act No. 73-2008, as amended, known as the “Economic Incentives Act for the Development of Puerto Rico”; amend Sections 1, 2, 3, 6 renumbered as 4, 7 renumbered as 5, 9 renumbered as 6, 10 renumbered as 7, 13 renumbered as 8, and 14

renumbered as 9, repeal Sections 4, 5, 8, 11, and 12, renumber Sections 6, 7, 9, 10, 13, 14, 15, and 16 as Sections 4, 5, 6, 7, 8, 9, 11, and 12, and add a new Section 10 to Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act”; amend Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 46, 48, 49, 50, 51, 52, 53, 54, 55, 60, and 61 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act”; amend Sections 1, 2, 3, 4, 5, 6, 8 renumbered as 7, 18 renumbered as 8, 19 renumbered as 9, 20 renumbered as 10, 21 renumbered as 11, 22 renumbered as 12, 24 renumbered as 13, 25 renumbered as 14, and 28 renumbered as 17, repeal Sections 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 23, renumber current Sections 8, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, and 29 as Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18, and add a new Section 18(A) to Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act”; amend Sections 1.5, 2.1, 2.2, 2.3, 2.3A, 2.3C, 2.3D, 2.3E, 2.4, 2.5, 2.8, 2.9, 2.12, 2.14, 2.16, 2.17, 2.20, 3.1, 3.2, 3.3, 4.1, 5.1, 5.2, 5.3, 6.2, 6.3, 6.5, 7.2, 7.7, 7.9, 7.11, 8.2, 8.4, 8.5, 8.8A, 8.11, 9.3, 19.12, and 19.13 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act”; amend Section 2 and repeal Section 20 of Act No. 75 of June 24, 1975, as amended, known as the “Puerto Rico Planning Board Organic Act”; amend Sections 2, 4, 5, 6, and 16 of Act No. 66 of June 22, 1975, as amended, known as the “Culebra Conservation and Development Act”; amend Section 3 of Act No. 508-2004, as amended, known as the “Roosevelt Roads Naval Station Facilities and Land Redevelopment Authority Act”; and for other purposes.

STATEMENT OF MOTIVES

Leading Puerto Rico into the right path requires a paradigm shift, such as that proposed by this Administration in the Puerto Rico Socioeconomic Transformation Model included in the Plan for Puerto Rico. The Plan for Puerto Rico seeks to implement a new government structure that significantly reduces public spending and substantially improves government functions. To achieve this, services provided by the government must be thoroughly assessed in order to determine which services may be consolidated, delegated to the private sector, or eliminated because they are no longer necessary. Our goal is to avoid dismissing

public employees, and instead move them according to our People' service needs. Likewise, the certified Fiscal Plan ratifies our commitment to reform the government apparatus thus eliminating obsolete, inefficient, or redundant structures and achieving transparency and efficiency.

Since January 2, 2017, we have been implementing a systematic plan to control government spending, reactivate our economy, and allow for the conditions to create more and better jobs in the private sector. We are showing the world that Puerto Rico is open to do business in a safe and stable governmental environment. The measures introduced by the Governor and approved by this Legislative Assembly during the first year of his administration have changed the course of the Government of Puerto Rico and have set it on a path of fiscal responsibility, but there is still much work to be done. Together, we are honoring our commitment at a fast pace and moving Puerto Rico towards stability.

On March 13, 2017, the Oversight Board accepted and certified the Fiscal Plan together with a series of contingencies, which guarantee that government employees shall not be dismissed. The approved Fiscal Plan measures are geared to achieve the fiscal objectives, including the government's right-sizing, and to promote economic development, and further the ability to restore our credibility. Moreover, in January 2018, the Government shall submit an updated version of the Fiscal Plan to show the change in the economic and fiscal situation of Puerto Rico in the wake of hurricanes Irma and Maria. Said revised Fiscal Plan also includes significant government right-sizing provisions with which we must comply responsibly.

In accordance with the foregoing, on December 18, 2018[sic], the Governor of Puerto Rico, the Hon. Ricardo Roselló-Nevarés, signed the "New Government of Puerto Rico Act," which became Act No. 122-2017. Pursuant to Act No. 122-2017, the Governor submitted to the Legislative Assembly a reorganization plan

that provides for the merger of the Department of Economic Development and Commerce, the Office of Industrial Tax Exemption, the Regional Center Corporation, the Permit Management Office (OGPe, Spanish acronym), the Statistics Institute, and the duties of the Commonwealth Energy Public Policy Office. It must be clarified, however, that this Legislative Assembly has determined to address the matters pertaining to the Statistics Institute in subsequent legislation. Regarding OGPe, it must be noted that the permit-related duties discharged by the Culebra Conservation and Development Authority, in accordance with Act No. 66 of June 22, 1975, as amended, are also transferred to the Department in order to be able to uniform the conservation, land use and development policies and procedures in connection with said Island Municipality to render them consistent with the public policy of the Government and the initiatives furthered at the state level.

Furthermore, the Trade and Export Company and the Tourism Company shall continue to be attached to the Department while providing for a mechanism for a subsequent consolidation. The Puerto Rico Industrial Development Company, the Planning Board, and the Authority for the Redevelopment of the Land and the Facilities of the Roosevelt Roads Naval Station are hereby attached to the Department. The Promotion and Incentive duties discharged by the Industrial Development Company are also transferred to the Department. Lastly, it is hereby provided that the Tourism Office of the Department of Economic Development and Commerce shall be charged with the collection and administration duties provided for in Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” and Act No. 221 of May 15, 1948, known as the “Games of Chance Act.”

Upon the approval of the Reorganization Plan submitted by the Governor to this Legislative Assembly, in accordance with the provisions of Section 2.05 of

Act No. 122-2017, this Act is hereby enacted to repeal and/or conform any laws or parts thereof to said Reorganization Plan, as appropriate.

This Act, which accompanies the approved Reorganization Plan, is also promulgated to satisfy the demands made by the Oversight Board in the approved Fiscal Plan submitted in accordance with PROMESA. In view of the foregoing, and due to Puerto Rico's serious economic and fiscal emergency, we are compelled to approve this Act by virtue of the state's Police Power and in accordance with Sections 18 and 19 of Article II and Sections 7 and 8 of Article VI of the Constitution of Puerto Rico. We exercise this Police Power to take the necessary measures to comply with the Fiscal Plan and set Puerto Rico on the path to financial recovery. Complying with this Plan is deemed a compelling State interest in order to ensure the continuity of operations and the protection of those most vulnerable.

Lastly, as stated in the approved Reorganization Plan, this Act does not seek to change the public policy of the Government of Puerto Rico on this matter. Its main intent is to adjust the code of laws in effect to the new organizational and administrative structure.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Chapter I – GENERAL PROVISIONS

Section 1.1.- Title.

This Act shall be known as the “Act for the Implementation of the Department of Economic Development and Commerce Reorganization Plan of 2018.”

Section 1.2.- Purpose and Scope.

The purpose of this Act is to implement and enforce the Reorganization Plan of the Department of Economic Development and Commerce adopted under Act No. 122-2017. The implementation of the Reorganization Plan shall adhere to the

principles and purposes of Act No. 122-2017. In addition to those expressly provided for herein, the Secretary of the Department of Economic Development and Commerce shall have all the powers and authorities necessary for the implementation of the Reorganization Plan and the amendments herein introduced. The implementation of the Reorganization Plan shall adhere to the general guidelines and principles established by Act No. 122-2017.

PROVISIONS TO AMEND AND REPEAL

Chapter II – Amendments to Reorganization Plan No. 4-1994

Section 2.1.- Section 4 of Reorganization Plan No. 4-1994, as amended, known as the “Reorganization Plan of the Department of Economic Development and Commerce,” is hereby amended to read as follows:

“Section 4.- Powers, Duties, and Functions of the Secretary.

The Secretary of Economic Development and Commerce, hereinafter ‘the Secretary,’ in addition to the powers, duties, and functions conferred by other laws and this Reorganization Plan, shall have all the powers, duties, authorities, responsibilities, and prerogatives inherent to his office, including, but not limited to, the following:

(a) ...

...

(w) To discharge the duties and functions already legislated for the Reorganization Plan of the Department of Economic Development and Commerce of 1994, the Reorganization Plan of the Department of Economic Development and Commerce of 2018, as well as the authorities established in the organic acts of the Consolidated Entities.”

Section 2.2.- Section 5 of Reorganization Plan No. 4-1994, as amended, known as the “Reorganization Plan of the Department of Economic Development and Commerce,” is hereby amended to read as follows:

“Section 5.- Components of the Department.

The Department shall be composed of the following operating components:

a) Consolidated Entities, which are defined as those government entities that are merged into the Department, to wit:

(1) The Industrial Tax Exemption Office, created under Act No. 73-2008, as amended, known as the ‘Economic Incentives Act for the Development of Puerto Rico’;

(2) The Commonwealth Energy Public Policy Office, created under Act No. 57-2014, as amended, known as the ‘Puerto Rico Energy Transformation and RELIEF Act’;

(3) The Regional Center Corporation, created under Act No. 84-2014, as amended, known as the ‘Commonwealth of Puerto Rico Regional Center Corporation Act’;

(4) The Permit Management Office, created under Act No. 161-2009, as amended, known as the ‘Puerto Rico Permit Process Reform Act,’ including the permitting authority previously held by the Culebra Conservation and Development Authority;

Regarding the Consolidated Entities, the Secretary may establish the internal composition of the Department as deemed convenient or necessary for the proper operation of the Department; provided, that the public policy set forth in the pertinent laws is complied with. These consolidated entities shall become Programs or Offices within the Department, except for the Permit Management Office which shall be an Assistant Secretary’s Office within the Department.

b) Operational Entities, which are defined as those government entities that shall remain as public corporations within the Department until the Secretary certifies that the appropriate transition process was completed. The amendments to the organic acts included in the Act shall become effective on the date on which

the Secretary certifies to the Governor and the Legislative Assembly that the process was indeed completed, at which time said public corporations shall become Consolidated Entities, to wit:

(1) The Trade and Export Company, created under Act No. 323-2003, as amended, known as the 'Puerto Rico Trade and Export Company Act'; and

(2) The Tourism Company, created under Act No. 10 of June 18, 1970, as amended, known as the 'Puerto Rico Tourism Company Act.' As for the Tourism Company, measures shall be taken to ensure its efficient operation as a government structure under a Tourism Office with its own identity at the local, national, and international level, which shall have functional operations to properly address the formulation and implementation of tourist development policies in a specialized manner and separate from the governmental structure of the Department. It is hereby provided that the Tourism Office shall discharge the collection and administrative duties provided for in Act No. 273[sic]-2003, as amended, known as the 'Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,' and Act No. 221 of May 15, 1948, as amended, known as the 'Games of Chance Act.'

However, even during the period prior to the certification, the Secretary may carry out processes to achieve savings and efficiencies for these entities in the same manner provided for the Attached Entities. The Department may also enter into any agreements with the Operational Entities and the Attached Entities to provide services thereto.

c. Attached Entities, which are defined as those government entities that shall remain as public corporations within the Department, to wit:

(1) The Authority for the Redevelopment of the Land and the Facilities of the Roosevelt Roads Naval Station, Act No. 508-2004, as amended,

known as the ‘Roosevelt Roads Naval Station Facilities and Land Redevelopment Authority Act’;

(2) The Puerto Rico Industrial Development Company, Act No. 188 of May 11, 1942, as amended, known as the ‘Puerto Rico Industrial Development Company Act,’ provided, however, that the promotion and incentives duties of the Industrial Development Company shall be transferred to the Department; and

(3) The Planning Board, Act No. 75 of June 24, 1975, as amended, known as the ‘Puerto Rico Planning Board Organic Act.’

Section 2.3.- Sections 6, 7, 9, 11, and 12 of Reorganization Plan No. 4-1994, as amended, known as the “Reorganization Plan of the Department of Economic Development and Commerce,” are hereby repealed.

Section 2.4.- A new Section 6 is hereby added to Reorganization Plan No. 4-1994, as amended, known as the “Reorganization Plan of the Department of Economic Development and Commerce,” to read as follows:

“Section 6.- Powers, Duties, and Functions of the Department.

a) To comply with the duties and functions of this Plan, the Reorganization Plan of the Department of Economic Development and Commerce of 2018, as well as with the authorities established in the organic acts of the Consolidated Entities and the Operational Entities, subject to the appropriate certification by the Secretary, as well as other applicable laws.

b) To comply with the duties and functions established in the organic acts of the operational entities, once these are consolidated through the Secretary’s certification, and other applicable laws.

c) To appear, if so agreed upon with the Attached Entities and Operational Entities that are Public Corporations, whether by an in-house counsel of the Department or outside counsel, before any court or civil, criminal, or

administrative forum, for the purposes of initiating any proceeding or action, or filing a claim, complaint, or lawsuit on behalf of the Department or any of the Operational Entities or Attached Entities, as is necessary to discharge the duties entrusted thereto by this Act, without being subject to the provisions of Act No. 205-2004, as amended, known as the ‘Department of Justice Organic Act.’

d) To integrate the services of the Operational Entities and Attached Entities with those of the Department, to the extent practicable and functionally effective, and without affecting federal funding nor existing obligations, and technical and managerial services, such as: auditing, planning, studies, statistical, advisory, and legal services, as well as information technology systems, among others. The Department may also enter into agreements as are necessary with Operational Entities and Attached Entities to provide these services, including, but not limited to: legal services, administrative and professional services, human resources administration and labor relations services, asset and operation management services, including services to administer, manage, lease, sell, assign, or otherwise dispose of the real property inventory. Any transaction involving the alienation of real property shall be approved by the appropriate directive body of the Operational Entities or Attached Entities, as the case may be; accounting services for its assets and liabilities, as well as income and expenditures; advertising, communications, and media support services; supply, courier, mailing, and transportation services; information technology and communications technical support, as well as any other services and functions that the Department may perform in benefit of Operational Entities and Attached Entities. The Department may provide Operational Entities and Attached Entities with office space as well as the necessary equipment and supplies, for the duration of the consolidation process.

f)[sic] To carry out functions related to Industrial Promotion and Incentives formerly discharged by the Industrial Development Company.

g)[sic] To administer all the real property herein transferred to the Department. Regarding the real property of the Operational Entities and the Attached Entities to be administered by the Department pursuant to any agreement entered into between the Department and these entities, the Department is hereby exempt from compliance with Article 133 of the Political Code of 1902, as amended.

h)[sic] To establish, assume, and administer Free Trade Zones Programs.

i)[sic] To assume any bonds, notes, and powers supplemental to said authority to intervene, as agreed upon, with any current bonds and/or notes of the Puerto Rico Trade and Export Company regarding all obligations and rights under all bonds and/or notes issued by the Puerto Rico Trade and Export Company. Provided, that any revenues and interests earned on said bonds and/or notes shall be and continue to be exempt from taxation.

j)[sic] Any other authority recognized under the Department of Economic Development and Commerce Reorganization Plan of 2018.

Section 2.5.- Section 8 is hereby renumbered as Section 7, and Sections 13 through 22 are hereby renumbered as Sections 8 through 18 of Reorganization Plan No. 4-1994, known as the “Reorganization Plan of the Department of Economic Development and Commerce.”

Chapter III – Amendments to the Composition of the Boards of the Government of Puerto Rico

Section 3.1.- Section 5 of Act No. 22 of July 24, 1985, as amended, known as the “Economic Development Bank for Puerto Rico Act,” is hereby amended to read as follows:

“Section 5.- Administration of the Bank.

(a) The business of the Bank and its subsidiaries shall be administered and its corporate powers shall be exercised by a Board of Directors, which shall be composed of nine (9) members. The Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority, who is herein designated as the Chair of the Board of Directors of the Economic Development Bank for Puerto Rico, the Secretary of the Department of Economic Development and Commerce, the Director of the Office of Management and Budget, the Secretary of the Treasury, and the Secretary of Agriculture shall be ex officio members of the Board while they hold office. ...

b) ...

...”

Section 3.2.- Section 4 of Act No. 103-2007, as amended, known as the “Puerto Rican Institute for Mutual Assistance with Democratic Cuba Act,” is hereby amended to read as follows:

“Section 4.- Creation.

The ‘Puerto Rican Institute for Mutual Assistance with Democratic Cuba’ is hereby created, to be constituted by twenty-six (26) members according to the following:

(1) In representation of the Government of Puerto Rico:

(a) ...

(b) ...

(c) A person knowledgeable in the tourism sector or a public official to be appointed by the Governor;

(d) ...

...”

Section 3.3.- Section 2.01 of Act No. 351-2000, as amended, known as the “Puerto Rico Convention Center District Act,” is hereby amended to read as follows:

“Section 2.01.- Governing Board.

The powers and duties of the Authority shall be exercised by a Governing Board to be known as the Governing Board of the Puerto Rico Convention Center District Authority, and to be composed and governed as provided below:

(a) Composition of the Board.- The Board shall be composed of nine (9) members, three (3) of whom shall be ex officio members; one (1) shall be a graduate-level professor in the field of humanities or liberal arts; one (1) shall be a professor or professional with a graduate degree in engineering, planning, or real estate; one (1) shall be an attorney with at least seven (7) years of experience practicing law in Puerto Rico; one (1) shall be a person with extensive knowledge and experience in corporate finances; one (1) shall be a renowned person in the field of the arts, culture, or sports in Puerto Rico; and one (1) shall be a representative of the private sector with experience in the field of marketing, tourism, hotels, or the operation of convention centers. The three (3) ex officio members shall be the Secretary of the Department of Economic Development and Commerce, the Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority, and the Director of the Office of Management and Budget. The Secretary of the Department of Economic Development and Commerce shall be the Chair of the Board. The Director of the Office of Management and Budget shall be the Vice Chair of the Board. No member of the Board representing the private sector shall be allowed to participate, vote, or otherwise be involved (including, but not limited to, receiving information or attending Board meetings) in matters related to the selection, negotiation, development, design, or construction of private parcels.

...”

Section 3.4.- Section 4 of Act No. 118-2010, as amended, known as the “Municipal Economic and Tourist Development Incentives Act,” is hereby amended to read as follows:

“Section 4.- Definitions.

For purposes of interpreting and applying this Act, the following terms or phrases shall have the meaning stated below:

(a) ...

(b) ‘Selection Committee’.- Means a committee composed of the following members: the Secretary of the Department of Economic Development and Commerce, the Secretary of the Treasury, the Director of the Office of Management and Budget, and two (2) public interest representatives who shall be appointed by the Governor of Puerto Rico with the advice and consent of the Senate, and who shall be knowledgeable in the tourism sector. No employee or contractor of any agency, entity, department, board, office, public corporation, or municipality of the Government of Puerto Rico may serve as representative of the public interest.

(c) ...

...”

Section 3.5.- Section 5 of Act No. 13-2017 is hereby amended to read as follows:

“Section 5.- Administration.

The Secretary of the Department of Economic Development and Commerce shall ensure that the bylaws of the Corporation provide that the Corporation shall be directed by a Board of Directors which shall broadly represent the Government of Puerto Rico, the Puerto Rican community, and the different economic sectors, such as: emerging technologies, manufacturing, energy, health, agriculture,

tourism, sales and services, as well as any other sector that is determined should be integrated to assist in achieving the purpose of this Act. The Board shall be composed of: (a) the Governor of Puerto Rico, who may delegate his participation; (b) the Secretary of State or his representative; (c) the Secretary of the Department of Economic Development and Commerce or his representative; and eight (8) members from the private sector appointed by the Governor. At least four (4) of these members shall be residents of Puerto Rico.

The Board shall be chaired by the Governor or his representative. Each year, the Board shall elect a Vice Chair from among its members.”

Section 3.6.- Section 3 of Act No. 196-2010, as amended, known as the “Medical Tourism Act of Puerto Rico,” is hereby amended to read as follows:

“Section 3.- Definitions.

For purposes of this Act, the following terms shall have the meaning stated below:

(a) ...

...

(f) Consultative Board.- An entity created under the provisions of this Act, within the Department of Economic Development and Commerce, and responsible for the implementation and development of the public policy, parameters, criteria, certifications, licenses, evaluations, reports, and regulations to enforce the provisions of this Act, including the formulation of recommendations to the Executive Director, the allocation of resources for the development of the industry, and the supervision of the implementation of the provisions of this Act. It shall be composed of the Secretary of Health, the Secretary of Economic Development and Commerce, who shall be its Chair, and a person with experience in the tourism sector or a public official to be appointed by the Governor.

(g) ...

...”

Chapter IV – Amendments to the Puerto Rico Industrial
Development Company Act

Section 4.1.- Subsections (r) and (s) are hereby added to Section 8 of Act No. 188 of May 11, 1942, as amended, known as the “Puerto Rico Industrial Development Company Act,” to read as follows:

“Section 8.- General Powers.

In addition to those elsewhere conferred by this Act, the Company shall have and may exercise the following general powers:

(a) ...

...

(r) The Company may enter into agreements as are necessary with the Department of Economic Development and Commerce to provide services, including, but not limited to: legal services, administrative and professional services, human resources administration and labor relations services, asset and operation management services, services to administer, manage, lease, sell, assign, or otherwise dispose of its real property inventory. Provided, that any transaction involving the alienation of real property shall be approved by the Board of Directors; accounting services; advertising, communications, and media support services; supply, courier, mailing, and transportation services; information technology and communications technical support, as well as any other services and functions that the Department may perform in benefit of the Company. The Department may provide Operational Entities and Attached Entities with office space as well as the necessary equipment and supplies. The Department shall agree on the amount to be paid for the services to be rendered.

(s) The Company may transfer its promotion and incentive duties to the Department of Economic Development and Commerce, in accordance with the

provisions of Reorganization Plan No. 4-1994, as amended, and Reorganization Plan of 2018.

...”

Chapter V – Amendment to Act No. 221 of May 15, 1948 regarding
Games of Chance and Gambling Devices in Casinos

Section 5.1.- Section 2 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 2.- Games of Chance in Licensed Gambling Halls, Authorized.

(A) ...

(B) ...

(1) The Tourism Office of the Department of Economic Development and Commerce; or

(2) A licensee who:

(i) ...

(ii) Holds a license issued by the Tourism Office of the Department of Economic Development and Commerce as provided in Section 7-A of this Act, to operate every slot machine to be placed and operated solely and exclusively in the gambling halls authorized by the Commissioner of Financial Institutions of Puerto Rico, as provided in this Act, and subject to the regulations promulgated by the Tourism Office of the Department of Economic Development and Commerce that are not inconsistent with the provisions of this Act.

(C) It shall be an unavoidable requirement for all licensees having slot machines owned or leased by the Tourism Office of the Department of Economic Development and Commerce, who wish to introduce slot machines to be used in their gambling halls, prior to the introduction of the latter, to:

(1) Acquire, at their book value, those slot machines from the Tourism Office of the Department of Economic Development and Commerce that are placed at that time in their gambling halls;

(2) Assume any and all obligations of the Tourism Office of the Department of Economic Development and Commerce regarding those slot machine placed in their gambling halls and possessed by the Tourism Office of the Department of Economic Development and Commerce on lease under any existing lease agreement so that:

(i) The Tourism Office of the Department of Economic Development and Commerce be released by the lessor from any and all obligations under said agreement; and/or

(ii) The Tourism Office of the Department of Economic Development and Commerce be compensated, to its entire satisfaction, for any liability that may have arisen or may arise thereunder;

(3) Offer employment to the slot machine service attendants and technicians under the following conditions:

(i) ...

...

(iv) the job offers made by the licensees to the slot machine service technicians and attendants employed by the Tourism Office of the Department of Economic Development and Commerce must include a basic salary at least equal to, or higher than the salary earned by said employees as employees of the Tourism Office of the Department of Economic Development and Commerce at that time;

...

(4) Prove, to the satisfaction of the Tourism Office of the Department of Economic Development and Commerce, that any person contracted

to operate, provide maintenance services, or any other service related to the slot machines, holds or shall hold the necessary licenses duly issued by the Tourism Office of the Department of Economic Development and Commerce to work with said slot machines.

(D) No licensee shall alter the number of slot machines placed in his gambling hall as of May 31, 1997, unless the Tourism Office of the Department of Economic Development and Commerce, at its discretion, decides to remove any of its slot machines from any gambling hall.

(E) The Tourism Office of the Department of Economic Development and Commerce may remove, at its discretion, and at any time, any slot machine owned or leased by the Tourism Office of the Department of Economic Development and Commerce, placed in any licensed gambling hall, if after the effective date of this Act, the licensee of the gambling hall has not acquired all the slot machines of the Tourism Office of the Department of Economic Development and Commerce placed in his gambling hall or has failed to assume the obligations of the Tourism Office of the Department of Economic Development and Commerce under any lease agreement thereof, as the case may be.

(F) Once a licensee acquires or leases the slot machines of the Tourism Office of the Department of Economic Development and Commerce placed in his gambling hall pursuant to the provisions of subsection (c) of this Section, the licensee shall be solely and exclusively liable for the maintenance and repair of any slot machine thus acquired or leased and of those slot machines the licensee may decide to acquire or lease in the future; provided, that under no circumstance the Tourism Office of the Department of Economic Development and Commerce shall be held liable for, nor assume, any cost whatsoever related to the maintenance, repair, and operation of a slot machine owned or leased by a licensee.

(G) The introduction and use of slot machines with a maximum denomination of up to twenty-five dollars (\$25.00) is hereby authorized. The Tourism Office of the Department of Economic Development and Commerce shall submit to the Legislative Assembly every year, within the first thirty (30) days of each Regular Session, a report and an evaluation regarding the impact of the slot machine legislation on the hotel sector and the tourist industry; Provided, that said report and evaluation shall include the impact, if any, caused by measures such as the extension of the gambling hours, the sale of alcoholic beverages in the gambling halls, and the permission to advertise and promote the gambling halls, among others, as these have been authorized.

...”

Section 5.2.- Section 2-A of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 2-A.- Slot Machine Service Attendants and Technicians.

(A) Every slot machine service attendant and technician who ceases to work for the Tourism Office of the Department of Economic Development and Commerce as a result of being contracted by a licensee pursuant to the provisions of Section 2(C) of this Act, shall receive from the Tourism Office of the Department of Economic Development and Commerce for a period of one year, while employed by a licensee as a slot machine service attendant or technician, an additional compensation equal to forty-five percent (45%) of his basic salary as of May 31, 1997, to compensate for the loss of fringe benefits that the slot machine service attendant or technician enjoyed during his term of employment with the Tourism Office of the Department of Economic Development and Commerce. This payment shall be made in twelve (12) monthly installments; provided, that the employee continues working for a licensee as a slot machine service attendant or technician.

(B) Every slot machine service attendant or technician affected by this Act shall have the option to waive his right to be employed by a licensee, and resign from the Tourism Office of the Department of Economic Development and Commerce. In this case, the Tourism Office of the Department of Economic Development and Commerce shall pay him an amount equal to the basic salary of one year. Every slot machine service attendant or technician wishing to avail himself of this option shall have up to sixty (60) days after the approval of this Act to file a written petition to such effect with the Executive Director of the Tourism Office of the Department of Economic Development and Commerce in order to avail himself of this benefit.

(C) The Tourism Office of the Department of Economic Development and Commerce is expressly exempt from having to offer other benefits to the slot machine service attendants or technicians who cease to work for the Tourism Office of the Department of Economic Development [sic] and by reason of the approval of this Act.

(D) The Tourism Office of the Department of Economic Development and Commerce shall prepare a list of the employees of the Tourism Office of the Department of Economic Development and Commerce who are eligible to fill the positions of slot machine service attendant or technician, to be distributed among the licensees. This list shall include the name of the employee, his experience and employment qualifications. The licensees must make their job offers to the employees included in said list pursuant to the provisions of this Section.”

Section 5.3.- Section 2-B of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 2-B.- Non-delegable Power to Remove, Collect, and Enter in the Books the Moneys from the Slot Machines.

(A) The Tourism Office of the Department of Economic Development and Commerce is hereby granted the sole and non-delegable authority to:

(1) Remove, collect, and enter in the books all the moneys and/or tokens obtained from the slot machines, regardless of whether the slot machines are owned by or under the control of the Tourism Office of the Department of Economic Development and Commerce or a licensee under this Act;

...”

Section 5.4.- Section 3 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 3.- Games of Chance in Licensed Gambling Halls, Authorized—Qualifications for Licenses.

(A) The Commissioner of Financial Institutions is hereby empowered to issue licenses for the operation of gambling halls for roulette, craps, cards, and bingo, where the machines known as slot machines, whether owned or leased by the Tourism Office of the Department of Economic Development and Commerce or a holder of a gambling license, may be installed and operated pursuant to the provisions of this Act, to such natural or juridical persons who meet to his full satisfaction the following conditions:

(1) ...

(2) ...

(3) ...

(B) It is hereby provided that the slot machines authorized in Section 2 of this Act shall be placed and operated by the Tourism Office of the Department of Economic Development and Commerce or by a holder of gambling license, authorized by law to operate in Puerto Rico. The holder of a gambling license under this Section may install and operate, or allow the Tourism Office of the Department of Economic Development and Commerce to operate machines in

their gambling halls, in exchange for a share of the profits of the operator, as provided in Section 5 of this Act, and subject to the payment of the license fees established in Section 7 of this Act. The share of the profits corresponding to the holder of a license to operate a gambling hall shall be sent by the Tourism Office of the Department of Economic Development and Commerce to the Secretary of the Treasury during the period that may be necessary to pay off any tax debt already assessed and due for collection at the internal revenue offices, which the holder of a license to operate a gambling hall may have pending. In addition, the share of the profits from the slot machines corresponding to the holder of a license to operate a gambling hall may be withheld by the Tourism Office of the Department of Economic Development and Commerce to pay any debt that the operator has accumulated, and is pending payment, in regards to the room occupancy rate tax.

(C) The Tourism Office of the Department of Economic Development and Commerce is hereby empowered to discretionally authorize, at the request of a licensee who is the owner or lessor of the slot machines in his gambling hall, up to a maximum of eight (8) machines for each authorized player seated or standing in the gambling hall, in proportion to the number of authorized tables used for other games of chance. Under no circumstances shall the increase in the number of machines entail the loss of tables. In such case, the casino shall not qualify for the increase in machines. In the case of a holder of a license to operate a gambling hall where the slot machines are owned and operated by the Tourism Office of the Department of Economic Development and Commerce, the latter is hereby empowered to discretionally authorize, at the request of said licensee, up to a maximum of one point five (1.5) machines for each authorized player, seated or standing in the gambling hall, in proportion to the number of authorized tables used for other games of chance. The basis for computing authorized players shall

be the annual average number of players authorized according to the formula described; provided, that at present, seven (7) players are allowed in the authorized card game known as '21' or Blackjack, up to eighteen (18) players at the craps table, and seven (7) players per table in roulette. The proportion established by the Tourism Office of the Department of Economic Development and Commerce pursuant to the rules established herein shall be revised every six (6) months; provided, that should the licensee fail to comply at any time after the authorization with the proportion established by the Tourism Office of the Department of Economic Development and Commerce as a requirement thereof, the latter shall reduce the number of authorized slot machines until a true proportion is reached based on the average number of tables used.

The Tourism Office of the Department of Economic Development and Commerce is hereby empowered to authorize, at its discretion, the operation of slot machines in gambling halls located at the airport and port terminals of Puerto Rico; provided, that the same are located beyond security checkpoints.”

Section 5.5.- Section 4 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 4.- Games of Chance in Licensed Gambling Halls, Authorized—
License Applications.

Every person interested in obtaining a license under the provisions of this Act shall file a sworn application with the Commissioner of Financial Institutions showing that he meets the requirements established in Section 7 of this Act. Said application shall be enclosed with the sum of fifteen thousand dollars (\$15,000) to defray the investigation expenses incurred by the Commissioner of Financial Institutions to determine whether the applicants qualify for the license they are applying for; provided, that said amounts shall be deposited into the funds of the Office of the Commissioner of Financial Institution. If the application is denied,

the amount paid shall be nonrefundable. Before considering the application, the Commissioner of Financial Institutions shall cause to be published in one of the newspapers of general circulation in the Government of Puerto Rico, once a week for four (4) weeks, a notice for the application stating the name of the applicant and of the hotel where the gambling hall is to be established. Fifteen (15) days after the publication of the final notice, the Commissioner of Financial Institutions may consider and definitely approve or deny the application; provided, that no application shall be approved unless previously approved by the Tourism Office of the Department of Economic Development and Commerce. In the exercise of its powers under the provisions of this Act, and, the provisions of Section 3 of this Act notwithstanding, the Tourism Office of the Department of Economic Development and Commerce may take into consideration the number of licenses, the location of the licensee, and the type and quality of the facilities provided by the licensees, which shall best achieve the purposes of these provisions, namely fostering and providing tourist attractions and accommodations on a par with international standards and which shall best serve to promote tourism. The Tourism Office of the Department of Economic Development and Commerce may make its recommendations under the condition that the licensee meets specific requirements as to the establishment, expansion, or improvement of particular tourist attractions and accommodations, whether at the same place where the hotel of the applicant is already established, or at any other place in Puerto Rico, and the licenses granted on the basis of such conditional recommendations shall be revoked if the conditions set forth are not complied with. The tourist attractions referred to in this Section may include, but shall not be limited to, hotels and restaurants. Said tourist attractions shall not necessarily have to be operated directly by the licensee who owns them. The Tourism Office of the Department of Economic Development and Commerce shall have the discretion to grant a reasonable period of time for the

licensee to invest in tourist attractions and accommodations that the Tourism Office of the Department of Economic Development and Commerce establishes as a condition for granting a license, taking into consideration the nature of the investment and the works to be carried out; provided, that it shall not be necessary that the total investment be made by the license applicant. The Tourism Office of the Department of Economic Development and Commerce shall adopt regulations setting the requirements and policies by which it shall be guided when considering license applications. Said regulations, as well as any amendments thereto, shall be subject to the approval of the Governor of Puerto Rico pursuant to the provisions of Section 8 of Act No. 10 of June 18, 1970.

The Commissioner of Financial Institutions and the Executive Director of the Tourism Office of the Department of Economic Development and Commerce may draft regulations for the issuance, temporary suspension, or cancellation of the licenses provided by this Section and any other licenses required by this Act.

...”

Section 5.6.- Section 5 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 5.- Games of Chance in Licensed Gambling Halls, Authorized—
Payment and Collection of License Fees; Revenue Investigations.

(A) ...

(B) The gross income produced by the slot machines shall be electronically calibrated to yield a maximum of seventeen percent (17%) of the volume of the machines as profit for the operator; provided, that the share of profit for the player shall never be less than eighty-three percent (83%), which share shall be measured throughout a reasonable period of time to be established by regulations. The foregoing notwithstanding, any licensee who wishes to operate any slot machines with a share of profit for the player greater than eighty-three

percent (83%) shall obtain the prior authorization of the Tourism Office of the Department of Economic Development and Commerce.

(C) For fiscal years beginning before Fiscal Year 1997-98, the annual net income shall be distributed according to the following rules:

The income produced by the slot machines shall be deposited in a special account of the Tourism Office of the Department of Economic Development and Commerce, separate from its general funds. The amortized cost and the operating cost of the slot machines shall be deducted from the annual gross income produced by the slot machines and received by the operator. The difference shall be the annual net income.

(1) Seventeen percent (17%) of the annual net income shall be deposited in a Special Fund each month in the name, and for the benefit of the Tourism Office of the Department of Economic Development and Commerce to discharge its duties pertaining to specialized matters of the sector and defray its expenses.

(2) ...

(3) ...

(4) ...

(5) The remaining nine percent (9%) of net annual income shall be remitted monthly to a special fund, separate from the general funds of the Tourism Office of the Department of Economic Development and Commerce denominated the 'Puerto Rico Tourism Industry Development Fund,' which shall be administered by the Tourism Office of the Department of Economic Development and Commerce. Said fund shall be devoted to the strengthening and development of the tourism industry. An annual appropriation of five hundred thousand dollars (\$500,000) from said fund shall be allocated to the Horse Racing Industry and Sport Administration to be used to defray the prizes and broadcasting of the events

related to the *Clásico Internacional del Caribe*. Provided, that the funds shall only be appropriated when said events are held in Puerto Rico.

(D) ...

(1) The income produced by the slot machines, whether owned or possessed by the Tourism Office of the Department of Economic Development and Commerce or the licensees, shall be deposited in a special fund of the Tourism Office of the Department of Economic Development and Commerce, separate from its general funds. From the annual gross income produced by the slot machines and received by the operator, there shall be deducted:

(i) Monthly, all the operating costs of the slot machines of the Tourism Office of the Department of Economic Development and Commerce, including, but not limited to, the salaries, compensation, and any other benefits received by the employees of the Tourism Office of the Department of Economic Development and Commerce whose duties are related to the operation of the slot machines; provided, that when an employee of the Tourism Office of the Department of Economic Development and Commerce performs other functions not related to the operation of the slot machines in addition to those related to the operation of the slot machines, that amount shall also be deducted from his salary, compensation, and any other benefits corresponding to the functions related to the operation of the slot machines;

(ii) monthly, all of the amortization, leasing, operating, and maintenance costs related to the slot machines owned by the Tourism Office of the Department of Economic Development and Commerce for said month;

(iii) ...

...

(E) ...

(F) ...

(G) ...

(1) ...

(2) The gross income attributable to each licensee shall be determined pursuant to the rules provided in this paragraph. The gross income of Group A shall be determined by multiplying the gross income of all slot machines by a fraction whose numerator shall be equal to the annual net income distributed to Group A, as determined under subsection (E) of this Section, and the denominator shall be equal to the total annual net income distributed to Group A, Group B, and the General Fund of the State's Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act. The gross income attributable to each licensee shall be determined by multiplying the gross income of Group A by a fraction whose numerator shall be the gross income generated by slot machines placed in the gambling hall of said licensee, and the denominator shall be the gross income generated by all slot machines in all gambling halls.

(3) ...

(i) ...

(a) ...

(b) the proportion of the expenses of the Tourism Office of the Department of Economic Development and Commerce under Section 5(D)(1)(i) attributable to said slot machines. The proportion of said expenses is determined by multiplying the expenses of the Tourism Office of the Department of Economic Development and Commerce under Section 5(D)(1)(i) by a fraction whose numerator shall be the adjusted number, as provided in Section 5(F)(1)(iii), of the slot machines placed in the gambling hall of the licensee, and the denominator shall be the total adjusted number, as provided in Section 5(F)(1)(iii),

of all the slot machines placed in all the gambling halls. After Fiscal Years 1997-98, 1998-99, and 1999-00, no deduction shall be allowed under Section 5(D)(1)(iii).

(ii) The cost of slot machines attributable to licensees shall be equal to the gross cost of machines placed in their gambling hall multiplied by a fraction whose numerator shall be the annual income distributed to Group A, as determined under Section 5(E) of this Act, and the denominator shall be the annual net income distributed to Group A, Group B, and the General Fund of the State's Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act.

(4) In the case of slot machines owned or possessed by the Tourism Office of the Department of Economic Development and Commerce, the cost of machines attributable to licensees shall be determined pursuant to the following rules:

(i) The gross cost of the slot machines of the Tourism Office of the Department of Economic Development and Commerce placed in the gambling hall of each licensee shall be the sum of:

(a) The Tourism Office of the Department of Economic Development and Commerce's cost under Section 5(D)(1)(ii) attributable to the slot machines placed in the gambling hall of said licensee plus,

(b) the proportion of the expenses of the Tourism Office of the Department of Economic Development and Commerce under Section 5(D)(1)(i) attributable to said slot machines. The cost of the Tourism Office of the Department of Economic Development and Commerce under Section 5(D)(1)(ii) attributable to the slot machines placed in the gambling hall of the licensee shall be

calculated by multiplying the costs of the Tourism Office of the Department of Economic Development and Commerce under Section 5(D)(1)(ii) by a fraction whose numerator shall be the adjusted number, as provided in Section 5(D)(1)(iii), of the slot machines of the Tourism Office of the Department of Economic Development and Commerce placed in the gambling hall of said licensee, and the denominator shall be the total adjusted number, as provided in Section 5(F)(1)(iii), of the slot machines of the Tourism Office of the Department of Economic Development and Commerce located in all the gambling halls. The proportion of the expenses of the Tourism Office of the Department of Economic Development and Commerce attributable to the licensee is calculated by multiplying the expenses of the Tourism Office of the Department of Economic Development and Commerce under Section 5(D)(1)(i) by a fraction whose numerator shall be the adjusted number, as provided in Section 5(F)(1)(iii), of all the slot machines of the Tourism Office of the Department of Economic Development and Commerce placed in the gambling hall of said licensee, and the denominator shall be the total adjusted number, as provided in Section 5(F)(1)(iii), of all the slot machines in all the gambling halls.

(ii) The cost of the slot machines of the Tourism Office of the Department of Economic Development and Commerce attributable to the licensee shall be equal to the gross cost of the machines of the Tourism Office of the Department of Economic Development and Commerce located in his gambling hall, multiplied by a fraction whose numerator shall be the annual income distributed to Group A, as determined under Section 5(E) of this Act, and the denominator shall be the annual net income distributed to Group A, Group B, and the General Fund of the State's Treasury, the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development

and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act.

(5) If a slot machine is owned by the Tourism Office of the Department of Economic Development and Commerce for a portion of a fiscal year, and by the licensee for the rest of said fiscal year, the cost of said slot machine shall be computed for that portion of the fiscal year in which the slot machine was owned by the Tourism Office of the Department of Economic Development and Commerce according to the rules provided in Section 5(G)(4) of this Act, and the cost of said slot machine shall be computed according to the rules provided in Section 5(G)(3) if this Act.

(6) ...

(H) ...

(1) The proportions corresponding to each group and the General Fund of the State's Treasury shall be paid to these, pursuant to the provisions of this Section, based on an estimate of the annual net income calculated by the Tourism Office of the Department of Economic Development and Commerce. Every month, the Tourism Office of the Department of Economic Development and Commerce shall tentatively allocate to Group A, Group B, and the General Fund of the State's Treasury, the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, one twelfth (1/12) of the amounts to be distributed among these, pursuant to Section 5(E) of this Act, in those fiscal years in which they shall receive direct allocations from these funds.

(2) Every monthly allocation may be modified by the Tourism Office of the Department of Economic Development and Commerce, at its discretion, to adjust any payments made in previous months in excess of or below the correct amount, to any group, including the General Fund of the State's

Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act. After adjusting the monthly allocations, the Tourism Office of the Department of Economic Development and Commerce shall proceed to make the monthly payments required in this Act. Every three (3) months, the Tourism Office of the Department of Economic Development and Commerce shall make the required payments to the General Fund of the State's Treasury, the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act. At the close of every fiscal year, the Tourism Office of the Department of Economic Development and Commerce shall make those payments required under this Act. The payments made pursuant to the provisions of this subsection are estimates; therefore, the Tourism Office of the Department of Economic Development and Commerce may withhold, during the last three (3) months of the year, all or part of those payments that must be made monthly or quarterly, so as to ensure that the total amount of the payments made to each entity shows the final payment required by paragraph (5) of this subsection.

(3) Within ninety (90) days after June 30 of each year, the Tourism Office of the Department of Economic Development and Commerce shall conduct a final liquidation of the funds distributed to Group A, Group B, and the General Fund of the State's Treasury, the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds, pursuant to this Act. Should there be an excess in the funds collected during the fiscal year, the Tourism Office of the Department of Economic

Development and Commerce shall remit to each group and the General Fund of the State's Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act, any corresponding amount from such excess. If during a fiscal year, amounts have been remitted in excess of those corresponding to any of the groups or the General Fund of the State's Treasury or for Fiscal Year 2010-2011 and thereafter, to the General Fund of the University of Puerto Rico, pursuant to such final liquidation, the Tourism Office of the Department of Economic Development and Commerce shall withhold from such amounts to be remitted in the following fiscal year, the amounts necessary to recover such excess, regardless of whether the payments in excess were made by the Tourism Office of the Department of Economic Development and Commerce.

(i) No member of Group A or Group B, nor the General Fund of the State's Treasury, nor for Fiscal Year 2010-2011 and thereafter, the General Fund of the University of Puerto Rico, may claim deficits or errors in the computation of the amounts that they have received during any specific fiscal year unless they file a claim with the Tourism Office of the Department of Economic Development and Commerce to such effects, within one hundred eighty (180) days after the close of such fiscal year.

(I) No member of Group A or Group B, nor the General Fund of the State's Treasury may claim deficits or errors in the computation of the amounts that they have received during any specific fiscal year unless they file a claim with the Tourism Office of the Department of Economic Development and Commerce to such effects, within one hundred eighty (180) days after the close of such fiscal year.

(J) ...

(K) Licensees under this Act and the Tourism Office of the Department of Economic Development and Commerce shall be required to allow for the oversight of their income in the manner the Commissioner of Financial Institutions shall determine.”

Section 5.7.- Section 7 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 7.- Games of Chance in Licensed Gambling Halls, Authorized—
License Fees; Zones.

The license fees that, according to Section 5 of this Act, must be paid by the licensees who operate games of chance facilities under this Act, are hereby set in the amounts established below:

...

The Tourism Office of the Department of Economic Development and Commerce shall determine the gambling equipment that may be used in said facilities upon payment of such fees as well as the various types of games of chance authorized for each licensee. Every licensee, at the close of his tax year, shall submit a copy of his certified financial statements to the Commissioner of Financial Institutions, enclosed with a special opinion of the certified public accountant who certified them, certifying the total amount gambled during the year.

...”

Section 5.8.- Section 7-A of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 7-A.- Supervision of Gambling Halls; Personnel Licensing.

(A) The Tourism Office of the Department of Economic Development and Commerce is hereby empowered and required to supervise and oversee the bets

and operations of games of chance in the casinos authorized to operate them, and to enforce the provisions of this Act and the regulations adopted thereunder.

(B) The Tourism Office of the Department of Economic Development and Commerce may:

(1) ...

...

(C) The Tourism Office of the Department of Economic Development and Commerce is hereby empowered to regulate the gambling halls operated under the provisions of this Act and the sale and leasing of slot machines, the component parts, equipment and other devices used in a gambling hall in order to safeguard and protect their patrons; and to establish the rules which shall govern the different games. Provided, that any licensee who wishes to acquire or lease any slot machine shall obtain, prior to the acquisition or lease thereof, a license from the Tourism Office of the Department of Economic Development and Commerce for each slot machine pursuant to the regulations adopted for such purposes by the Tourism Office of the Department of Economic Development and Commerce.

(D) The Tourism Office of the Department of Economic Development and Commerce shall adopt regulations setting the requirements to be met by those persons engaged in any activity related to the operation of gambling halls and the requirements to be met by those persons who wish to obtain and do obtain a license to perform any work in gambling halls, including, but not limited to, licenses to act as managers, cashiers, croupiers, and slot machine service attendants and technicians. No person may perform any work whatsoever in a gambling hall without having first obtained a license therefor from the Tourism Office of the Department of Economic Development and Commerce, which shall be issued pursuant to the aforementioned regulations.

(E) Every manufacturer, vendor, and distributor of slot machines and any games of chance-related equipment, must obtain a license from the Tourism Office of the Department of Economic Development and Commerce to be able to sell or lease slot machines and/or the component parts and/or any games of chance-related equipment to be used in Puerto Rico.

(F) Any person employed by a licensee to assume any gambling-related responsibility, shall be required to obtain a license from the Tourism Office of the Department of Economic Development and Commerce before beginning to discharge said functions.

(G) The Tourism Office of the Department of Economic Development and Commerce may charge any applicant a reasonable amount for any license required by this Act, except for an applicant for a gambling license, in order to defray the investigation costs incurred by the Tourism Office of the Department of Economic Development and Commerce.

(H) The regulations promulgated by the Tourism Office of the Department of Economic Development and Commerce to implement the provisions of this Act shall include, but not be limited to:

(1) ...

(2) ...

(3) establish the amount to be charged by the Tourism Office of the Department of Economic Development and Commerce to any applicant for a manufacturer, vendor, or distributor license, or any other license to be granted by the Tourism Office of the Department of Economic Development and Commerce.”

Section 5.9.- Section 7-B of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 7-B.- Slot Machine Service Technicians and Attendants Licensing Requirements.

(A) The Tourism Office of the Department of Economic Development and Commerce shall not grant any license whatsoever to slot machine service technicians or attendants to work in a gambling hall until the applicant proves to the satisfaction of the Tourism Office of the Department of Economic Development and Commerce, that the license holder of the gambling hall where he intends to work has made a job offer to every slot machine service technician or attendant employed by the Tourism Office of the Department of Economic Development and Commerce.

(B) The Tourism Office of the Department of Economic Development and Commerce shall adopt regulations as are necessary and convenient to achieve the purposes of this Section.”

Section 5.10.- Section 8-A[sic] of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 8.- Supervision of Gambling Halls; (Personnel Licensing)—Promotion and Advertising; Prohibition against Admitting Persons under 18 Years of Age.

(A) ...

...

(F) The Tourism Office of the Department of Economic Development and Commerce is hereby authorized to establish through regulations, the requirements that gambling hall advertisements shall meet pursuant to the provisions of this Section.”

Section 5.11.- Section 9 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 9.- Supervision of Gambling Halls—Penalties, Franchise and/or License Cancellation.

(A) ...

(a) ...

(b) ...

(c) fails to meet the requirements of the Tourism Office of the Department of Economic Development and Commerce by virtue of its powers under this Act; or due to a change of circumstances in accordance with the licencing requirements of Section 4 of this Act unless a previous authorization from the Commissioner is obtained;

(d) ...

...

(h) limits, conceals, denies, or furnishes fraudulent or misleading information to the Tourism Office of the Department of Economic Development and Commerce and/or the Office of the Commissioner of Financial Institutions, or both.

...

(B) No gambling device, including slot machines, shall be possessed, maintained, or displayed by any person on the premises of a hotel and casino complex, except in the casino itself and in secured areas used to inspect, repair, or store such devices, and specifically designated by the licensee for that purpose with the approval of the Tourism Office of the Department of Economic Development and Commerce. No gambling device, including slot machines, shall be possessed, maintained, displayed, brought into, or removed from an authorized gambling hall by any person, unless said device is necessary for the operation of an authorized gambling hall, and has an identification number or symbol authorized by the Tourism Office of the Department of Economic Development and Commerce

permanently affixed, printed, or engraved upon it, and is under the exclusive control of the licensee or his authorized employees. The removal of any gambling device, including slot machines, must be previously approved by the Tourism Office of the Department of Economic Development and Commerce.

...

(D) The regulations drafted by the Tourism Office of Department of Economic Development and Commerce to regulate all that pertains to games of chance shall be approved pursuant to the procedure established in Section 14 of this Act. Any person who violates any of the provisions of Section 2 of this Act or the regulations of the Tourism Office of the Department of Economic Development and Commerce, except as otherwise provided therein, shall be punished, upon conviction, by a fine of not less than one hundred dollars (\$100) nor more than ten thousand dollars (\$10,000), or by imprisonment for a term of not less than one (1) month nor more than six (6) months, or both penalties, at the discretion of the court.

(E) Regardless of the penalties prescribed in this Act, the Tourism Office of the Department of Economic Development and Commerce and the Commissioner of Financial Institutions are hereby empowered to impose administrative penalties for violations of their orders and regulations such as the temporary suspension or revocation of the rights and privileges enjoyed by the natural or juridical person guilty of a violation in the operation of the Games of Chance; provided, that the Tourism Office of the Department of Economic Development and Commerce may also impose administrative penalties for violations of their orders and regulations by a civil fine that shall not exceed ten thousand dollars (\$10,000).

(F) The Commissioner of Financial Institutions or the Tourism Office of the Department of Economic Development and Commerce may temporarily

suspend or permanently cancel the franchises, licenses, rights, and privileges enjoyed by any natural or juridical person under this Act, also known as the ‘Games of Chance Act.’”

Section 5.12.- Section 9-A of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 9-A.- Sanctions.

(A) Any person who conducts or facilitates the following:

(1) ...

...

(11) Uses illegal currency, other than United States currency, or uses a currency denomination different from the one used by the slot machine, except for those approved by the casino, the Tourism Office of the Department of Economic Development and Commerce, and the Commissioner of Financial Institutions; or

(12) Possesses or uses, within the premises of the hotel and its casino, any fraudulent device, including, but not limited to tools, drills, coins, or wire tied to a string, or wire, or electronic or magnetic devices to facilitate removal of money from a slot machine or from money boxes on tables, or their contents, except when an authorized casino employee or an employee of the Tourism Office of the Department of Economic Development and Commerce does so as part of his duties at the casino; or

...

(21) Possesses, in a gambling hall, with the intent to defraud or obtain a personal benefit, a device to calculate probabilities, project the game’s result, keep tabs on cards played (to count cards), analyze probabilities that an event related to the game shall happen, or analyze the play or betting strategy to be

used in the game, except for those devices authorized by the Puerto Rico Tourism Office of the Department of Economic Development and Commerce.

...”

Section 5.13.- Section 9-B of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 9-B.- Violations.

In cases where a person violates any of the subsections of Section 9-A of this Act, once the violation has occurred, the games of chance inspector, or other official authorized by the Tourism Office of the Department of Economic Development and Commerce, shall be immediately notified, so that he may notify the Police Bureau for the pertinent action and, if necessary, the corresponding complaint shall be filed with the Puerto Rico Police. In turn, the inspector or other authorized official of the Tourism Office of the Department of Economic Development and Commerce shall report the incident to his supervisor who shall immediately notify the Executive Director of the Tourism Office of the Department of Economic Development and Commerce, who shall, in turn, conduct an investigation and draft a report of the incident in order for the pertinent action to be taken after the investigation is completed.”

Section 5.14.- Section 10 of Act No. 221 of May 15, 1948, as amended, is hereby repealed to read as follows:

“Section 10.- Vacancy.”

Section 5.15.- Section 11 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 11.- Alcoholic Beverages, Business Hours; Prohibition Against Opening on Good Friday; Shows and Entertainment.

(A) ...

(1) ...

(2) ...

(3) No gambling hall shall serve alcoholic beverages to any person who is not a guest of the hotel where said gambling hall is located subject to the restrictions provided in paragraph (1) of this subsection, during the effective period of any of the prohibitions or restrictions described in paragraph (2) of this subsection. The Tourism Office of the Department of Economic Development and Commerce shall determine, through regulations, the mechanisms to be implemented by the gambling halls to faithfully comply with the provisions of this paragraph.

...

(B) ...

(1) As of the effective date of this Act, any licensee of a gambling hall operated under a license issued in accordance with the terms of this Act, shall request the Tourism Office of the Department of Economic Development and Commerce's approval of the business hours of his gambling hall before beginning operations.

(2) Any modification that a licensee may wish to make to the approved business hours, shall also be approved by the Tourism Office of the Department of Economic Development and Commerce before its implementation. Provided, that the closing hour approved shall not be altered without having first posted a public notice thereof in a conspicuous place at every gambling table at the beginning of the gambling period. Once the notice has been posted, said hour shall not be altered.

(3) Any gambling hall operated under a license issued in accordance with the terms of this Act, shall operate twenty-four (24) hours a day, seven (7) days a week, subject to the above provisions. Provided, that every gambling hall shall close on Good Friday from 12:01 a.m. (midnight) on Friday

until 12:01 p.m. (noon) on the following day (Saturday). Provided, further, that any gambling hall which operates twenty-four (24) hours a day shall have a counting room and any other facility required by the Tourism Office of the Department of Economic Development and Commerce for counting and safekeeping the money in cash, coins, and chips obtained in the operation of the games of chance.

(4) Every gambling hall authorized by the Tourism Office of the Department of Economic Development and Commerce to operate from 4:00 a.m. to 12:00 p.m. (noon), may operate its slot machines, but shall not be required to have gambling tables available to the public.

(5) The Tourism Office of the Department of Economic Development and Commerce is hereby authorized to establish through regulations, all the procedures and requirements it deems necessary to enforce the provisions of this subsection.

(C) Every gambling hall operated under a license in accordance with the terms of this Act may present on its premises those variety shows and entertainment as authorized by the Tourism Office of the Department of Economic Development and Commerce through regulations.”

Section 5.16.- Section 12 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 12.- New Types of Games.

The following games of chance are hereby authorized:

(1) ...

...

(4) ...

to be played in duly authorized gambling halls in Puerto Rico. These types of games which are hereby authorized are added to all other types of games of

chance which as of present have been duly approved by the Tourism Office of the Department of Economic Development and Commerce through regulations.”

Section 5.17.- Section 13 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 13.- Maximum Betting Limits Allowed.

The maximum betting limits that the Tourism Office of the Department of Economic Development and Commerce may allow at present for each game, shall be the following:

(1) ...

...

The maximum betting limits that the Tourism Office of the Department of Economic Development and Commerce may allow at present for each game, shall be the following:

(1) ...

...”

Section 5.18.- Section 14 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 14.- Rulemaking Authority and Interpretation.

(a) The Commissioner of Financial Institutions and the Executive Director Tourism Office of the Department of Economic Development and Commerce shall, in accordance with their powers and authorities under this Act, and within their respective areas of jurisdiction, adopt, amend, or revoke regulations as deemed necessary or convenient to achieve the purposes of this Act.

(b) The Tourism Office of the Department of Economic Development and Commerce and the Commissioner of Financial Institutions shall use the procedure established in Act No. 38-2017, as amended, or any similar successor law, and shall comply with their respective enabling acts.

(c) The regulations thus approved shall take effect upon their filing with the Department of State, in accordance with Act No. 38-2017, as amended, or any similar successor law.

(d) This Act shall be interpreted and applied in the public interest. None of the provisions of this Act shall be understood to limit the powers and authorities granted to the Commissioner of Financial Institutions under Act No. 4 of October 11, 1985, as amended, known as the ‘Financial Institutions Commissioner’s Office Act,’ and the powers of the Tourism Office of the Department of Economic Development and Commerce under its organic law or any other applicable laws.”

Chapter VI – Amendments to the Puerto Rico Tourism Company Act

Section 6.1.- Section 1 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 1.- Short Title.

The Act of the Tourism Office of the Department of Economic Development and Commerce of the Government of Puerto Rico.”

Section 6.2.- Section 2 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 2.- Creation.

A Tourism Office is hereby created within the Department of Economic Development and Commerce under the name of ‘Tourism Office of the Department of Economic Development and Commerce of the Government of Puerto Rico’ which shall be hereafter known as the ‘Tourism Office of the Department of Economic Development and Commerce.’”

Section 6.3.- Sections 3, 7, 10, 11, 13, 14, 15, 17, and 18 of Act No. 10 of June 18, 1970, as amended, are hereby repealed and current Sections 4, 5, and 6 are hereby renumbered as Sections 3, 4, and 5, and current Sections 8, 9, 19, 20,

21, 22, and 23 are hereby renumbered as Sections 7, 8, 9, 10, 11, 12, and 13, respectively.

Section 6.4.- Renumbered Section 3 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 3.- Executive Director.

The Tourism Office of the Department of Economic Development and Commerce shall have an Executive Director to be appointed by the Governor with the advice and consent of the Senate of Puerto Rico, who shall hold office until his successor is appointed and takes office. The Executive Director of the Tourism Office of the Department of Economic Development and Commerce shall answer directly to the Secretary of the Department of Economic Development and Commerce. The Executive Director of the Tourism Office of the Department of Economic Development and Commerce shall be of legal age and of recognized ability, moral probity, and knowledgeable and experienced in the fields of public administration and the government endeavor. The Executive Director shall have an Advisory Council whose members shall be representatives of the tourism sector and shall not earn any wages, compensation, or per diem for their participation in said Council. Said Advisory Council shall advise the Executive Director on any matter referred thereto, including, but not limited to the Puerto Rico Tourist Business Loan and Loan Guarantee Program and the Puerto Rico Tourist Industry Development Fund.”

Section 6.5.- Renumbered Section 4 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 4.- Rights, Duties, and Powers.

In order to achieve its purposes, the Tourism Office of the Department of Economic Development and Commerce shall have and may exercise rights, duties, and powers as are necessary or convenient to promote, develop, and improve the tourist industry, including, but not limited to, the following:

(a) To propose, recommend, adopt, and administratively coordinate together with the pertinent government agencies any measures directed, among others, to the following aspects:

(1) ...

...

(5) To establish and execute, in coordination with the Department of Transportation and Public Works and the Highways Authority, a signage plan to identify streets and tourist, historical, and cultural interest areas with international symbols, in agreement with the tourist signage system established by the World Tourism Organization and the Federal Government of the United States of America. Additionally, to prepare maps and information publications, printed and electronic, including websites, in both Spanish and English as well as in any other language that the Tourism Office of the Department of Economic Development and Commerce deems necessary after conducting a market study;

...

(9) ...

(b) To loan money and secure loans granted by financial institutions to any person, firm, corporation, or other organization, through a Puerto Rico Tourist Business Loan and Loan Guarantee Program, when such loans are to be used to promote, develop, and improve Puerto Rico’s tourist industry.

(c) To require all tourism businesses operating in Puerto Rico to furnish any necessary statistical data, either in electronic or paper format, to develop a

database that may contribute to the marketing and effective planning of tourist activity. The Tourism Office of the Department of Economic Development and Commerce may prescribe through Regulations a reasonable transition period for those businesses required under this Act to furnish statistical data to the Tourism Office of the Department of Economic Development and Commerce, to take the pertinent actions to comply with the electronic delivery thereof. Upon conclusion of said period, all tourism businesses shall electronically deliver the required data; and failure to do so shall constitute noncompliance with the provisions of this Act. Every tourism business shall designate a contact person who shall be in charge of furnishing the necessary statistical data to the Tourism Office of the Department of Economic Development and Commerce. The Tourism Office of the Department of Economic Development and Commerce shall classify the statistics into endorsed and unendorsed tourism businesses. The requirements imposed under this Section on the Tourism Office of the Department of Economic Development and Commerce and tourism businesses are mandatory and shall be answered within the period provided by the Tourism Office of the Department of Economic Development and Commerce. Specifically, but not limited to, tourism businesses operating in Puerto Rico and check-in guests at their facilities shall be required to furnish guest registration data to the Tourism Office of the Department of Economic Development and Commerce within ten (10) calendar days after the close of the month in question, together with the room occupancy rate declaration provided in Section 28(b) of Act No. 272-2003. Said information shall include the following data: hotel registries and the source thereof; occupied rooms, available rooms, out-of-service rooms; average rate; length of stay; jobs; and any other additional information as the Tourism Office of the Department of Economic Development and Commerce deems necessary. Noncompliance with these requirements shall constitute a violation of the requirement imposed hereunder of

furnishing the pertinent statistical data. Such data shall be confidential, insofar as it is privileged data or trade secrets that may be associated with specific natural or juridical persons. However, aggregate figures and data, as well as results and statistical analyses that do not disclose confidential data or trade secrets shall be made available to the general public. Such data shall be provided confidentially, disclosing aggregate figures to tourist businesses that provided them (without disclosing individual data of lodgings or businesses), as well as potential investors in order to help them develop their plans.

(d) To hold public hearings, summon witnesses, issue orders, resolutions, and decisions, and discharge any other duties of a quasi-judicial nature as necessary to implement the provisions of this chapter.

(e) To conduct adjudicative hearings to hear complaints filed against any person under its jurisdiction, whether *motu proprio* or at the request of an interested party, as provided in this Act, and impose the appropriate sanctions or fines in accordance with the regulations promulgated to such effects pursuant to Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’

(f) To investigate, issue summons, subpoena documentation deemed pertinent, and evaluate the evidence, whether *motu proprio* or on behalf of the person who initiated the claim or complaint.

(g) To take measures to ensure the efficient operation thereof with its own identity at the local, national, and international level, and the functional operation thereof in order to properly formulate and implement policies on tourist development in a specialized and an independent manner within the government structure of the Department, including the authority to resolve complaints brought to its consideration and to grant adequate remedies at law.

(h) To establish rules and norms as are necessary to conduct administrative proceedings, both regulatory and adjudicatory, in accordance with Act No. 38-2017, as amended.

(i) To issue orders to compel the appearance of witnesses and the production of the required documents and information.

(j) To resort to any administrative remedy as necessary to achieve the purposes of this Act and enforce the rules, regulations, orders, resolutions, and determinations of the Tourism Office of the Department of Economic Development and Commerce, including the authority to impose sanctions under Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’

(k) To establish and maintain a register of authorizations granted, including those that have been cancelled or suspended. Any authorization of the Tourism Office of the Department of Economic Development and Commerce shall be subject to an administrative action for suspension, cancellation, or cease of operations in case of noncompliance with the rules in effect by the entities to which an authorization has been granted.

(l) ...

(m) To establish a certification, promotion, marketing, and continuing education program for Tour Guides. In addition, it shall provide continuing education courses for the betterment of the profession. In order to ensure compliance with the provisions of this subsection, the Tourism Office of the Department of Economic Development and Commerce is hereby authorized to establish a Tour Guide Council, chaired by the Executive Director of the Tourism Office of the Department of Economic Development and Commerce and composed of tour guides and representatives of the tourist transportation sector and by the tourism sectors deemed pertinent, which shall serve as a permanent

discussion forum, to contribute, among other things, to regulate all that pertains to the Tour Guide certification provided for in Section 5 of this Act, and to devise a plan for the betterment and professional training of tour guides.

(n) To regulate and issue certifications to juridical persons or entities operating facilities, docks, or vessels devoted to nautical tourism including, but not limited to: (i) rental or chartering of vessels for leisure, recreation, and tourist education purposes; (ii) leasing of jet skis and other similar equipment to guests in a hotel, a condo-hotel, a timeshare or a vacation club, or located within a tourist resort; or (iii) services offered by facilities or docks to vessels devoted to nautical tourism for guest entertainment and leisure for compensation, in waters within and outside of Puerto Rico. The Tourism Office of the Department of Economic Development and Commerce shall, in turn, investigate, intervene, and impose administrative fines or other sanctions on any juridical person or entity operating facilities, docks, or vessels devoted to nautical tourism.

(o) To establish, among other strategies and initiatives that may be developed, a marketing program for the purpose of promoting Puerto Rico as a culinary, sports and recreation, cultural, medical, nature and adventure, luxury, and meeting destination, among others. In order to ensure the full development of the program, it is hereby provided that the Tourism Office of the Department of Economic Development and Commerce shall enter into collaboration agreements with restaurateurs, associations, and sports, recreational, cultural, medical, ecological, and meeting promotion entities, among others, concerned with the development, creation, and holding of tourist, culinary, sporting, recreational, cultural, medical, nature and adventure, luxury, and meeting events, among others.”

Section 6.6.- New Section 5 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 5.- Responsibilities.

The Tourism Office of the Department of Economic Development and Commerce shall be responsible for:

(1) ...

...

(4) In order to fulfill the responsibility set forth in the preceding subsection (3), the Tourism Office of the Department of Economic Development and Commerce shall enter into an agreement with the University of Puerto Rico so that, through the appropriate academic departments, the University and its research centers conduct studies as are necessary on the existing and potential tourism, which shall serve as a basis to design the marketing strategies and adequate investment of resources of the Tourism Office of the Department of Economic Development and Commerce. The Tourism Office of the Department of Economic Development and Commerce shall coordinate with the pertinent agencies the gathering of data by distributing and collecting written forms to be filled out by tourists at both, their arrival to, and departure from our Island. These forms shall include, but not be limited to, the opinions and remarks of national and international tourists, the most common problems in the tourist offer, the activities and entertainment during their stay, their approximate expenses, the reasons for their visit, reviews, and suggestions. The foregoing should be classified according to factors such as the season of the year, tourist demographic and socioeconomic data, their likelihood of returning and reasons therefor, and the marketing and advertising needs. Said forms shall constitute the main source of information for

the studies to be conducted by the Tourism Office of the Department of Economic Development and Commerce in coordination with the University of Puerto Rico.

(5) ...

(a) Establishing an Advisory Board that shall make recommendations to the Department of Education on the content of the curricula and programs according to the needs of the tourism industry. This Board shall be composed of nine (9) members: the Executive Director of the Tourism Office of the Department of Economic Development and Commerce, who shall be its Chair; the Secretary of the Department of Education, who may delegate his representation to the Secretary of Vocational Instruction; the President of the Puerto Rico Hotel and Tourism Association; the President of the Puerto Rico Travel Agencies Association; the Dean of the School of Hotel and Restaurant Management of the University of Puerto Rico, Carolina Campus, who may delegate his representation to the Director of the Program; the Administrator of the Future Workers and Entrepreneurs Training Administration; and the Secretary of the Department of Labor and Human Resources; a representative of tour guides and a representative of ground tourist transportation, who shall be appointed by the Executive Director of the Tourism Office of the Department of Economic Development and Commerce.

(b) ...

(c) ...

(d) ...

(6) Issuing certificates attesting that hotels, condo-hotels, vacation clubs, *Paradores*, agri-lodgings, guesthouses, tourist villas, and other tourist facilities and activities meet the requirements established through regulations by the Tourism Office of the Department of Economic Development and Commerce for promotional purposes pertaining to the classification and the category of service

quality, the physical facilities, the hygienic and sanitary conditions, and the safety and protection of visitors. This authority shall not be construed so as to limit similar functions of any other government agencies or entities, since the categories and classifications fulfill a promotional purpose; the establishment of categories or classifications, however, does not impose a responsibility on the Tourism Office of the Department of Economic Development and Commerce for the functions of all other government agencies or entities.

(7) ...

(8) Studying, proposing, and coordinating with the Planning Board a Regulatory Plan for tourism promotion and development in Puerto Rico. Provided, that the Tourism Office of the Department of Economic Development and Commerce, in coordination with the municipalities, shall establish municipal and regional tourism committees to integrate the community into the tourism planning and development process. Said committees shall be governed by regulations to be promulgated for such purposes by the Tourism Office of the Department of Economic Development and Commerce, and shall be composed of representatives of the hotel industry and *Paradores*, restaurants, and the trade and banking sectors, carriers, historians, architects, planners, environmentalists, and artisans, among others, not later than sixty (60) days after the regulation takes effect. The participation of at least one representative of the residents shall be guaranteed.

(9) ...

(10) ...

(11) ...

(12) ...

(13) ...

(14) ...

(a) The Sports Tourism Council shall be composed of the following seven (7) members: the Executive Director of the Tourism Office of the Department of Economic Development and Commerce, who shall be its chair and provide the Office of the Secretary of the Council with the appropriate support services regarding minutes and agreement follow-ups; the Secretary of the Department of Economic Development; the Secretary of the Sports and Recreation Department; the President of the Puerto Rico Olympic Committee; the Commissioner of Municipal Affairs; and the Executive Director of the Puerto Rico Convention Bureau; and two (2) members of the private sector who shall represent the public interest, one of whom shall have at least five (5) years of experience in advertising, public relations, and marketing of major international events, and the other one shall have five (5) years of experience in the administration of sports facilities suitable for holding world-class events. Provided, further, that a majority of the members comprising the Council shall constitute a quorum.

(b) ...

...

(d) ...

(15) Developing and implementing a Tourist Guide Program, which shall include, but not be limited to:

(a) ...

(b) Programs to welcome tourists at special events, conventions, and others activities endorsed by the Tourism Office of the Department of Economic Development and Commerce consisting of activities that could periodically include artistic and/or musical performances and artisan and cultural exhibitions in airport and port terminal facilities.

(c) ...

(d) ...”

Section 6.7.- Renumbered Section 7 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 7.- Public Hearings.

Pursuant to Section 4 of this Act, the bylaws, the adoption of which the Tourism Office of the Department of Economic Development and Commerce deems necessary and convenient to discharge the powers and duties of the Tourism Office of the Department of Economic Development and Commerce under this Act, and which due to their nature affect third parties, shall be subject to the procedures established in Act No. 38-2017, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’”

Section 6.8.- Renumbered Section 8 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 8.- Recommendations.

The Tourism Office of the Department of Economic Development and Commerce shall recommend the granting of loans, by any government or private entity, authorized to grant them to any natural or juridical person engaged in tourist activities in Puerto Rico, for the purchase, establishment, conservation, reconstruction, and improvement of facilities and equipment.”

Section 6.9.- Renumbered Section 10 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 9.- Penalties.

...

The Tourism Office of the Department of Economic Development and Commerce is hereby empowered to withdraw its endorsement from the businesses

that were endorsed thereby, if they refuse to furnish the required statistics to the Tourism Office of the Department of Economic Development and Commerce on two (2) consecutive occasions. The Tourism Office of the Department of Economic Development and Commerce shall also be empowered to impose civil fines up to a maximum amount of five thousand dollars (\$5,000) on those businesses that fail to furnish the required statistical data on two (2) or more occasions.”

Section 6.10.- Renumbered Section 11 of Act No. 10 of June 18, 1970, as amended, known as the “Puerto Rico Tourism Company Act,” is hereby amended to read as follows:

“Section 10.- Special Provisions.

The existing regulations adopted by the Economic Development Administration applicable to the Tourism Department, as well as the regulations adopted under Act No. 221 of May 15, 1948, as amended, and those adopted by the Tourism Company, shall continue in effect as a means to implement this Act, insofar as it is not in conflict therewith and until they are substituted, amended, or repealed by the Tourism Office of the Department of Economic Development and Commerce. Any law making a reference to the Tourism Company, the Board, and its Director shall be deemed to refer to the Tourism Office of the Department of Economic Development and Commerce and the Secretary, respectively, by virtue of Reorganization Plan No. 4-1994, as amended, and the Reorganization Plan of the Department of Economic Development and Commerce of 2018.”

Chapter VII – Amendment to the Puerto Rico Energy Transformation and RELIEF Act

Section 7.1.- The Title of Chapter III of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“CHAPTER III.- Energy Public Policy Program of the Department of Economic Development and Commerce (Program).”

Section 7.2.- Section 3.1 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“Section 3.1.- Creation of the Energy Public Policy Program of the Department of Economic Development and Commerce.

(a) The Energy Public Policy Program, hereinafter the ‘Program,’ is hereby created within the Department of Economic Development and Commerce to be charged with developing and promulgating the public policy on energy of the Government of Puerto Rico. All orders or regulations of the Program shall be issued in the name of the Department of Economic Development and Commerce.

(b) The Secretary of the Department of Economic Development and Commerce shall direct the Program, which shall be constituted by the personnel hired by him.

(c) The Department of Economic Development and Commerce shall post in its website information about the Program and the actions taken for the development and promulgation of the public policy on energy of the Government of Puerto Rico.”

Section 7.3.- Section 3.2 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“Section 3.2.- Secretary of the Department of Economic Development and Commerce.

The Secretary of the Department of Economic Development and Commerce and the person, if any, designated by him to direct the program and the members of his family unit, as defined in Act No. 1-2012, as amended, known as the ‘Puerto

Rico Government Ethics Office Organic Act,' shall not have a direct or indirect interest in, nor contractual relations with PREPA and/or any certified electric power companies in Puerto Rico, or entities within or without Puerto Rico, affiliated to or with an interest in PREPA or in said companies.”

Section 7.3[sic].- Section 3.3 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“Section 3.3.- Program Personnel.

(a) The Program shall be part of the Department of Economic Development and Commerce. The Secretary of the Department of Economic Development and Commerce, as the appointing authority of the Department, may hire and appoint the personnel needed for the operation and functioning of the Program, which shall be governed by the rules and regulations promulgated by the Secretary. The Secretary may delegate to any employee the authorities conferred on him hereunder, except for his contracting, appointing, and rulemaking authority. The Program’s personnel system shall be organized in such a manner as to promote, in the job descriptions and qualifications, the hiring of skilled and trained personnel based on merit through a competition process that enables the fulfilment of the purposes of this Act.

(b) No Program employee, be it a trust or career employee, may be related within the fourth degree of consanguinity and the second degree of affinity to the Secretary.

(c) Any action or omission of the Secretary and the Program personnel in the discharge of their duties shall be subject to the restrictions provided in Act No. 1-2012, as amended, known as the ‘Puerto Rico Government Ethics Office Organic Act.’”

Section 7.4.- Section 3.4 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“Section 3.4.- Duties and Powers of the Department of Economic Development and Commerce.

Through the Secretary, the Department of Economic Development and Commerce shall have the following duties and powers:

(a) Implement and promulgate the public policy on energy of the Government of Puerto Rico through regulations, in all areas that are not in conflict with the regulatory jurisdiction of the Public Service Regulatory Board. These regulations shall be consistent with the public policy on energy established by legislation;

(b) ...

(c) ...

(d) Make recommendations to the Public Service Regulatory Board about the rules that shall regulate every company under its jurisdiction, as well as any transaction, action, or omission that has an impact on the electric power grid and infrastructure of Puerto Rico;

(e) ...

...

(l) Gather and publish together with the Public Service Regulatory Board, timely and reliable information on the generation, distribution, use, and consumption of electric power in Puerto Rico, whether through the use of fuel such as oil and/or its byproducts, natural gas, coal, renewable energy sources, waste disposal, as well as any other mechanism or technology that could be used as an energy resource;

(m) Gather and submit to the Public Service Regulatory Board all information from the agencies, instrumentalities, and public corporations, from the Judicial Branch and its respective offices and from the municipal governments of Puerto Rico, on the implementation of energy efficiency measures, compliance with the energy conservation standards established by law, and the results of the implementation of said measures and standards;

(n) ...

(o) Identify the maximum percentage of renewable energy that Puerto Rico's electricity infrastructure is capable of integrating and incorporating in a safe and reliable manner and at a reasonable cost, as well as the appropriate technologies and the sites that shall make such integration feasible in accordance with the best interests of the Commonwealth of Puerto Rico, and submit its conclusions to the Public Service Regulatory Board;

(p) Adopt regulations about any other initiative that promotes the reduction of energy costs and maximizes energy efficiency;

(q) Conduct and carry out investigations about electric power companies as requested by the Public Service Regulatory Board through resolution;

(r) ...

(s) File complaints with the Public Service Regulatory Board against natural or juridical persons and entities when it believes any action or omission inconsistent with the public policy on energy of the Government of Puerto Rico has been taken.

(t) Appear before the Public Service Regulatory Board as a friend of the court or amicus curiae in adjudicative cases pending before the Board or its Bureaus. At its discretion, the Department of Economic Development and Commerce may appear before the Commission motu proprio or upon a party's petition;

(u) ...

...

(dd) Enter into collaboration agreements with other agencies or public entities of the Government of Puerto Rico that promote and promulgate the Island's public policy on energy;

(ee) Sue before the Court of First Instance of the Government of Puerto Rico any natural or juridical person that fails to meet or interferes with the requirements, goals, and objectives of this Act;

(ff) Request the aid of the Public Service Regulatory Board and/or the General Court of Justice in the event of noncompliance by any person or entity with any of its regulations or orders;

(gg) ...

(hh) Prepare and submit to the Governor and the Legislative Assembly, at the office of the Secretary of the Senate and of the Clerk of the House of Representatives, an annual report on the status of the energy situation of the Island, the results of the implementation of the public policy on energy, and the results of the efforts made by the Department of Economic Development and Commerce in the development and promulgation of said public policy on energy, as provided in this Act. Said report shall be filed not later than the thirtieth (30th) of January of each year;

(ii) Formulate strategies and make recommendations to the Public Service Regulatory Board to improve the electric power service in low-income communities through the study, promotion, and development of Community Solar projects, using as guidelines the recommendations made by organizations such as IREC and NREL, adapted to Puerto Rico, and seeking the input of PREPA and the representatives of relevant community, professional, and academic organizations;

(jj) The Department of Economic Development and Commerce, in conjunction with the Commission and PREPA, shall study the best practices of the electric power industry and establish a plan for the development of microgrids in Puerto Rico. To minimize costs and broaden access to greater physical and human resources, the Department of Economic Development and Commerce may partner with local or federal agencies, or recognized universities or institutes engaged in electric power research, inside and outside of Puerto Rico, to carry out this task. Initially, this option shall be made available to low-income communities, universities, healthcare centers, and public institutions;

(kk) The Department of Economic Development and Commerce, in conjunction with the Public Service Regulatory Board, shall determine the format and specific information to be shared by each microgrid.”

Section 7.5.- Section 3.5 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“Section 3.5.- Regulations of the Department of Economic Development and Commerce.

Every regulation to be adopted by the Department of Economic Development and Commerce on the Program shall comply with the provisions of Act No. 38-2017, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’”

Section 7.6.- Section 3.6 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“Section 3.6.- Emergencies.

When the Governor, by virtue of the information submitted by the Department of Economic Development and Commerce, determines that there is an

imminent threat of a shortage of any energy resource in Puerto Rico because the basic needs of the Island may not or are not being satisfied, and this consequently could affect the general welfare of the People of Puerto Rico, the Governor may declare a state of emergency and issue executive orders as deemed necessary to ensure, to the extent practicable, for the subsistence of the People, the availability of the necessary amounts of such energy resources.

Within the state of emergency that may be declared, it is the public policy of the Government of Puerto Rico that satisfying the needs of the People of Puerto Rico shall be the main priority of every importer, distributor, manufacturer, producer, carrier, and exporter of any material constituting energy sources.

In applying this Section, the energy issues of the United States of America and the International community shall be taken into account.

In the executive order issued, the Governor shall:

(1) ...

(2) ...

(3) Entrust the Department of Economic Development and Commerce or any other government body with the powers and duties needed to implement the executive orders thus issued.

(4) ...”

Section 7.7.- Section 3.7 of Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” is hereby amended to read as follows:

“Section 3.7.- Budget.

The budget allocated to the former Commonwealth Energy Public Policy Office for Fiscal Year 2017-2018 shall be transferred to the Department of Economic Development and Commerce.”

Section 7.8.- Any law making a reference to the Commonwealth Energy Public Policy Office and its Director shall be deemed to refer to the Energy Public Policy Program of the Department of Economic Development and Commerce and the Secretary thereof, respectively, by virtue of the Reorganization of the Department of Economic Development and Commerce of Puerto Rico.

Chapter VIII – Amendments Related to the Industrial Tax

Exemption Office

Section 8.1.- Section 12 of Act No. 73-2008, as amended, known as the “Economic Incentives Act for the Development of Puerto Rico,” is hereby amended to read as follows:

“Section 12.- Industrial Tax Exemption Office.

(a) In General.-

The Industrial Tax Exemption Office shall be consolidated with the Department of Economic Development and Commerce. This office shall be directed and administered by a Director, who shall be appointed by the Secretary of Economic Development and Commerce. The Director shall exercise the powers inherent to his office, those delegated by the Secretary of Economic Development and Commerce, as well as comply with the duties and obligations imposed by this chapter.

(b) ...

...”

Chapter IX – Amendments to the Commonwealth of Puerto Rico

Regional Center Corporation Act

Section 9.1.- Section 1 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 1.- Short Title.

This Act shall be known as the ‘Commonwealth of Puerto Rico Regional Center Program Act.’”

Section 9.2.- Section 2 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 2.- Definitions.

The following terms shall have the meaning stated below whenever they are used or referred to in this Act, except when the context clearly indicates otherwise:

(a) ...

(b) ...

(c) Program – Means the Commonwealth of Puerto Rico Regional Center Program created under this Act. The Program of the Department of Economic Development and Commerce shall be a Regional Center that shall operate pursuant to the provisions of the USCIS.

(d) Department – Means the Department of Economic Development and Commerce created by virtue of Reorganization Plan No. 4 of June 22, 1994.

(e) ...

(f) ...

(g) ...

(h) Secretary of the Department - Means the Secretary of the Department of Economic Development and Commerce.

(i) USCIS - Means the United States Citizenship and Immigration Services or any other Federal Government agency or department that administers or manages the EB-5 Program in the future.”

Section 9.3.- Section 3 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 3.- Creation.

The Commonwealth of Puerto Rico Regional Center Program is hereby created as part of the Department.”

Section 9.4.- Sections 4, 5, 8, 11, and 12 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” are hereby repealed.

Section 9.5.- Sections 6, 7, 9, 10, 13, 14, 15, and 16 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” are hereby renumbered as Sections 4, 5, 6, 7, 8, 9, 11, and 12, respectively.

Section 9.6.- Renumbered Section 4 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 4.- Special Powers.

(a) Financing and Investment.

The Department is hereby authorized and empowered to promote, persuade, and encourage private equity to initiate and maintain in operation, and otherwise promote the establishment and functioning of all kinds of operations directed at financing and investing in projects for the positive development of Puerto Rico’s economy.

If deemed convenient, the Department may initiate one or more of such operations on its own initiative or in partnership with other private or government entities, or by sharing in any appropriate manner, or by investing the Department’s funds in enterprises owned by others, in any of manners in which funds are usually invested, or shall be invested hereafter in such operations. For such purposes, the Department may provide the facilities, funding, and services that in its judgment are warranted in each of these cases.

(b) Promoting Capital Investment.

The Department is hereby authorized to promote and carry out activities that encourage investment in the manufacturing and services sectors and in other enterprises, facilitate trade, foster the use of foreign and domestic capital in industrial enterprises. For such purposes, but without constituting a limitation, it shall acquire any number and class of shares or other securities in corporations engaged in the operation of industrial or commercial enterprises initiated with private equity, whether of alien or domestic investors, under such terms, conditions, and stipulations as the Department may prescribe; and insofar as all other factors are equal, it may carry out any other transactions as deemed pertinent.

(c) Loans.

The Department is hereby authorized and empowered to lend funds to any person, firm, corporation, or other organization when the amount of such loans is to be used to further the government's purpose of advancing the economy of Puerto Rico and especially the investment in property, industrial projects, or mixed-use projects.

The Secretary shall determine and establish the interest rate, maturity, and other terms of the loans awarded by the Department and the nature and value of the collateral to be required for the award thereof.

No loan shall be awarded unless, based on commercial experience and the facts and circumstances of each case, the Department deems, in its business judgment, that the company applying for the loan has repayment capacity.

(d) Payments.

The Department is hereby authorized to receive such payments, fees, and any other compensation for, or relating to, services performed by the Department including, but not limited to, administrative payments made by investors, placement fees, consulting fees, profit sharing, and the payment of any interest

rate. The Department shall approve the regulations deemed necessary to determine the form and manner in which it shall receive and manage such payments, pursuant to Section 9 of this Act.”

Section 9.7.- Renumbered Section 5 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 5.-

The Secretary shall direct the operations of the Program.”

Section 9.8.- Renumbered Section 6 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 6.- Regulations.

The regulations of the program shall provide for the internal operations thereof and the duties and responsibilities of its officials. The regulations shall be approved and may be amended by the Secretary. No regulation shall be in conflict with the provisions of this Act. The provisions of Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’ shall not apply to this Section.”

Section 9.9.- Renumbered Section 7 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 7.- Monies.

As provided by the Secretary, the funds generated by the Program shall be directed at promoting economic activity in Puerto Rico including, but not limited to, the creation of funds and programs for such purposes, or any other matter the Secretary deems furthers or advances the economic activity of Puerto Rico.”

Section 9.10.- Renumbered Section 8 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 8.- Reports.

Every year, within one hundred twenty (120) days after the close of the fiscal year, the Department shall submit a report to the Governor and both Legislative Bodies. Said report shall include the following:

(a) a full report on the status and progress of all the ventures and activities since the creation of the Program or since the date of the last report. The report shall include:

1) The total number of investors in the EB-5 program that have invested, including the invested amount. The number of investors who have received an EB-5 visa shall be included therein.

2) ...

3) ...

The Department shall also submit to the Legislative Assembly and the Governor, as required, official reports on its business and activities in accordance with this Act.

(b) A work plan for the Program for the following year.”

Section 9.11.- Renumbered Section 9 of Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” is hereby amended to read as follows:

“Section 9.- Funds and Appropriations.

The budget allocated to the former Commonwealth of Puerto Rico Regional Center Corporation shall be transferred to the Department of Economic Development and Commerce and, thereafter, the expenses of the Program shall be

part of the consolidated budget of the Department of Economic Development and Commerce.”

Section 9.12.- A new Section 10 is hereby added to Act No. 84-2014, as amended, known as the “Commonwealth of Puerto Rico Regional Center Corporation Act,” to read as follows:

“Any law that makes a reference to the Commonwealth of Puerto Rico Regional Center Corporation Act, its Board or Director shall be deemed to refer to the Commonwealth of Puerto Rico Regional Center Program and the Secretary of the Department of Economic Development and Commerce, respectively, by virtue of the Reorganization Plan of the Department of Economic Development and Commerce of Puerto Rico.”

Chapter X – Amendments to the Government of Puerto Rico Room

Occupancy Rate Tax Act

Section 10.1.- Section 2 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 2.- Definitions.

For the purposes of this Act, the following terms shall have the meaning stated hereinbelow:

(1) Entry.- Means the Taxpayer Deficiency or Debt as determined by the Tourism Office once it has been registered in the Tourism Office’s accounting system.

(2) ...

(3) Compulsory Procedure.- Means the procedure that the Tourism Office may use to compel payment of the Tax or the fulfillment of any other obligation including, but not limited to, the filing of a civil action, a writ of attachment, and/or the sale of the debtor Taxpayer’s property.

(4) Audit.- Means the procedure whereby the Tourism Office shall be empowered to inspect the accounting books and the procedures of a Lodging through a trained accountant, as defined in subsection (22) of this Section, in order to verify the accuracy and integrity of the same.

(5) ...

...

(8) Room Occupancy Rate.- Means the Rate charged by an Hotelier to an Occupant or Guest for the occupancy of any room of a Lodging, valued in terms of money, whether received in cash or otherwise, including, without limitation, all the income in cash, manager's check, or credit. The definition of Room Occupancy Rate shall include, without limitation, the money received by the Lodging on account of Paid but Unused Rooms, Room Penalties and any other charge, rate, or additional tax (fees, resort fees, and/or taxes) that a hotelier charges to an Occupant or Guest for a stay in a Lodging. In the event of offers, specials, stay packages, or discount programs, sold or offered by any means including, but not limited to, internet or any application software, any refundable items such as security deposits charged to an occupant or guest as well as any commission on account of the services rendered by the intermediary shall be exempt from the room occupancy rate, provided that said Commissions are disclosed to the Tourism Office at the time of filing the monthly return and are duly evidenced by the Hotelier to the Tourism Office. If the commissions are paid to the intermediary as part of the Rate charged by the Hotelier to the Occupant or Guest, then, such Commission shall be subject to the room occupancy rate. In the event that the amount charged to the Occupant or Guest is different from that received by the Hotelier, it shall be understood that the Room Occupancy Rate shall be the higher of the two amounts.

(9) ...

...

(13) Tourism Office.- Means the Tourism Office of the Department of Economic Development and Commerce.

(14) ...

...

(16) Corporation.- Means the Corporation for the Promotion of Puerto Rico as a Destination, Inc. or any other nonprofit corporation hired by the Tourism Office by virtue of Act No. 17-2017, known as the ‘Act to Promote Puerto Rico as a Destination,’ and therefore, is principally and officially engaged in the promotion of Puerto Rico as a destination.

(17) ...

...

(20) Executive Director.- Means the Executive Director of the Tourism Office of the Department of Economic Development and Commerce.

(21) ...

...

(29) Notification.- Means the written communication sent by the Department to the Taxpayer notifying a Deficiency or Debt on account of the Tax.

(30) Taxpayer Identification Number.- Means the number the Tourism Office shall assign to the Taxpayer, and that must be used by said Taxpayer in the Declaration, as provided in this Act or the regulations approved thereunder. In the case of Intermediaries between guests and providers, owners, or operators of property used as Short-term Rentals, such Intermediaries shall require said providers, owners, or operators of property used as Short-term Rentals to register with the Tourism Office and obtain a Taxpayer Identification Number prior to doing business with them.

(31) ...

...

(34) Review.- Means the procedure whereby the Tourism Office shall be empowered to examine the accounting books of a Lodging as defined in subsection (22) of this Section, for the purpose of verifying the accuracy of the information provided by the taxpayer.

(35) ...

...

(37) Assessment.- Means the procedure whereby the Tourism Office may determine the amount owed by the taxpayer for a Debt or Deficiency.”

Section 10.2.- Section 3 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 3.- General Powers of the Tourism Office.

For the purposes of the application and administration of this Act, and in addition to any other duties and powers established hereunder, the Tourism Office shall be empowered to:

A. ...

B. The Tourism Office shall be empowered to oversee, regulate, investigate, intervene, and sanction the persons subject to the provisions of this Act.

C. The Tourism Office shall be empowered to impose administrative fines and other sanctions under this Act.

D. The Tourism Office shall be empowered to conduct investigations and interventions; to require any type of information necessary for the adequate performance of its powers; to direct or petition the courts to order the cessation of activities or acts that are inconsistent with the purposes herein; to impose and direct the payment of costs, expenses and attorney’s fees, as well as the payment of costs and fees for other professional and consulting services incurred in the

investigations, hearings, and procedures conducted before the Tourism Office, and to direct that any act be carried out in accordance with the provisions of this Act.

E. Examine any records, documents, sites, premises, or any other material related to transactions, business, occupations, or activities subject to the tax including, without limitation, folios, accounting books, bank statements, income tax returns, room revenue reports, and financial statements. Provided, that for the Tourism Office to examine the income tax returns filed by the taxpayers with the Department of the Treasury, the Tourism Office must meet the requirements established by Secretary of the Treasury in the applicable regulations. Every person in charge of any establishment, site, premises, or object subject to examination or investigation shall facilitate any examination the Tourism Office requires. The fact that the owner or person in charge of an establishment, site, premises, or object subject to examination or investigation is not present shall not constitute sufficient cause to prevent said examination from being conducted.

F. ...

G. Keep for a period of time as shall be necessary, any documents obtained or provided in accordance with this Act in order to use them in any investigation or procedure that the Tourism Office may conduct, pursuant to the provisions of this Act or the regulations approved thereunder.

H. ...

I. Draft, approve, and adopt any rules and regulations necessary for the administration and application of this Act, pursuant to the provisions of Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’

J. Delegate to any official, officer, or employee of the Tourism Office such authorities and duties deemed necessary and convenient to fulfill any function or exercise any authority conferred thereto by this Act.

K. Appoint hearing examiners to conduct administrative hearings, who shall have authority to issue orders and resolutions. The adjudicative functions and procedures applicable to these hearing examiners shall be established by the Tourism Office through regulation approved to such effects.”

Section 10.3.- Section 4 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 4.- Organizational Structure.

A. The Executive Director of the Tourism Office may establish the internal organizational structure related to the Room Occupancy Rate Tax deemed appropriate, and shall have discretion to designate the different work areas for the operational, quasi-legislative, and adjudicative phases.

B. The Executive Director of the Tourism Office may appoint officials and employees as deemed necessary to fully comply with the provisions of this Act.

C. In order to attain the objectives of this Act, the Tourism Office may outsource the persons or services it deems necessary.”

Section 10.4.- Section 5 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 5.- Oversight Authority.

The officials and employees of the Tourism Office are hereby empowered to intervene and/or to summon to appear before the Tourism Office any person who violates any provision of this Act or the regulations approved thereunder.”

Section 10.5.- Section 6 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 6.- Authority to Initiate Legal Proceedings.

The Tourism Office shall be empowered to initiate any legal proceeding as are necessary for the collection of the Tax.”

Section 10.6.- Section 7 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 7.- Rulemaking Authority.

The Tourism Office shall be empowered to adopt the regulations deemed necessary for the implementation of this Act, and such regulations shall have force of law. Said regulations shall become effective upon compliance with the applicable provisions of Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act’ or any similar law that substitutes it.”

Section 10.7.- Section 8 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 8.- Authority to Require Bonds.

The Tourism Office may require Taxpayers to show evidence that they have posted a bond to secure the timely payment of the obligations imposed by this Act. The bond may be required in an amount the Tourism Office deems reasonably necessary to secure the payment of the Tax and any surcharges, interests, penalties, or administrative fines imposed thereon as a result of violations of the provisions of this Act and/or its regulations.”

Section 10.8.- Section 9 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 9.- Examination of Accounts, Records, Books, and Sites.

The Tourism Office, through its officials or employees, shall have the right to inspect and review every information, account, record, entry, and document related to the payments to be made by Hoteliers on account of the Tax and the distribution of such funds. The Tourism Office may enter and examine the sites and documents of any Taxpayer. The Tourism Office may also require, access, and/or use any information or document in the possession of any instrumentality of the Government of Puerto Rico or political subdivision thereof.”

Section 10.9.- Section 10 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 10.- Auditing.

The Tourism Office shall be empowered to conduct audits to oversee compliance with this Act and the regulations approved thereunder in connection with the payment of the room occupancy rate tax by hoteliers.”

Section 10.10.- Section 11 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 11.- Reports.

The Tourism Office may require every Taxpayer to file audited financial reports as deemed necessary to fulfill the purposes of this Act.”

Section 10.11.- Section 12 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 12.- General Investigative Authority.

A. The Tourism Office shall have the power and authority to summon and interview witnesses, administer oaths, take statements, or compel the production of books, papers, and documents as deemed necessary and pertinent,

for any proceeding held for the purpose of exercising its powers and discharging its duties.

B. The Tourism Office may direct the Taxpayers to pay for the expenses and fees for professional and consulting services incurred in the investigations, studies, hearings, or any other proceeding held by the Tourism Office under this Act.

C. The Tourism Office may direct any Taxpayer to defray any other expense that, by reason of recklessness, the Tourism Office has had to incur for noncompliance with or a violation of this legislation.”

Section 10.12.- Section 13 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 13.- Complaints before the Tourism Office.

The Tourism Office, *motu proprio* or at the request of any person, government instrumentality, agency, business, or private enterprise that complains of some action or omission that a Taxpayer carried out or intends to carry out in violation of any provision of this Act, regulation, or order of the Tourism Office, may file a written complaint. The Tourism Office shall establish the procedure for filing complaints through regulations approved to such effect.”

Section 10.13.- Section 14 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 14.- Adjudicative Proceedings.

The Tourism Office may, in the exercise of the duties and powers imposed and conferred thereon by this Act, hold public hearings, summon witnesses, issue orders, resolutions, and decisions, and perform any other quasi-judicial function that may be necessary to implement the provisions of this Act.

The Tourism Office shall have the authority to hold adjudicative hearings to hear complaints filed against any Taxpayer, motu proprio or at the request of an interested party as provided in this Act, and may impose sanctions and/or fines in accordance with the regulations promulgated to such effects.

On its own initiative, or in representation of the person who initiated the claim or complaint, the Tourism Office shall be empowered to investigate, issue summons, require the production of documents it deems pertinent, and hear evidence when a Taxpayer has:

- (1) ...
- (2) ...”

Section 10.14.- Section 15 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 15.- Due Process of Law.

The Tourism Office shall prescribe through regulations the provisions that shall govern adjudicative proceedings. Due process shall be granted and guaranteed to every Taxpayer by virtue of Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’ or any similar law that substitutes it, in connection with every petition for administrative or judicial review of the orders and/or decisions of the Tourism Office in the exercise of the powers conferred thereto by this Act.”

Section 10.15.- Section 16 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 16.- Contempt; Refusal to Act.

If any person summoned to appear before the Tourism Office fails to obey such summons, or if upon appearing before the Tourism Office refuses to take an

oath, furnish information, testify or answer any pertinent question, or present any pertinent document when so ordered by the Tourism Office, the Tourism Office may resort to the Court of First Instance to compel the appearance, testimony, and production of documents.

Any person who fails or refuses to appear and testify, disregards any legitimate request, or refuses to produce books, papers, and documents, if it were within their power to do so, in accordance with a duly issued subpoena or summons of the Tourism Office, or any person who conducts himself in a disorderly or disrespectful manner before the Tourism Office or any of its officials or employees presiding over a hearing or an investigation, shall be guilty of a misdemeanor and, upon conviction, shall be punished by a maximum fine of five thousand (5,000) dollars, at the discretion of the court.”

Section 10.16.- Section 17 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 17.- Burden of Proof.

When a hearing is held for a violation of any provision of this Act or any regulation or order of the Tourism Office, the burden of proof shall rest on the Taxpayer.”

Section 10.17.- Section 18 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 18.- Authority to Sanction, and to Impose and Collect Fines.

The Tourism Office is hereby empowered to impose sanctions and administrative fines for violations of the provisions of this Act and the regulations approved thereunder, committed by Taxpayers, as well as the penalties contained in Sections 45, 46, 47, and 48 of this Act. The Tourism Office may prescribe by

regulations the applicable sanctions which shall be proportionate to the violation in question.

The Tourism Office may, in the event of a violation of this Act, impose the appropriate administrative fine, penalty, surcharge, or sanction, in accordance with the Act or Regulation, or permanently suspend or revoke the promotional and tax benefits granted by the Tourism Office.

A violation of any provision of this Act or the regulations approved thereunder may entail the permanent revocation of such benefits, as the case may be, as well as the subsequent ineligibility of the Taxpayer for the promotional and tax benefits that the Tourism Office grants pursuant to Act No. 74-2010, as amended, known as the ‘Puerto Rico Tourism Development Act of 2010.’

An action against a Taxpayer pursuant to the provisions of this Section shall not preclude the Tourism Office from taking any other additional action authorized by this Act or the regulations approved thereunder.”

Section 10.18.- Section 19 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 19.- Criminal Penalties for Violations.

Any taxpayer who violates any provision of this Act or its Regulation, omits, neglects, or refuses to obey, observe, or comply with any order, resolution, rule, or decision of the Tourism Office, fails to comply with a judgement of any court, abets, aids in the violation, omits, neglects, or fails to comply with the provisions of this Act, shall be guilty of a misdemeanor, punishable by a maximum fine of up to five thousand (5,000) dollars at the discretion of the court.

An action against a Taxpayer pursuant to the provisions of this Section shall not preclude the Tourism Office from taking any other additional action authorized by this Act or the regulations approved thereunder.”

Section 10.19.- Section 20 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 20.- Criminal Penalty for Nonpayment of the Tax.

In those cases in which any person collects the Tax but fails to remit a payment on account thereof to the Tourism Office within the period provided by this Act or the regulations approved thereunder, thus misappropriating public property or funds belonging to the Government of Puerto Rico or its public corporations, such person shall be guilty of aggravated misappropriation, punishable by imprisonment for a fixed term of ten (10) years.

An action against a Taxpayer pursuant to the provisions of this Section shall not preclude the Tourism Office from taking any other additional action authorized by this Act or the regulations approved thereunder.”

Section 10.20.- Section 21 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 21.- Additional Penalty for Violations of Orders.

Every violation of any provision of this Act, or a rule, an order, or a decision of the Tourism Office, or a judgement of the court shall constitute a separate and different offense.”

Section 10.21.- Section 22 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 22.- Judicial Actions.

The Tourism Office shall refer to and petition the Secretary of the Department of Justice to initiate, on behalf of the Commonwealth of Puerto Rico,

those criminal proceedings that may be necessary to punish acts committed in violation of the provisions of this Act.”

Section 10.22.- Section 23 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 23.- No Limitation on Powers.

The enumeration of the powers conferred on the Tourism Office by virtue of this Act shall not be construed as a limitation on its powers for the effective achievement of the objectives established herein.”

Section 10.23.- Section 24 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 24.- Tax.

A. ...

B. The Tourism Office shall impose, charge, and collect a general Tax of nine percent (9%) on the Room Occupancy Rate. In the case of Lodgings authorized by the Commissioner of Financial Institutions to operate gambling halls, the Tax shall be equal to eleven percent (11%). In the case of Lodgings authorized by the Tourism Office to operate as *Paradores*, or that are part of the program *Posadas de Puerto Rico*, or that have been certified as Bed and Breakfast (B&B), the Tax shall be equal to seven percent (7%). Motels shall pay a nine percent (9%) tax when such rates exceed five (5) dollars daily. In the case of All-inclusive Hotels, as defined in subsection (22) of Section 2, the Tax shall be equal to five percent (5%) of the global and grouped fee charged to guests. In the case of Short-term Rentals, the Tax shall be equal to seven percent (7%). In the case of recreational facilities operated by agencies or instrumentalities of the Government of Puerto Rico, the Tax shall be equal to five percent (5%).

C. Except for the rates charged by an All-inclusive Hotel, when the Room Occupancy Rate is grouped with the cost of meals or other services that are complementary to the room and that, in reality, should not be subject to payment of the Tax, the Tourism Office may use as a basis the total Room Occupancy Rate collected by the Hotelier to determine the Tax to be paid. In case the Hotelier fails to provide a true itemization of the reasonable cost of each and every one of the services thus rendered, the Tourism Office may calculate and apply the Room Occupancy Rate on the basis of the greater of the Average Rate, the Room Cost, or the cost of such services using as a basis the industry experience.

D. The Tax shall be applicable when a Lodging provides a room free of charge to any player and/or any visitor to a gambling hall for the benefit or promotion of such gambling hall, regardless whether or not the Lodging directly bills the proprietor and/or owner of the gambling hall. The Tourism Office may calculate and apply the Room Occupancy Rate on the basis of the greater of the Average Rate, the Room Cost, or the cost of such services using as a basis the industry experience.

E. ...

F. The Tax shall not be applicable to rooms occupied by members of the cast or technical crew of film companies that use the facilities of a Lodging as a result of the production of a film project for distribution in movie theaters, television, or cable television systems. The exemption established herein shall be solely applicable when, at the time of liquidating charges billed on account of room occupancy, the members of the cast or technical crew of film companies submit to the Hotelier a certification duly issued by the Tourism Office.

G. ...

H. Except for Section 3 of this Act, no Hotelier may impose on or charge its guests fees denominated as 'contributions,' 'duties,' 'taxes,' or 'rates' that would

otherwise indicate or lead to believe that such fee is established by the Commonwealth of Puerto Rico when the fee has not been imposed nor shall be charged by the Government of Puerto Rico. The Hotelier shall be responsible for providing an itemization of such fees in the bill, separately and independent from the fees on account of the Tax. This prohibition against combining various fees shall also apply to the publications, promotions, and any offers of the lodgings regardless of the method used. The Tourism Office, as the case may be, may impose such sanctions deemed necessary including, without limitation, the imposition of penalties or administrative fines, the permanent suspension or revocation of the promotional benefits granted by the Tourism Office, or the suspension or revocation of the tax exemption decree granted by the Tourism Office in accordance with Act No. 74-2010, as amended, known as the ‘Puerto Rico Tourism Development Act of 2010,’ to any Hotelier who violates the provisions of this subsection. If deemed proper, the Tourism Office may charge the Tax on said fees.”

Section 10.24.- Section 26 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 26.- Tax Identification Number.

Every Lodging and/or Hotelier subject to the provisions of this Act shall apply for and obtain a Tax Identification Number from the Tourism Office, and for this purpose shall follow the procedures adopted by the Tourism Office through regulations approved to such effect. Any natural or juridical person who is an intermediary between guests and providers, owners, or operators of property used as Short-term Rentals shall require said providers, owners, or operators of property used as Short-term Rentals to register with the Tourism Office as a Taxpayer to obtain a Taxpayer Identification Number prior to doing business with them.”

Section 10.25.- Section 27 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 27.- Responsibility of the Hotelier to Withhold and Remit the Tax to the Tourism Office.

A. Every Hotelier shall be required to collect, withhold, and remit to the Tourism Office the Tax established in Section 24 of this Act. Every Intermediary shall be required to collect, withhold, and remit said Tax to the Tourism Office. In the case of natural or juridical persons that promote or sell offers, specials, stay packages, or discount programs to stay at a Lodging by any means, including, but not limited to, the Internet or any application software, such natural or juridical persons shall be required to collect, withhold, and remit said Tax to the Tourism Office.

B. ...

C. The payment bond to be posted shall be in the amount and pursuant to the terms and conditions established by the Tourism Office through regulations approved to such effect. Such bond shall be posted at the Tourism Office by means of a cash deposit, letter of credit, or through a duly authorized bonding company in accordance with the laws of Puerto Rico.

D. The hotelier’s omission or failure to post the bond within the period required by the Tourism Office may entail the imposition of administrative fines, surcharges, penalties, and the suspension or revocation of the promotional or tax benefits granted by the Tourism Office.

E. The Tourism Office may withhold from Lodgings that operate gambling halls, the portion of the slot machines monthly revenues corresponding to the holder of a license to operate gambling halls under the ‘Puerto Rico Games

of Chance Act,' for the sole purpose of settling any accrued and outstanding Tax debt of the licensee.”

Section 10.26.- Section 28 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 28.- Time to Remit the Tax and Submit the Declarations to the Tourism Office.

A. Time.- Every Hotelier that, in accordance with Section 27 of this ct, is required to collect and withhold the Tax shall remit to the Tourism Office every month the total amount of Tax collected during the period between the first and last day of each month. This remittance shall be made not later than the tenth (10th) day of the month following the collection of such Tax.

B. Declaration.- Every Hotelier shall be required to declare its revenues on account of the Room Occupancy Rate using the declaration provided by the Tourism Office for such purpose. The Room Occupancy Rate revenues shall be declared every month on or before the tenth (10th) day of the month following the collection of such Tax. The Declaration shall be enclosed with the monthly amount referred to in the previous Section.

C. Receipt.- A Hotelier that makes a payment to the Tourism Office on account of the Tax, or any penalties, fines, surcharges, or interests, shall have the right to request the Tourism Office a formal, written, or printed receipt for the amount of the payment.”

Section 10.27.- Section 29 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 29.- Tax Payment Method.

A. The Tax established by this Act shall be paid by means of postal or bank money order, check, manager’s check, cash, electronic transfer, or any other payment method authorized by the Tourism Office.

B. The Tourism Office shall prescribe through regulation, the place and procedures applicable to the payment.”

Section 10.28.- Section 30 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 30.- Responsibility of the Hotelier.

If the Hotelier, in violation of the provisions of this Act, fails to make the required withholding, the Tourism Office shall be empowered to charge the Hotelier the amount that the Hotelier should have collected and withheld, as calculated through the mechanisms provided in this Act.”

Section 10.29.- Section 31 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 31.- Disposition of Funds.

The Tourism Office shall distribute the amounts collected from the Tax imposed under Section 24 of this Act, as follows:

A. Before the beginning of each fiscal year, the Bank shall determine and certify to the Tourism Office and to the Authority, the amount necessary for the Authority to make, during such fiscal year and on the first day of the following fiscal year, (i) the full and timely payment, or the amortization of the principal and interest on the obligations of the Authority to the Bank or the bonds, notes, or other obligations issued, assumed, or incurred by the Authority, pursuant to Act No. 142 of October 4, 2001, as amended, upon prior written authorization of the Tourism

Office, to exclusively carry out the development and construction of a new convention center and related infrastructure; (ii) full and timely payment of the obligations of the Authority under any Bond related Financing Agreement, as this term is defined at the end of subsection (A), entered into by the Authority upon prior written authorization of the Tourism Office; (iii) the deposits required to fund any reserves established to ensure the payment of principal and interest on such bonds, notes, and other obligations issued, assumed, or incurred by the Authority, or obligations under any Bond related Financing Agreement, and (iv) any other expense incurred in connection with the issuance of such bonds, notes, or other obligations issued, assumed, or incurred by the Authority, or with any other Bond related Financing Agreement. Prior written approval of the Tourism Office shall specifically authorize the amortization schedule of the principal of the bonds, notes, or other obligations to be issued, assumed, or incurred by the Authority and the final terms and conditions of any Bond related Financing Agreement to be entered into by the Authority. The sum determined and certified by the Bank, as indicated above, shall be deposited in a special account to be maintained by the Bank in the name of the Authority for the benefit of the holders of bonds, notes, or other obligations of the Authority or for the benefit of the other contracting parties under any Bond related Financing Agreement. The Bank shall transfer the amounts deposited in such special account to the trustees of the holders of bonds, notes, or other obligations of the Authority or to the other contracting parties under any Bond related Financing Agreement, in accordance with the written instructions provided to the Bank by the Authority.

Each fiscal year, the Tourism Office shall transfer to the Bank, for deposit in such special account, the sum established in the above paragraph through monthly transfers, beginning in the month immediately succeeding the month in which this Act is enacted and in the first month of every fiscal year thereafter, equivalent to

one tenth (1/10) of the amount determined and certified by the Bank as necessary for the payments referred to in the first part of this subsection; provided, however, that for the fiscal year in which this Act is enacted, the amount of each monthly transfer shall be a fraction, determined by dividing the number one (1) by the number of months remaining in such fiscal year, after the month in which this Act is enacted, of the amount determined and certified by the Bank as necessary for the payments referred to in the preceding paragraph. Provided, further, that if in any given month of the fiscal year, the revenues of such Tax are not sufficient to comply with the monthly transfers provided herein, the Tourism Office shall correct such deficit by transferring to the Bank, for deposit in such special account, the amount of such deficit using the excess of the Tax collected in subsequent months over the amount to be deposited monthly in such subsequent months in accordance with the first sentence of this paragraph. Each month, after making the transfer of monies to the Bank, as provided in this subsection, the Tourism Office shall distribute any remaining amount as provided in subsection (B) of this Section.

The Authority is hereby authorized, upon prior written consent of the Tourism Office, to pledge or otherwise encumber the revenues of the Tax imposed which is to be deposited in a special account as required by the first paragraph of subsection (A) of this Section to secure the payment of principal and interest on the bonds, notes, or other obligations issued, assumed, or incurred by the Authority, as described in the first paragraph of subsection (A), or the payment of its obligations under any Bond related Financing Agreement, as described in said paragraph. Such a pledge or obligation shall be subject to the provisions of Section 8 of Article VI of the Constitution of the Commonwealth of Puerto Rico. The revenues of the Tax shall be used solely for the payment of the interest and the amortization of the public debt, as provided in Section 8 of Article VI of the Constitution, but only insofar as the other available resources referred to therein are insufficient for such

purposes. Otherwise, the revenues of the Tax, in the amount necessary, shall be used solely for the payment of principal and interest on the bonds, notes, or other obligations, and the obligations under any Bond related Financing Agreement contemplated herein, and to comply with any stipulations agreed upon with the holders of bonds, notes, or other obligations or the providers under Bond related Financing Agreement.

...

B. The Tourism Office shall make monthly distributions of the excess over the amounts needed for each monthly transfer to the Bank, as provided in subsection (A), of the Tax imposed in Section 24 of this Act that is collected each fiscal year, in accordance with the following order of priority:

(i) Two percent (2%) of the total Tax collected shall be deposited monthly in the general funds of the Tourism Office to cover expenses relating to the operation, management, and distribution of the Tax revenues, or for any other use as determined by the Tourism Office.

(ii) Five percent (5%) of the total Tax collected shall be deposited monthly in the General Fund of the Department of the Treasury for Fiscal Years 2005-2006 and 2006-2007, in the funds of the National Parks Company for Fiscal Years 2007-2008 and 2008-2009, and in the funds of the Tourism Office as of Fiscal Year 2009-2010 and thereafter. As of the year in which the Authority certifies to the Department of the Treasury and to the Tourism Office, the commencement of operations of the Convention Center, and during ten (10) years thereafter, this five percent (5%) shall be available to make up any deficit, if any, arising from the operation of the facilities operated by the Convention Center District Authority in a reserve to be maintained by the Tourism Office. Provided, however, that for each fiscal year and/or every time the Convention Center District Authority intends to propose a budget that exceeds the deficit of two million five

hundred thousand dollars (\$2,500,000), the budget of the Convention Center District Authority shall be submitted to the Board of Directors of the Authority, the Tourism Office, and the Secretary of the Treasury for Fiscal Years 2005-2006 and 2006-2007, and to the Board of Directors of the National Parks Company for Fiscal Years 2007-2008 and 2008-2009 at a meeting held specifically for such purposes, and to the Board of Directors of the Authority and to the Tourism Office beginning Fiscal Year 2010-2011 and thereafter. This five percent (5%) shall be kept available during each fiscal year in a special reserve account maintained by the Tourism Office to make up any deficit in excess of two million five hundred thousand dollars (\$2,500,000), arising from the operation of the facilities of the Convention Center District Authority. For each fiscal year, any surplus after making up such operating deficit, if any, shall be released from the special reserve and shall be available for use by the Department of the Treasury for Fiscal Years 2005-2006 and 2006-2007, the National Parks Company for Fiscal Years 2007-2008 and 2008-2009, and the Tourism Office as of Fiscal Year 2010-2011 and thereafter.

Beginning Fiscal Year 2015-2016, and for five (5) years thereafter, this five percent (5%) shall be transferred in quarterly allocations by the Department to the Authority in order to defray exclusively the operating costs of the Puerto Rico Convention Center District. Provided, however, that for each fiscal year, the Convention Center District Authority shall submit its audited financial statements along with a report evidencing the use of the funds transferred in accordance with paragraphs (ii) and (iv) of this subsection to the Board of Directors of the Authority and the Director of the Tourism Office, at a meeting held for such purposes. If at the end of any fiscal year such audited financial statements show net earnings, the Convention Center District Authority shall refund the Tourism Office the amount generated as net earnings without exceeding

the total amount transferred by the Tourism Office to the Convention Center District Authority on that same fiscal year, by virtue of paragraphs (ii) and (iv) of this subsection.

(iii) Two million five hundred thousand dollars (\$2,500,000) shall be transferred from the Tourism Office to the Convention Center District Authority in quarterly allocations of six hundred twenty-five thousand dollars (\$625,000.00) to defray exclusively the operating costs of the Convention Center District. Provided, however, that for each fiscal year and/or each time that a modified budget is to be presented, the budget of the Convention Center District Authority shall be presented to the Board of Directors of the Authority and the Executive Director of the Tourism Office, at a meeting held specifically for such purposes. This amount shall be transferred as provided in this paragraph beginning Fiscal Year 2015-2016, and for a period of five (5) years.

(iv) Up to four million dollars (\$4,000,000) shall be kept available during each fiscal year in a special reserve account to be maintained by the Tourism Office for operating expenditures relating to specialized matters of the sector, its expenses and/or the oversight and implementation of the Destination Marketing Service Agreement set forth in Section 8 of the 'Act to Promote Puerto Rico as a Destination.'

(v) Any balance remaining after the allocations and reserves provided in subsections (B)(i), (B)(ii), (B)(iii), and (B)(iv) are made, up to a twenty-five million (25,000,000)-dollar ceiling, shall be allocated to the Corporation. The funds allocated to the Corporation shall be used by the Corporation to promote, market, develop, and strengthen Puerto Rico's tourist industry. If the balance exceeds twenty-five million dollars (\$25,000,000), such excess shall be used by the Tourism Office to carry out its duties related to specialized matters of the sector and its expenses.

The Tourism Office of the Department of Economic Development and Commerce shall submit a monthly breakdown of the revenues collected from the tax to the Authority and the Corporation.”

Section 10.30.- Section 32 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 32.- Assessment Procedure.

A. The Tourism Office shall be empowered to initiate a procedure for the assessment of a Taxpayer’s Debt or Deficiency on account of the Tax or any surcharges, administrative fines, and penalties, and which shall be paid to the Tourism Office.

B. The Assessment may be initiated by the Tourism Office, among other instances, when a Taxpayer has failed to make any monthly payment of the Tax, or to comply with its obligation to file the Declaration required by law, when there is a Deficiency in the payment made or when there is a Deficiency attributable to a Mathematical or Clerical Error of the Taxpayer.

C. The Tourism Office may conduct the Assessment by calculating the greater amount of the Average Rate, the Room Rate or the cost of such services on the basis of the industry’s experience multiplied by the percentage of the Tax applicable to a Lodging and the occupancy period.

D. The Tourism Office shall notify a Taxpayer if, due to a Mathematical or Clerical Error evident from the face of the Declaration, such Taxpayer owes a Tax in excess of the amount stated in such Declaration. Any notice under this section shall specify the nature of the alleged error and the basis therefor.

E. No Taxpayer shall have the right to appear before the Tourism Office by reason of a Notice based on a Mathematical or Clerical Error.”

Section 10.31.- Section 33 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 33.- Notice.

A. If a Taxpayer has incurred a Debt or Deficiency with respect to the Tax imposed by this Act, the Tourism Office shall notify the Taxpayer of such Deficiency by certified mail, return receipt requested.

B. ...

C. The Tourism Office shall have the right to make an Entry, to initiate a Compulsory Procedure, and/or to initiate an action to enforce a bond claim posted by the Taxpayer, if the Deficiency is not paid by the Taxpayer within the period allowed in the Notice to make a payment or appear before the Tourism Office.

D. If, once the Tourism Office has initiated an action to enforce a bond claim, the amount of the bond posted by the Taxpayer is insufficient to pay the entire Debt or Deficiency, any unpaid amount shall be paid by the Taxpayer on the Tourism Office’s demand. The Taxpayer shall also pay the interest associated with such Deficiency, computed at an annual rate of ten percent (10%) from the date of the Entry to the date of full payment thereof.”

Section 10.32.- Section 34 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 34.- Taxpayer’s Rights Upon Notice.

A. Any Taxpayer who disagrees, in whole or in part, with the notified Deficiency, except for those Taxpayers who are notified of a deficiency based on a Mathematical or Clerical Error, may request an administrative hearing in accordance with the adjudicative procedures established by the Tourism Office

through regulations approved to such effect. Provided, however, that the Taxpayer shall pay the portion of the Deficiency with which he agrees.

B. Any Taxpayer who disagrees with an Order or final Resolution of the Tourism Office, may request the review thereof, pursuant to the provisions of Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’ and Act No. 201-2003, as amended, known as the ‘Judiciary Act of 2003.’

C. The Tourism Office shall not make an Entry, nor commence or conduct a Compulsory Procedure, nor initiate an action to enforce a bond posted by the Taxpayer until the period granted to the Taxpayer to appear before the Tourism Office expires or, if the Taxpayer appeared before the Tourism Office, until any Resolution and Order issued by the Tourism Office or by any court with jurisdiction becomes final and binding.”

Section 10.33.- Section 35 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 35.- Jurisdiction and Authority of Hearing Examiners and the General Court of Justice.

The Hearing Examiner or the General Court of Justice shall have authority to redetermine the correct amount of a Debt or Deficiency, even if the amount so redetermined is higher than the original amount of the Deficiency notified by the Tourism Office, and to determine the payment of any additional complementary amount such as interests, provided, that the Tourism Office establishes a claim to such effect at any time before issuing a Resolution or an Order.

...”

Section 10.34.- Section 36 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 36.- Entry, Collection, or Bond by Reason of Tax in Jeopardy.

A. If the Tourism Office deems that the collection of a Debt or Deficiency is in jeopardy, the Tourism Office may, without prior notice to the Taxpayer, immediately proceed to make the Entry, initiate a Compulsory Procedure, or file an action to enforce a bond claim posted by the Taxpayer, notwithstanding the provisions of Section 32 of this Act.

B. If the Tourism Office takes action under subsection (A) of this Section, without prior notice to the Taxpayer, the Tourism Office shall, within twenty (20) days from the date of such action, notify the Taxpayer of the Debt or Deficiency in accordance with, and subject to, the provisions of Section 33 of this Act.

C. If, once the Tourism Office has initiated an action to enforce a bond claim, the amount of the bond posted by the Taxpayer is insufficient to pay the entire Debt or Deficiency, any unpaid amount shall be paid by the Taxpayer on the Tourism Office’s demand. The Taxpayer shall also pay the interest associated with such Deficiency, computed an annual rate of ten percent (10%) from the date of the Entry to the date of full payment thereof.”

D. If under subsection (A) of this Section, the Tourism Office notifies a Taxpayer after having initiated an action in accordance with subsection (A) of this Section, the rights of the Taxpayer set forth in Section 33 of this Act shall not be affected.”

Section 10.35.- Section 37 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 37.- Bankruptcy and Receivership.

A. Immediate Assessment.- The adjudication of bankruptcy of any Taxpayer in any such proceeding, or the appointment of a receiver in a court proceeding shall entail the immediate assessment of any Deficiency of the Tax (and any amount related thereto) determined by the Tourism Office for such Taxpayer, the provisions of Sections 32 and 33 of this Act notwithstanding. In such cases, the receiver shall notify the Tourism Office in writing of the adjudication of the bankruptcy or receivership. The period of limitations on the assessment shall be suspended from the date of the adjudication of the bankruptcy, or the date the receivership begins, and up to thirty (30) days following the date the receiver’s notice is received by the Tourism Office. Claims for Deficiencies of the Tax of (and any amount related thereto) may be filed with the bankruptcy or receivership court.

B. Unpaid Claims.- Any portion of a claim allowed in a bankruptcy or receivership proceeding that remains unpaid after the termination of such proceeding shall be paid by the Taxpayer, upon notice and demand for payment by the Tourism Office. Such unpaid portion may be collected by a Compulsory Procedure within a period of ten (10) years after the termination of the bankruptcy or receivership proceeding.”

Section 10.36.- Section 38 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 38.- Period of Limitations on Assessment.

Considering that the Hotelier becomes a collection agent for the Government of Puerto Rico, the Tourism Office shall not be subject to any period of limitations on the Assessment of a particular Debt or Deficiency.”

Section 10.37.- Section 39 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 39.- Period of Limitations on Collection.

A. If the Tourism Office has conducted an Assessment which reflects that a Taxpayer has a Deficiency or Debt, the Tax may be collected through a Compulsory Procedure, provided, that it is commenced: (a) within a period of ten (10) years after the date of Assessment; or (b) before the expiration of any period in excess of the ten (10) years agreed upon in writing by the Tourism Office and the Taxpayer. The period thus agreed may be extended through subsequent written agreements entered into before the expiration of the previously agreed upon period.

B. The provisions of Act No. 230 of July 23, 1974, as amended, known as the ‘Puerto Rico Government Accounting Act,’ notwithstanding, the Tourism Office shall remove from the Taxpayers’ records and be prevented from collecting such debts imposed by this Act or prior acts ten (10) years after the date of the Assessment or after the expiration of the agreement entered into between the Tourism Office and the Taxpayer. Provided, that any suspension of said period shall be taken into consideration, for the purposes of determining the period of limitations.”

Section 10.38.- Section 40 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 40.- Suspension of the Period of Limitations.

The period of limitations provided in Section 39 of this Act on any Debt or Deficiency shall be suspended for the period during which the Tourism Office is precluded from commencing a Compulsory Procedure and, in any case, if a

petition is filed with any Court of Puerto Rico, until the decision of the Court becomes final and binding, and for the following sixty (60) days.”

Section 10.39.- Section 41 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 41.- Credit for Overpayment of Tax.

A. Credits. - Every Taxpayer who believes that he has wrongly paid or has been wrongly charged a Debt or Deficiency with respect to the Tax, shall be able to apply in writing to the Tourism Office that any overpayment be carried over as a credit applicable to future payments on account of the Tax. With respect to any overpayment, the Tourism Office shall certify said overpayment to the Taxpayer as a credit for the following month’s payment.

B. The Taxpayer shall request such credit within the period and in accordance with the procedures established by the Tourism Office through regulation approved to such effect.

C. The Tourism Office *motu proprio* may determine that the Taxpayer has made a Tax overpayment, and grant such Taxpayer a credit in any amount that, in its judgment, was paid wrongly or in excess of the amount due. With respect to any overpayment, the Tourism Office shall certify said overpayment to the Taxpayer as a credit for the following month’s payment.

D. When the Tourism Office approves an application for credit, or when the Tourism Office *motu proprio* determines that the Taxpayer has made an overpayment, it shall investigate if the Taxpayer has any enforceable Debt or Deficiency pursuant to this Act, in which case the Tourism Office shall apply as a credit to such debt the amount corresponding to the Taxpayer with respect to overpayments.

E. If an application for credit filed by a Taxpayer were denied in whole or in part by the Tourism Office, the Tourism Office shall notify the Taxpayer of its decision by certified mail return receipt requested. The Taxpayer may appeal such denial following the adjudicative procedure approved by the Tourism Office.

F. When the Tourism Office adjudicates or grants credits that are not appropriate, the Tourism Office may reconsider the case and reinstate the Tax rejecting the credit and notifying the Taxpayer of a Debt or Deficiency in the manner and pursuant to the procedure established in Section 32 of this Act.

G. The Tourism Office may adopt such regulations it deems necessary and convenient to comply with the procedures provided in this Section.”

Section 10.40.- Section 42 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 42.- Limitation on Credit.

A Taxpayer shall not be entitled to apply for nor obtain a credit unless the Taxpayer files an application for credit with the Tourism Office within a period of four (4) years from the date on which the Taxpayer filed a Declaration along with the appropriate payment or within a period of three (3) years from the date on which the Tax was paid, if a Declaration has not been filed. If the Taxpayer files a Declaration prior to making the appropriate payment, said three (3) year-period shall begin to run from the date on which payment was made.”

Section 10.41.- Section 43 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 43.- Overpayment Determined by a Hearing Examiner or a Court with Jurisdiction.

If a Hearing Examiner or a Court with jurisdiction determines that there is no Debt or Deficiency in connection with the payment made by the Taxpayer; that a Taxpayer has overpaid Tax for the taxable year in which the Tourism Office made a determination of Deficiency and/or that a Deficiency exists but the Taxpayer overpaid Tax for said taxable year, the Hearing Examiner or the Court shall have authority to determine the sum of the Tax overpayment, which shall be credited to the Taxpayer when the Court’s decision becomes final and binding. Credit shall be denied unless the Hearing Examiner or the Court with Jurisdiction expressly determines in their decision that the Taxpayer filed an application for credit with the Tourism Office:

1. ...
- ...”

Section 10.42.- Section 46 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 46.- Additional Charges.

A. Interest- When the Taxpayer fails to pay the Tax imposed by this Act, on or before its due date, the Tourism Office, as part of the Tax, shall collect interest on the unpaid amount at a ten (10) percent annual rate, from the payment due date until the date of the full payment.

B. Surcharges- In every case to which the imposition of interest applies pursuant to subsection A of this Section, the Tourism Office may also collect the following surcharges:

- i. ...
- ii. ...”

Section 10.43.- Section 48 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 48.-Administrative Fine for Filing False Documents.

Any Taxpayer who files documents with the Tourism Office, which are not authentic or include amounts that are inaccurate or false regarding the Room Occupancy Rate collected may be subject to an administrative fine in the amount of five hundred (500) dollars for each violation, in addition to the Tax and applicable surcharges and interest. The Tourism Office may also suspend or revoke the promotional and tax benefits granted by the Tourism Office. It shall be understood that every day the violation persists shall be considered a separate violation up to a maximum of twenty five thousand (25,000) dollars.

In the event that a Taxpayer shows contempt in the commission of, or continues to commit the acts for which an administrative fine was imposed, or contempt for noncompliance with any order or resolution entered by the Tourism Office, at its discretion, the Tourism Office may impose administrative fines of up to a maximum of one thousand (1,000) dollars for each violation. The Tourism Office may also suspend or revoke the promotional and tax benefits granted by the Department. It shall be understood that every day the violation persists shall be considered a separate violation up to a maximum of fifty thousand (50,000) dollars, for any of the actions mentioned herein.”

Section 10.44.- Section 49 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 49.- Revocation of Tax Benefits

A. When a Taxpayer fails to meet its obligation to pay the Tax, a Debt, a Deficiency, or any interest, fine, surcharge, or penalty imposed by the Tourism

Office on three or more occasions (not necessarily consecutive) in the same fiscal year, the Tourism Office may suspend and/or revoke the Taxpayer's tax benefits granted under Act No. 74-2010, as amended, known as the 'Puerto Rico Tourism Development Act of 2010.' The Tourism Office may also suspend or revoke any other tax and/or promotional benefit granted thereby.

B. ...

C. Once the Debt has been satisfied, the Taxpayer to whom the tax benefits were revoked may initiate the process provided in Act No. 74-2010, as amended, known as the 'Puerto Rico Tourism Development Act of 2010,' to apply for and enjoy tax benefits. The application shall be processed pursuant to the procedures established in Act No. 74-2010, *supra*, for the processing of new applications. The Tourism Office shall have full discretion in the evaluation of said application.

D. When the tax benefits have been suspended for lack of payment of the Tax, the ten (10)-year period renewable for an additional ten (10)-year period provided by Act No. 74-2010, as amended, known as the 'Puerto Rico Tourism Development Act of 2010,' shall be understood to continue running during the suspension period. The Tourism Office shall prescribe through regulation approved to such effect, the provisions that shall govern the revocation or suspension of the tax benefits."

Section 10.45.- Section 50 of Act No. 272-2003, as amended, known as the "Commonwealth of Puerto Rico Room Occupancy Rate Tax Act," is hereby amended to read as follows:

"Section 50.- Penalties Classified as Crimes.

In relation to any act under this Act involving actions classified in the Puerto Rico Penal Code including, but not limited to, crimes against public administration, the treasury, and public trust, the Tourism Office shall be

responsible for referring said action to the Secretary of the Department of Justice to bring, in the name of the People of Puerto Rico, such criminal proceedings as may be necessary to punish the actions committed.”

Section 10.46.- Section 51 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 51.- Installment Agreement.

(a) The Executive Director of the Tourism Office is hereby empowered to enter into written installment agreements with Taxpayers whereby the Executive Director pledges to waive any Tax due including, but not limited to, civil or criminal penalties, interests, fines, or surcharges applicable to a case in connection with any Tax before referring the case to the Department of Justice to file charges.

1. General Requirements- Any installment agreement entered into pursuant to the provisions of this subsection shall be authorized by the Executive Director of the Tourism Office, or his authorized representative, who shall state the grounds for the granting of said installment agreement as well as the following information:

(a) ...

...

(e) any other document or evidence as required by the Executive Director of the Tourism Office, pursuant to any rule or regulation approved by the Executive Director.

2. Lack of Resources- If the Taxpayer does not possess and/or presents sufficient resources for the payment of the Tax and the applicable fines, surcharges, interests, or penalties, the Executive Director of the Tourism Office, or his authorized representative, shall evaluate and determine whether an installment

agreement is an appropriate method for the collection of the Debt or Deficiency, when there is a lack of resources to secure the collection thereof.”

Section 10.47.- Section 52 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 52.- Confidentiality of the Declaration and other Documents.

A. The Declaration filed pursuant to the provisions of this Act constitutes a public document. However, and except as provided in this Section, it may only be inspected by a third party pursuant to the rules and regulations adopted by the Tourism Office. As a minimum requirement for inspection, the Tourism Office may require that the petitioner be an interested party.

B. No Tourism Office official or employee shall disclose or provide under any circumstances, except as provided in this Act, the information furnished in the Declaration, books, records, or other documents filed by the Taxpayer, nor shall allow for the examination or inspection thereof by a person other than those legally authorized.”

Section 10.48.- Section 53 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 53.- Requirement to Keep and Furnish Documents.

A. The Tourism Office shall establish through regulation the rules for Hoteliers to keep their reports, registers, records, declarations, statistics, or any other document related to the Tax.

B. ...

C. When such documents are being reviewed, audited, inspected, or examined by the Tourism Office upon the expiration of the ten (10)-year period,

the Taxpayer shall ensure to keep them for any additional time as necessary for the Tourism Office to complete the review, audit, examination, or inspection.”

Section 10.49.- Section 54 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 54.- Collection of the Tax.

Within a period not to exceed the date on which the transfer is carried out as provided in this Act, the Secretary of the Treasury shall review the records of the Department of the Treasury related to Lodgings subject to the Tax, and shall apply or credit the deposits pending registration. Likewise, the Secretary of the Treasury shall adjust said records taking into account any error identified while processing or conducting a transaction related to the collection of the Tax that has not been accounted for. Once the foregoing has been completed, the Secretary of the Treasury shall transfer to the Tourism Office the Tax records of all the Lodgings, the records of all account receivables and the full records of all pending transactions, which, once they are processed, could affect the accounts receivables. The Tourism Office shall make all efforts necessary to complete the accounts receivable collection process.”

Section 10.50.- Section 55 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 55.- Transfer.

All the powers, duties, and obligations conferred to the Department of the Treasury by law or regulation, in relation to the responsibility to impose, fix, sanction, determine, assess, collect, oversee, distribute, regulate, and investigate the Tax are hereby transferred to the Tourism Office.

Similarly, the Department of the Treasury shall transfer to the Tourism Office all programs, funds, files, records, and any others in connection with the duty to assess, determine, impose, levy, collect, investigate, oversee, and distribute the Tax as necessary to achieve the purposes of this Act.”

Section 10.51.- Section 60 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 60.- Interpretation of the Law.

A. The Department may issue administrative determinations to clarify and interpret the provisions of this Act and the regulations approved thereunder, in accordance with its purposes and objectives as established herein, and with the public policy of the Commonwealth of Puerto Rico.

B. None of the provisions of this Act shall be interpreted as a restriction or limitation to the general or inherent powers of the Department.”

Section 10.52.- Section 61 of Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” is hereby amended to read as follows:

“Section 61.- Personnel in Charge of Enforcing this Act.

The Department, its officials, and employees shall ensure compliance with the provisions of this Act.”

Chapter XI – Puerto Rico Trade and Export Company Act

Section 11.1.- Section 1 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 1.- Title.

This Act shall be known as the ‘Puerto Rico Trade and Export Program Act.’”

Section 11.2.- Section 2 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 2.- Public Policy.

It is hereby established as the public policy of the Government of Puerto Rico the development of trade, with emphasis in small- and medium-sized businesses, in which all productive sectors of the Island participate, including nonprofit organizations, for them to become competitive at the local and the international markets in order to strengthen the Island’s economy and promote job creation and retention. This public policy shall be implemented through:

- (1) ...
 - (2) the conceptualization of the functions of the Department as a service provider;
 - (3) ...
- ...”

Section 11.3.- Section 3 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 3.- Definitions.

The following words and terms, whenever used or referred to in this Act, shall have the meaning stated below, unless the context clearly indicates otherwise. The present tense shall include the future tense and the masculine gender shall include the feminine, except in those cases where such interpretation is absurd. Words importing the singular number shall include the plural and vice versa.

- (a) ...

(b) ‘Trade’.- Shall mean the exchange of goods and services in the local and international markets wherein all productive sectors of the Island participate, including nonprofit organizations sector.

(c) ‘EDC’.- Shall mean the Puerto Rico Exports Development Corporation created by Act No. 1 of August 21, 1990, as amended.

(d) ‘Department’.- Shall mean the Department of Economic Development and Commerce, created by virtue of Reorganization Plan No. 4 of June 22, 1994.

(e) ‘Program’.- Shall mean the Trade and Export Program created by this Act.

(f) ‘Secretary’.- Shall mean the Secretary of the Department of Economic Development and Commerce.”

Section 11.4.- Section 4 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 4.- Creation of the Program.

The Trade and Export Program of the Department of Economic Development and Commerce of Puerto Rico is hereby created.

Its main mission shall be to foster the development of trade, with special emphasis on small- and medium-sized businesses, the export of goods and services of Puerto Rico to countries or regions abroad. It shall develop and provide information, advisory, and promotion programs, as well as direct services to businesses or individuals engaged in the various local and international trade activities in Puerto Rico.”

Section 11.5.- Subsections (d), (e), (f), (g), (l), (m), (n), (o), (p), and (z) of Section 5 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” are hereby repealed and subsections (h), (i), (j), (k), (q), (r), (s), (t), (u), (v), (w), (x), and (y) are hereby amended to read as follows:

“Section 5.- Authorities, Powers, and Responsibilities of the Department.

The Department may exercise all powers necessary or inherent to achieve the purposes of the Program, including, but not limited to:

- (a) ...
- (b) ...
- (c) ...
- (d) Render services and offer technical assistance, whether or not for compensation.
- (e) Determine, fix or alter duties, fees and other charges for the use of facilities, equipment, or services rendered or provided by the Department, whether to public corporations, government agencies, and private companies.
- (f) ...
- (g) ...
- (h) Create or participate as investor in one or more subsidiaries or affiliates which operate on a for-profit or not-for-profit basis, jointly with the public and private sector, selectively stimulating them to become fully private. To such end, it may issue block grants, stating the safeguards prescribed through Regulations, to private entities with purposes similar to those of the Department for the development of trade at the local and international level.
- (i) ...
- (j) ...
- (k) Acquire all classes of goods in payment or on credit, or in exchange for investments made in the course of its business, when such acquisition is desirable or necessary to reduce or prevent a loss in connection therewith, and to retain such goods for as long as the Secretary deems convenient, and to exercise property rights thereon, and to dispose of them.

(l) Invest its funds with priority in banker's acceptances or certificates of deposit, endorsed or issued, as the case may be, by the Economic Development Bank for Puerto Rico or in fixed-term deposits in said Bank; in obligations of the Government of Puerto Rico, or obligations the principal and interest of which are secured by the Government of Puerto Rico; or in obligations of any agency, instrumentality, commission, authority, municipality, or other political subdivisions of the United States of America; or in obligations of international banking institutions recognized by the United States of America, and in which the United States of America has invested capital; or carry out joint venture transactions, or in bankers acceptances or certificates of deposit; endorsed or issued, as the case may be, by banks organized under the laws of Puerto Rico, the United States of America, or its states.

(m) ...

(n) Acquire, hold, and dispose of stocks and membership interest, contracts, bonds, or other interests in other companies, entities, or corporations, and exercise any and all powers or rights related thereto, and achieve its organization pursuant to the law, and exercise partial or full control on companies, associations, or subsidiary corporations, whether for profit or not, affiliates or associates, provided that, in the judgment of the Secretary, such agreement is necessary, appropriate, or convenient to achieve the purposes of the Department or exercise its powers, and to sell, lease, donate, or otherwise assign, any property of the Department or delegate or convey any of its rights, powers, functions, or duties to any of said companies, entities, or corporations that are subject to its control, except the right of initiating condemnation proceedings.

(o) ...

(p) Carry out all those incidental acts that are necessary or convenient to enforce the powers conferred by this Act or by any other law of Puerto Rico in

effect. The activities of the Department shall not pledge the credit of the Government of Puerto Rico or any of its public corporations or political subdivisions.”

Section 11.6.- Section 6 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 6.- Transfer of Functions and Powers.

All functions and powers of the Administration, including, but not limited to, those functions related to trade investigation and promotion, are hereby transferred to the Department.

All functions and powers of the Puerto Rico Exports Development Corporation and the Trade and Export Company, including, but not limited to, those functions regarding the promotion of goods and services of Puerto Rico abroad, and the maintenance of commercial installations and facilities for lease to the public and private sector, including agreements related to free trade zones or sub-zones, are hereby transferred to the Department. Upon submitting the Secretary’s certification to the Governor and the Legislative Assembly validating that the transactions required for the consolidation provided in this Act have been carried out, the Department shall be the legal successor, for all intents and purposes, of the Puerto Rico Trade and Export Company. The Department shall be the successor of the Puerto Rico Trade and Export Company as to all obligations and rights under all bonds issued by the Puerto Rico Trade and Export Company, and the revenues and interests yielded thereby shall continue to be exempt from taxation.”

Section 11.7.- Section 7 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby repealed and current Section 8 is hereby renumbered as Section 7.

Section 11.8.- Renumbered Section 7 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 7.- Program Officials.

The Secretary shall be in charge of the activities of the Program and shall be empowered and have authority to perform the functions listed below; provided, that more specific powers may be imposed on him through Bylaws consistent with those listed and provided in this Act and the purposes thereof:

(a) ...

...

(e) The Secretary may also, either by himself or through his duly authorized representative, administer oaths, take testimonies, and receive data or information.

In the event of noncompliance with a summons or subpoena to produce documents, data, or information, the Secretary may apply to the Court of First Instance to enforce such subpoena or summons under penalty of contempt. All written or oral information obtained by the Department through orders shall be kept strictly confidential. The compelling interest of the Government to keep the confidentiality of said information is based on the fact that the information furnished by any company or person may be deemed to be a trade secret, or may injure any right of said third party furnishing the information, or any other assumption where under the confidentiality of the information furnished to the Department may be validly claimed. The information shall only be used for the purpose of conducting studies, surveys, and investigations or for complying with the law. It shall be unlawful to disclose or divulge any data of a business or businesses obtained for the purpose of conducting a study, survey, or investigation under these provisions without the prior written authorization of the person

furnishing the information; and any violation of this provision shall constitute an offense punishable by a fine of not less than ten thousand dollars (\$10,000) or by imprisonment for not less than a year; if the convict is an official or employee of the Commonwealth of Puerto Rico, such person shall also be discharged from office.

(f) Perform all those incidental acts that are necessary or convenient to exercise the powers conferred on the Department by this Act or any other law of Puerto Rico in effect.

(g) Make administrative decisions as are necessary to exercise the functions of the Department in connection with the Program.”

Section 11.9.- Sections 9, 10, 11, 12, 13, 14, 15, 16, and 17 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” are hereby repealed, and current Sections 18, 19, 20, 21, and 22 are hereby renumbered as Sections 8, 9, 10, 11, and 12.

Section 11.10.- Renumbered Section 8 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 8.- Funds and Guarantees. Budget.

To allow the Department to discharge the duties and exercise the powers and authorities entrusted thereto by this Act, the existing balances of the budget of the Administration that are still under the custody of the Department of the Treasury and the Exports Development Corporation for the current fiscal year, and other funds available under other laws and special funds are hereby transferred. The transfer of said special funds shall serve to maintain the incentive and training programs, among others, existing at the time of the approval of this Act.

The Department or other agencies, public corporations, political subdivisions, or other government entities of the Government of Puerto Rico shall

be held liable for the debts, obligations, properties, and any other type of asset or liability attributed to the transferred funds. Those debts, obligations, properties, or other types of assets or liabilities shall be solely chargeable to the transferred funds.

The Legislative Assembly of Puerto Rico, in the exercise of its powers, may allocate additional funds to maintain the incentive and service programs offered to the entrepreneurs and merchants of the Island and other matters related to the Program. With regard to this item allocated by the Legislative Assembly, the Department shall submit to the Office of Management and Budget or the Department of the Treasury any reports required by them on the use of the funds allocated under this Act, or any other funds received through other legislative appropriations. The Department shall also submit to the Legislative Assembly and the Governor of Puerto Rico, on such other occasions required, official reports on all activities defrayed with the funds authorized pursuant to this Section.”

Section 11.11.- Section 9 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 9.- Funds and Guarantees. Transfer of Records, Materials, and Equipment.

All records, materials, equipment, and other property used by the Administration and the Puerto Rico Exports Development Corporation, until the day before this Act becomes effective are hereby transferred to the Department to be used in connection with the functions transferred hereunder. This transfer includes agreements in effect and the unspent balances of the appropriations, items, and other funds that are available or shall be available for use to perform said functions.”

Section 11.12.- Section 10 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 10.- Transfer of Personnel.

All the personnel employed by the Commercial Development Administration and the Puerto Rico Exports Development Corporation as of the effective date of this Act, as well as their functions are hereby transferred to the Department pursuant to this Act to perform the duties transferred herein.”

Section 11.13.- Renumbered Section 11 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 11.- Transfer of Property to the Department. Conveyance.

(a) All assets of any class –including copyrights– agreements, liabilities, licenses, and permits held by the Administration that are under the custody of the Department of the Treasury and the EDC by virtue of this Act, are hereby transferred to the Department, without the need to execute contracts, deeds, conveyance documents, or endorsements, or additional transfers of any kind, and shall become the property of and be deemed to be conveyed and transferred to the Department, which may freely dispose of them without limitations.

(b) San Juan Free Trade Zone Number 61 and the license under which it operates are hereby transferred to the Department to be administered by it.”

Section 11.14.- Renumbered Section 12 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 12.- Transfer of Property to the Department by Other Government Entities.

The Government of Puerto Rico, its agencies and political subdivisions, including the municipalities, are hereby authorized to assign and transfer to the Department, upon the Department's request and under reasonable terms and conditions, without the need to hold a public auction or other legal formalities other than the execution of the appropriate deed, any property or interest thereon (including assets already devoted to public use), as the Department deems necessary or convenient to achieve the purposes of the Program.

Pursuant to the provisions of this Section, the title to any property of the Government of Puerto Rico, including the title to any property to be acquired in the future, may be transferred to the Department by the official in charge of said property or who has it under his jurisdiction.

The Secretary of the Department of Transportation and Public Works may transfer to the Department, free of charge, the lands of the Government of Puerto Rico that, in the judgment of the Governor of Puerto Rico, are needed by the Department to achieve its ends and purposes.

The Secretary of the Department of Transportation and Public Works shall annually submit to the Legislative Assembly a list of the properties assigned and transferred to the Department, by virtue of the authorization provided herein, and the appraisal of each property.

These provisions shall not be construed to authorize the assignment or transfer of property intended for other purposes by legislative provision.”

Section 11.15.- Section 23 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby repealed, and current Sections 24, 25, 26, 27, 28, and 29 are hereby renumbered as Sections 13, 14, 15, 16, 17, and 18.

Section 11.16.- Renumbered Section 13 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 13.- Liquidation and Revocation.

The Commercial Development Administration, created by virtue of Act No. 132 of July 19, 1960, as amended, known as the ‘Organic Act of the Commercial Development Administration,’ and the Puerto Rico Exports Development Corporation Act, created by virtue of Act No. 1 of August 21, 1990, as amended, known as the ‘Puerto Rico Exports Development Corporation Act,’ except to the extent necessary for the transfer of its assets, are hereby liquidated and repealed without the need for any other transaction or the execution of any deed, conveyance document, endorsement, or transfer of any kind. All assets of all classes held by the two liquidated entities shall be held by, and deemed to be transferred and conveyed to the Department, which shall dispose of them pursuant to the Law and the public policy.”

Section 11.17.- Renumbered Section 14 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 14.- Transfer.

The real and personal property, records, contracts (except for employment contracts), agreements, liabilities, assets, licenses, and permits of the Administration and the EDC are hereby transferred to the Department, to be used for the ends and purposes of this Act, and the ownership thereof shall be formally conveyed to the Department.”

Section 11.18.- Renumbered Section 17 of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby amended to read as follows:

“Section 17.- Amending Clause.

Any reference to the Puerto Rico Exports Development Corporation, its Executive Director, the Commercial Development Administration, its Administrator, the Trade and Export Company, or the Department of Commerce made in any law shall be deemed to be amended and replaced by the Department of Economic Development and Commerce or the Secretary of Economic Development and Commerce, as the case may be.

Section 11.19.- Section 18(A) of Act No. 323-2003, as amended, known as the “Puerto Rico Trade and Export Company Act,” is hereby added to read as follows:

“Section 18(A)

Any reference to the Trade and Export Company, the Board, and its Director shall be deemed to be a reference to the Puerto Rico Trade and Export Program and its Secretary, respectively, by virtue of the Reorganization Plan of the Department of Economic Development and Commerce of Puerto Rico.”

Chapter XII – Amendments to the Puerto Rico Permit Process Reform Act

Section 12.1.- Section 1.5 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 1.5.- Definitions.

For the purposes of this Act, the following terms shall have the meaning stated below, except when the text indicates otherwise:

1) ...

...

25) Executive Director.- The Assistant Secretary of the Permit Management Office of the Department of Economic Development and Commerce. Any reference to the Executive Director under this Act shall be deemed to refer to the Assistant Secretary of the Permit Management Office;

26) Discretionary.- Describes a determination that entails the subjective judgment of the Adjudicatory Board, the Assistant Secretary, or an Autonomous Municipality with I to V Granted Hierarchy on the manner in which an activity or an action is carried out or proposed. These shall exercise their specialized knowledge, discretion, and judgment to reach their determination, since such determination is beyond the scope of fixed standards or objective measures. The Assistant Secretary or the Autonomous Municipality with I to V Granted Hierarchy may resort to discretionary subjective judgments when deciding whether an activity should be conducted or how it should be conducted;

...

74) Final Determination and Recommendation Registry.- A public register, which may be in electronic format, containing the final determinations and recommendations issued by the Assistant Secretary and by the Authorized Professionals, as the case may be;

...

80) Service Representative.- Shall be the officials of the Permit Management Office, designated by the Assistant Secretary to ascertain compliance by Permit Managers with the terms set forth in the Joint Permit Regulation for the evaluation, approval, or denial of final determinations and permits in the Management Office;

...

94) Construction Variance.- An authorization granted by the Assistant Secretary to build a structure or a part thereof that does not comply with the regulations, Ordination Plans, and established codes, in terms of building and population density parameters, but that, due to the condition of the lot, special location or specific use, it faces a practical difficulty that warrants a special consideration, as an exception, provided that no damages are caused to nearby

properties. A construction variance may be granted which shall never entail a change in density and intensity nor be considered a reclassification. Such variance shall be allowed, provided, that the proposed use is consistent with the use intended for the type of district where it is located and meets the requirements applicable to this kind of variance.

95) ...”

Section 12.2.- Section 2.1 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.1.- Creation.

The Permit Management Office is hereby created as an Office of the Assistant Secretary of the Department of Economic Development and Commerce.

Section 12.3.- Section 2.2 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.2.- Appointment.

The Permit Management Office shall be an Office of the Assistant Secretary of the Department of Economic Development and Commerce under the direction of an Assistant Secretary appointed by the Secretary of Economic Development. In the performance of his functions, the Assistant Secretary shall answer directly to the Secretary of the Department. The compensation for the Assistant Secretary shall be fixed by the Secretary of the Department, taking into consideration the compensation established for the Secretaries of the Executive Departments. The Assistant Secretary shall appoint up to three (3) Assistant Directors and delegate to them such functions as he deems necessary, pursuant to this Act. The Assistant Secretary and the Assistant Directors shall be persons of proven capability, knowledge, and experience in the permit processing field. At least one (1) of these officials shall be a professional Land Surveyor, Engineer, or Planner, or a licensed Architect. The Assistant Secretary shall designate one of the Assistant Directors as

the Assistant Director of Construction and Infrastructure who, in the event of absence or temporary disability, death, resignation, or separation from service of the Assistant Secretary, shall perform the functions and duties of the Assistant Secretary as Acting Assistant Secretary, until the Assistant Secretary returns or his substitute is appointed and takes office. In the event that temporary absences or vacancies arise simultaneously in both offices, the Governor shall appoint an Acting Assistant Secretary until a substitute for the Assistant Secretary is officially appointed.

Furthermore, the Assistant Secretary shall appoint the Regional Directors, who shall administer the regional permit management offices pursuant to the functions assigned by the Assistant Secretary and the Joint Regulation. Regional Directors shall be professional Land Surveyors, Engineers, or Planners, or licensed Architects of proven capability, knowledge, and experience in the permit evaluation and processing fields. In the event of absence or temporary disability, death, resignation, or separation from service, the Assistant Secretary shall appoint an Acting Regional Director until a substitute is appointed and takes office.”

Section 12.4. Section 2.3 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.3.- Authorities, Duties, and Functions of the Assistant Secretary.-

The general authorities, duties, and functions of the Assistant Secretary shall be the following:

(a) ...

...

(aa) To establish the Single Permit of the Permit Management Office, which shall encompass every permit, license, authorization, or certificate required by law or regulations to be accessible to the general public in any establishment, business, or site, and adopt the corresponding regulations for such purposes. The

Assistant Secretary may fix the effective period of the Single Permit and establish the fee or charge for the issuance thereof;

(bb) In those cases in which the recommendation is not issued by the Permit Management Office, the Assistant Secretary shall establish a period which shall not exceed thirty (30) days within which the Concerned Government Entities shall issue their recommendations. If the recommendation is not issued within the established period, the Assistant Secretary, together with the Permit Official of the Concerned Government Entity, shall issue the recommendation based on all of the information available in the record within a period not to exceed fifteen (15) additional days. Once the Executive Director issues a recommendation, the Concerned Government Entities may not challenge it, for having failed to issue the corresponding recommendation within the period established therefor. The Assistant Secretary may not issue a recommendation and shall take any and all necessary measures to ensure that the Concerned Entities appear and issue their recommendations regarding every land classified as Specially Protected Rural Land and in special flood hazard areas as designated by the Federal Emergency Management Agency (FEMA) when circumstances that endanger the health and security of the population or adversely affect the integrity of the environment and natural resources, or in matters regarding system capacity in Rural Lands, which require the highest possible degree of interdisciplinary evaluation and collection of necessary and pertinent data thereby recognizing the prevention principle directed at preventing irreversible or serious damage;

...

(ee) To request the revocation of a final determination or a stop work order for a construction or use work before the Court of First Instance when, upon conducting the pertinent administrative investigation, he becomes aware that the final determination was acquired in violation of the applicable laws and

regulations, or when the final determination was lawfully acquired, but there is proof of noncompliance with the laws and regulations in the execution or operation thereof; provided, that the Assistant Secretary of the Permit Management Office follows the procedures established in Chapter XIV of this Act;

...

(nn) ...

...

The Assistant Secretary may delegate any function or authority conferred on him under this Act, except for authorities conferred under this Section and Sections 2.6, 2.9, 2.15, and 2.18 of this Act, on the regional offices or any other officials under his authority, pursuant to the provisions of the applicable laws and regulations.

...

(qq) To Evaluate and Authorize Land Subdivisions. The Permit Management Office shall be empowered to issue any land subdivision authorizations; hence, it shall adopt and submit for the Planning Board's approval, regulations to govern land subdivisions, as defined in this Act;

...

The Assistant Secretary may delegate any function or authority conferred on him under this Act, except for authorities conferred under this Section and Sections 2.6, 2.9, 2.15, and 2.18 of this Act, to the regional offices or any other officials under his authority, pursuant to the provisions set forth in applicable laws and regulations.

(rr) ...

..."

Section 12.5.- Section 2.3A of Act No. 161-2009, as amended, known as the "Puerto Rico Permit Process Reform Act," is hereby amended to read as follows:

“Section 2.3A.- Authorized Professionals and Authorized Inspectors Registry, and Permit Registry.

The Assistant Secretary shall establish and administer the Authorized Professionals and Authorized Inspectors Registry, in addition to the Permit Registry, in compliance with any applicable law or regulation.”

Section 12.6.- Section 2.3C of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.3C.- Authorization to Petition for Extraordinary Writs.

...

Moreover, the Permit Management Office may petition for extraordinary writs in order to take preventive or control measures as are necessary to achieve the purposes of this Act, including, but not limited to, the revocation of final determinations, regulations to be adopted under this Act, Planning Regulations, and any other applicable law or regulation. In such cases where the violation or error committed may be rectified, the Assistant Secretary shall require said rectification as part of the compliance action taken prior to petitioning the courts for an extraordinary writ.”

Section 12.7.- Section 2.3D of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.3D.- Power of the Assistant Secretary to Issue Orders for Immediate Closure.

The Assistant Secretary is hereby empowered to issue orders for the immediate closure of commercial establishments that violate any of the laws or regulations administered by the Permit Management Office, following the procedure established by the Planning Board in the Joint Regulation. The order for immediate closure issued by the Assistant Secretary to a commercial establishment may be reviewed by the Court of First Instance.

The Permit Management Office is hereby authorized to act under the aforementioned procedure in the Autonomous Municipalities that have a permit office or its equivalent, pursuant to Act No. 81-1991, as amended, known as the ‘Autonomous Municipalities Act of the Commonwealth of Puerto Rico of 1991,’ when such autonomous municipalities so request it. The express delegation of duties to the official designated by the Assistant Secretary is hereby allowed in order to achieve the purposes in this Section. Any person that violates an Order for Immediate Closure issued by the Permit Management Office under the provisions of this Section shall be subject to the administrative fines and penalties provided in Chapters XIV and XVII of this Act, respectively. Any action under this Section does not preclude nor stay any other administrative or judicial action against the same persons or the property in question.”

Section 12.8.- Section 2.3E of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.3E.- Summons.

The Assistant Secretary, for the purpose of fully complying with the duties imposed on him under this Act, may issue summons for the attendance and testimony of witnesses and the production of documentary evidence, except for trade secrets. Moreover, it is hereby established that the Assistant Secretary may administer oaths. The Assistant Secretary may apply to the Court of First Instance in aid of jurisdiction and file a petition to enforce the summons issued. The Court of First Instance shall give preference to said petition and shall be empowered to issue orders under penalty of contempt to compel the attendance of witnesses or the production of any data or information as previously required by the Assistant Secretary. The Court of First Instance shall have the authority to hold any person in contempt for failing to comply with such orders. Any person may be prosecuted

and convicted of perjury upon testifying under oath before the Assistant Secretary.”

Section 12.9.- Section 2.4 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.4.- Minimum Operational Divisions or Components.

The organizational structure of the Permit Management Office may incorporate the following operational divisions, units, or components:

(a) ...

...

(k) Any other operational division, unit, or component that the Secretary of Economic Development deems necessary to discharge his duties under this Act. Likewise, for the purpose of joining, saving, and preventing the duplication of resources, the Secretary may consolidate, in whole or in part, the operational units or components described above with other components, offices, or units of the Concerned Government Entities.”

Section 12.10.- Section 2.5 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.5.- Authority to Evaluate, and Grant or Deny Final Determinations, Permits, and any Transaction that is Necessary or that Otherwise Affects the Operation of a Business in Puerto Rico.

As of the effective date of this Act, the Permit Management Office, through its Assistant Secretary, Authorized Professionals, Authorized Inspectors, and any other person authorized by law, or any person to whom the Assistant Secretary of the Permit Management Office delegates such authority, as applicable, shall issue final determinations, permits, licenses, certifications, including fire prevention certifications, authorizations, and any transaction that is necessary or that otherwise affects the operation of a business in Puerto Rico as provided by the

Joint Permit Regulation, environmental health certificates directly or indirectly related to the development and use of land or structures that, before the approval of this Act, were evaluated and issued or denied by the Concerned Government Entities under their enabling acts or other special laws, and which shall be included in the Joint Permit Regulation. Likewise, Autonomous Municipalities with I to V Granted Hierarchy may issue final determinations and permits in accordance with Sections 1.3 and 18.10 of this Act. Applications for permits, certifications, or licenses that fall under the Regulations of the Concerned Government Entities, shall hereinafter be evaluated by the Permit Management Office and the Authorized Professionals, as applicable, and as provided in the Joint Regulation, including those pertaining to sites or use parameters. As for the Excavations, Demolitions, and Piping Directorate of the Department of Transportation and Public Works, the Permit Management Office shall serve as the center for filing the required notice. The Permit Management Office or the Adjudicatory Board, as the case may be, shall evaluate and issue licenses and final determinations on consultations of use variance, construction, and site consultations, including those for public improvements and those that have a regional or supraregional impact. Changes of classification or direct reclassification of lots and transactions involving public land, shall be evaluated by the Planning Board, which shall issue the final determination.”

Section 12.11.- Section 2.8 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.8.- Rulemaking Authority.

In order to enable the proper discharge of the duties and authorities imposed under this Act, the Permit Management Office is hereby empowered, pursuant to the provisions on rulemaking procedures set forth in Act No. 38-2017, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’ and the

provisions of the ‘Puerto Rico Planning Board Organic Act,’ Act No. 75 of June 25, 1975, as amended, as applicable, to adopt, amend, and repeal:

(a) ...

(b) ...

(c) A regulation to establish an informal proceeding whereby the Management Office shall notify and request Authorized Professionals to correct any unintentional defects or faults in any plan or document submitted to the consideration of the Permit Management Office as are necessary to issue final determinations. If upon notice, an Authorized Professional fails to correct the defect within the period established in the notice by the Permit Management Office, the Assistant Secretary shall dismiss such request without prejudice. Any Authorized Professional who commits this kind of error or fault, as applicable, on more than one occasion, shall be liable to have a complaint filed against him before the Chief Permit Inspector, the professional associations, the Department of Justice, and the Department of State for the appropriate action in accordance with this Act or any other applicable laws; and

(d) ...

...”

Section 12.12.- Section 2.9 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.9.- Collection of Service Charges, Fees.

The Assistant Secretary shall fix and collect, as provided through regulations adopted for such purposes, such charges and fees payable by applicants upon submitting permit applications, certifications, and other transactions or activities of an operational nature, as well as the payment methods therefor. Furthermore, he shall receive the charges and fees paid by applicants to the Authorized Professionals and Authorized Inspectors and to be remitted by the latter to the

Permit Management Office pursuant to the requirements set forth by said Office, in compliance with the applicable laws and regulations. The instrumentalities of the Government of Puerto Rico, its municipalities, and the Federal Government, if applicable, shall pay twenty-five percent (25%) of the applicable charges and fees, insofar as the certification, license, or document is not part of an agreement between the Permit Management Office and another agency, pursuant to Section 2.6 of this Act. The Assistant Secretary shall also fix and collect, as provided through regulations to such effect, the appropriate fees for any copies of publications, studies, reports, maps, plans, photographs, and any other public document required. However, the Assistant Secretary or the person to whom he delegates this authority shall furnish copies free of charge to the Office of the Governor, the Planning Board, the Department of State, the House of Representatives, the Senate of Puerto Rico, and at his discretion, to such persons or nonprofit entities that meet indigency criteria or fulfill the purposes as established by regulation.

Likewise, the Assistant Secretary shall fix and collect, as provided through regulations, charges for the evaluation of applications for the issuance or renewal of Authorized Professional or Authorized Inspector authorizations; the processing, referral, or investigation of complaints by request of a party; any copies of publications and any other public document required; and any other transaction conducted or service rendered at the request of the public, in compliance with the provisions of this Act. In all the cases listed in this Section, the Assistant Secretary or the person to whom he delegates such authority may furnish copies free of charge to the Office of the Governor, the Planning Board, the Department of State, the Legislative Assembly, and at his discretion, to persons or nonprofit entities that meet such indigency criteria as established through regulations.”

Section 12.13.- Section 2.12 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.12.- Main Office and Regional Offices.

The Assistant Secretary shall establish Regional Offices as deemed necessary to achieve the objectives of this Act. However, if the caseload so allows, one Regional Office may serve more than one (1) region. The Assistant Secretary may eliminate or relocate regional offices. The Main Office of the Permit Management Office shall be located in San Juan, and shall at the same time operate as the Regional Office serving the metropolitan area.”

Section 12.14.- Section 2.14 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.14.- Budget.

The Assistant Secretary shall prepare and administer the budget of the Permit Management Office. The funds needed to achieve the purposes of this Act for the current fiscal year and subsequent fiscal years shall be earmarked every year in the General Expenses Budget of the Government of Puerto Rico Act [sic]. Any funds received by the Permit Management Office in the discharge of its duty to implement the provisions of this Act, from sources specified herein and from any other sources, shall be deposited in a Special Fund to be denominated as the ‘Special Permit Management Office Fund.’ All funds, accounts, budget appropriations and balances in the power of the Regulations and Permits Administration as of the date established by the Administrator, the Assistant Secretary, and the Chair of the Planning Board, are hereby transferred to the Permit Management Office immediately after the effective date of this Act.

...”

Section 12.15.- Section 2.16 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.16.- Annual Report.

The Assistant Secretary shall prepare and submit an annual report on the operations and the fiscal situation of the Permit Management Office, together with any such recommendations deemed pertinent for the efficient operation thereof, to the Governor and the Legislative Assembly not later than ninety (90) days after the end of the fiscal year. In subsequent annual reports, the Assistant Secretary shall also include a summary of his previous recommendations, and a description of the action taken in connection with such recommendations. A summary with empirical and statistical data of the cases submitted, approved, and denied shall also be included. Every annual report of the Permit Management Office shall include compliance with the established metrics. Reports and empirical data shall be made available to the general public on the websites of the Permit Management Office and the Concerned Government Entities.”

Section 12.16.- Section 2.17 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.17.- Staff.

...

All other matters related to the staff and human resources of the Permit Management Office shall be handled by the Secretary of Economic Development through an administrative order to that effect, in coordination with the Director of the Government of Puerto Rico Human Resources Administration and Transformation Office, and the heads of the Concerned Government Entities, when applicable, and in compliance with all laws relating to government personnel

administration presently in effect, including Act No. 7-2009, known as the ‘Special Act Declaring a State of Fiscal Emergency and Establishing a Comprehensive Fiscal Stabilization Plan to Salvage the Credit of Puerto Rico.’ The Assistant Secretary shall work in coordination and in conjunction with the heads of the Concerned Government Entities, in all that pertains to the transfer of staff. Likewise, the Assistant Secretary of the Permit Management Office and the Chair of the Planning Board are hereby authorized to issue any such administrative orders as are necessary to comply with this Act and its public policy in all that pertains to the staff assigned to these bodies, in accordance with the provisions of this Act.”

Section 12.17.- Section 2.20 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 2.20.- Transfer of Obligations.

By no means does the approval of this Act affect or impair obligations contracted by the Regulations and Permits Administration with any agency or private entity and assumed by virtue of Act No. 76 of June 24, 1975, as amended, known as the ‘Regulations and Permits Administration Organic Act.’ All proceedings to which the Regulations and Permits Administration is a party and are still pending before the courts or administrative forums, if any, shall be continued by the Assistant Secretary of the Management Office pursuant to the duties and functions delegated to him under this Act, until their final resolution by virtue of the provisions under which such proceedings were instituted.

...”

Section 12.18.- Section 3.1 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 3.1.- Creation of Permit Manager and Environmental Compliance Evaluation Director.

...

The Environmental Compliance Evaluation Division shall be composed of the Director of the Division, the employees transferred from the Scientific Advisory Division of the Environmental Quality Board, and any others as the Assistant Secretary may deem convenient for its sound operation.

...”

Section 12.19.- Section 3.2 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 3.2.- Appointments.

The Assistant Secretary shall appoint one (1) Permit Manager to direct each of the units created under Section 2.4 of this Act in each Concerned Government Entity with jurisdiction, respectively.

The Assistant Secretary may appoint employees in addition to those transferred from the Concerned Government Entities as deemed necessary in each of the units created under Section 2.4 of this Act, according to their caseload.”

Section 12.20.- Section 3.3 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 3.3.- Authorities, Duties, and Functions.

The Permit Managers and the Environmental Compliance Evaluation Division Director shall have the following general duties, authorities, and functions conferred under this Act, as applicable:

(a) ...

...

(d) They shall send their recommendations to the Assistant Secretary within the periods established under the Joint Permit Regulation;

(e) They shall request the Concerned Government Entities to provide assistance through the required specialized technical staff, who shall be the Permit Officers, to discharge the functions of their unit or division in coordination with the Assistant Secretary and in accordance with the applicable regulatory requirements;

...

(h) They shall establish, in coordination with the Assistant Secretary, a chain of command to be resorted to when the Assistant Secretary is absent for short periods of time, without limiting the provisions of Section 3.2;

(i) They shall send their recommendations to the Assistant Secretary in order for the latter to take the appropriate action;

(j) ...

...

(l) ...

The Permit Managers and the Environmental Compliance Evaluation Division Director shall send to the Assistant Secretary or the Regional Director, or both, as the case may be, their recommendations in writing. The Assistant Secretary shall evaluate ministerial or discretionary matters, as well as sign and issue the appropriate notice of final determination.

Any party adversely affected by a final determination may request a review, subject to the provisions set forth in the regulations to be adopted by the Permit Management Office for such purposes. When a final determination by a Permit Manager is challenged, the Assistant Secretary shall represent the Permit Manager.”

Section 12.21.- Section 4.1 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 4.1.- Appointment, Authorities, Duties, and Functions.

As of the date of approval of this Act, the Commonwealth Historic Preservation Office, the Institute of Puerto Rican Culture, the Electric Power Authority, the Highway and Transportation Authority, the Aqueduct and Sewer Authority, the Telecommunications Regulatory Board, and the Department of Natural and Environmental Resources shall appoint and detail a Permit Officer and his alternate to the Permit Management Office. Permit Officers and their alternates shall be specialized officials serving in the Concerned Government Entities, and notice of their appointments shall be given to the Executive Director. Moreover, they shall represent the Concerned Government Entities and receive determinations from agencies and submit them to the Permit Management Office. The authority, powers, and duties of Permit Officers with respect to permit and endorsement decision-making shall be established through an interagency agreement between the Assistant Secretary and the head of agency. Such Permit Officers shall be officials of the Electric Power Authority, the Commonwealth Historic Preservation Office, the Institute of Puerto Rican Culture, the Highway and Transportation Authority, the Aqueduct and Sewer Authority, the Telecommunications Regulatory Board of Puerto Rico, and the Department of Natural and Environmental Resources, respectively, with proven professional capability and experience. Permit Officers shall have the following general duties, authorities, and functions:

- (a) ...
- (b) ...
- (c) ...

The Assistant Secretary or his authorized representative shall refer to the attention of the appropriate head of agency any issues concerning the performance of the pertinent Permit Officer which is affecting the transaction of matters entrusted to the latter under the provisions of this Act. The head of agency in

particular shall take action as appropriate to correct the situation as soon as possible, in accordance with the applicable regulation. By request of the Executive Director, any other Concerned Government Entity shall appoint a Permit Officer from among its officials to serve for such period as the Assistant Secretary deems it necessary. The Assistant Secretary and the head of the appropriate Concerned Government Entity shall determine the specific tasks to be performed by each particular Permit Officer, so as to discharge the duties, authorities, and functions set forth in this Section.”

Section 12.22.- Section 5.1 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 5.1.- Appointment.

Service Representatives shall be officials of the Permit Management Office, appointed by the Assistant Secretary to ascertain compliance of Permit Managers with the terms set forth in the Joint Permit Regulation for the evaluation, approval, or denial process of final determinations and permits in the Management Office. Under no circumstances may Service Representatives intervene in the evaluation of recommendations, final determinations, or permits, as applicable, issued by Permit Managers or the Environmental Compliance Evaluation Division Director. Service Representatives shall, however, make their recommendations directly to the Executive Director, as provided in Sections 5.2 and 5.3 of this Act.”

Section 12.23.- Section 5.2 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 5.2.- Authorities, Duties, and Functions.

Service Representatives shall have the following general duties, authorities, and functions as conferred under this Act:

(a) ...

(b) They shall ascertain compliance with the assessment standards established together with Permit Managers to address any deviation from such standards in the evaluation of recommendations, final determinations, and permits. They shall determine the cause of such deviation and provide such recommendations to the Assistant Secretary as deemed necessary;

(c) They shall notify the Assistant Secretary about any noncompliance by the Permit Management Office or by Authorized Professionals with the assessment standards for the evaluation of recommendations, final determinations, and permits;

...

(f) They shall directly assist the Assistant Secretary in drafting the report required under Section 2.17 of this Act;

...”

Section 12.24.- Section 5.3 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 5.3.-Reports.

Service Representatives shall work in close coordination with the Assistant Secretary, so that they may render the operations of the Permit Management Office more efficient and streamlined. In order to achieve such purpose, Service Representatives shall draft and submit to the Assistant Secretary, monthly reports on the transaction status of recommendations, final determinations, certifications, and permits pending before the Management Office, as well as any recommendations as they may deem necessary to improve the operations thereof. The content of these reports shall be taken into account when drafting the report required under Section 2.17 of this Act.”

Section 12.25.- Section 6.2 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 6.2.- Appointment.

The Adjudicatory Board shall be composed of one (1) Chair, who shall be the Assistant Secretary of the Permit Management Office, two (2) associate members, and one (1) alternate member who may partake in the works of the Adjudicatory Board, as determined the Chair.

The Chair of the Planning Board shall be an associate member of the Adjudicatory Board or may designate one of the associate members of the Planning Board to act as associate member of the Adjudicatory Board.

All other members of the Adjudicatory Board shall be appointed by the Assistant Secretary of the Permit Management Office, including the alternate member.

At least one (1) member of the Adjudicatory Board shall be an attorney-at-law. The Assistant Secretary or his designee shall preside over the Adjudicatory Board. One of the members of the Adjudicatory Board shall have vast experience in environmental compliance matters. Board members shall be persons of recognized ability, knowledgeable, and have at least five (5) years of experience in land development and use procedures. Adjudicatory Board members shall be subject to the provisions of Act No. 1-2012, as amended, known as the ‘Puerto Rico Government Ethics Office Organic Act,’ as amended. No member of the Adjudicatory Board may decide matters in which he has a direct or an indirect personal or financial interest or when he is related to the applicant within the fourth degree of consanguinity or the second degree of affinity. Board members shall receive per diems to be established through Regulations for each day of session. However, such members shall never earn more than thirty thousand dollars (\$30,000) a year, which amount shall be taxable. Furthermore, if the person appointed to serve as alternate member or associate member is an employee of the Government of Puerto Rico, such employee shall not earn any per diems

whatsoever, except for the reimbursement for expenses incurred in the discharge of his functions, as provided by law and authorized by the Assistant Secretary.”

Section 12.26.- Section 6.3 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 6.3.- Powers, Duties, and Functions.

...

The Adjudicatory Board and the Assistant Secretary shall discharge their functions in accordance with the Land Use Plan, the applicable Territorial Ordinance Plans, the Planning Regulations, the Joint Regulation, and any applicable legislation and regulation. The Chair shall be responsible for calling Board meetings to transact the business under its consideration and keep the agenda of the Adjudicatory Board within the terms prescribed in the Joint Regulation.”

Section 12.27.- Section 6.5 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 6.5.- Notice of Agreement.

Once a matter under consideration by the Adjudicatory Board has been adjudicated, the Assistant Secretary shall proceed to notify whether the application was granted or denied in accordance with the agreement reached by the Adjudicatory Board, as established by regulation. A final determination of the Adjudicatory Board shall be deemed to be a final determination of the Permit Management Office, and shall contain findings of fact and conclusions of law. The Permit Management Office shall notify the Planning Board of final determinations involving indirect changes of land classification or use. Any party adversely affected by an action, a final determination, or a resolution of the Adjudicatory Board may file a Request for Administrative Review pursuant to the provisions of this Act.”

Section 12.28.- Section 7.2 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 7.2.- Permit Management Office Minimum Training and Accreditation Requirements for Authorized Professionals.

...

In order to receive such authorization, Authorized Professionals shall pay an annual registration fee, pursuant to the regulation to be adopted by the Assistant Secretary, and show evidence of having posted a bond in an amount to be established by the Permit Management Office. Such authorization shall be valid for two (2) years. Applications for renewal shall be submitted thirty (30) days prior to such authorization’s expiration date, along with evidence of compliance with the requirement applicable to the practice of their profession in Puerto Rico. If any Authorized Professional were unable, for any reason, to practice his profession in Puerto Rico or if his authorization under this Act should be suspended by the Permit Management Office, such professional shall be immediately barred from continuing to issue the permits described in Chapter VII of this Act. Any permit issued under such circumstances shall be void *ab initio*.”

Section 12.29.- Section 7.7 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 7.7.- Records.

Authorized Professionals shall keep a copy of all permits and related documents issued by them, as determined by the Permit Management Office, for the period prescribed by the Assistant Secretary through regulations. Authorized Professionals shall surrender the records of permits issued by them to the Permit Management Office, in accordance with the Joint Regulation, as well as approved plans with the appropriate stamps, affixed and cancelled or in digital format, as required by law. Authorized Professionals may pay for stamps, affixed and

cancelled, or in digital format, associated with documents, certifications, or other works related to construction projects; provided, that such action is authorized by their respective colleges, boards, and licenses. These authorities shall be recognized in the Joint Permit Regulation.

...”

Section 12.30.- Section 7.9 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 7.09.- Service Fees.

The Assistant Secretary shall prescribe by regulation guidelines and the maximum fees that Authorized Professionals may charge applicants for their services, in addition to other fees imposed pursuant to the provisions of this Act.”

Section 12.31.- Section 7.11 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 7.11.- Chief Permit Inspector Minimum Training Requirements for Authorized Inspectors.

Authorized Inspectors shall take such courses and pass such examination as the Permit Management Office may determine by regulation. In order to receive their respective authorization, Authorized Inspectors must pay an annual registration fee and show evidence of having posted a bond, in an amount to be established by the Permit Management Office. Such authorization shall be valid for two (2) years. Applications for renewal shall be submitted within thirty (30) days prior to such authorization’s expiration date. In the event that an Authorized Inspector is no longer authorized to practice his profession in Puerto Rico for any reason, or has his authorization suspended by the Executive Director, said Authorized Inspector shall be immediately barred from continuing to issue environmental health or fire prevention certificates or any other certificate allowed.

Any environmental health or fire prevention certificate issued under such circumstances shall be void *ab initio*. Professional conduct, liability, and service fees shall be prescribed in the Joint Regulation. Authorized Inspectors shall keep a copy of all certifications and related documents issued by them for such period as the Assistant Secretary may determine by regulation.”

Section 12.32.- Section 8.2 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 8.2.- Pre-application Meeting.

As of the effective date of this Act, any person interested in obtaining permits, licenses, certifications, authorizations, and recommendations, and in carrying out any other transaction that is necessary for or that otherwise affects the operation of a business in Puerto Rico, may request an orientation from the Permit Management Office or the Autonomous Municipality with I to V Granted Hierarchy, as applicable, to identify the legal and regulatory provisions applicable to such action, activity, or project as well as the information to be submitted by the applicant. Upon the applicant’s request, attaching a description of the project, the applicant shall be provided with a list of the permits and authorizations that, pursuant to the applicable legal and regulatory provisions, he shall obtain to begin operations, and if applicable, the construction of the project. The representatives of the Permit Managers or the Director of the Environmental Compliance Evaluation Division, as applicable, at the discretion of the Assistant Secretary or the Regional Director, shall participate in the pre-application meeting. As part of the pre-application meeting, the applicant shall state in detail and in writing, at least, the proposed location and the nature of the activity.

...”

Section 12.33.- Section 8.4 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 8.4.- Evaluation of Permit Applications and Recommendations.

...

After the corresponding recommendations of the Permit Managers and the Director of the Environmental Compliance Evaluation Division, the Executive Director, the Assistant Director, or the Regional Director, or the Adjudicatory Board, as applicable, shall sign and issue the final determination of the Permit Management Office in cases involving ministerial or discretionary matters.

...”

Section 12.34.- Section 8.5 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 8.5.- Environmental Compliance Evaluation.

The environmental planning process is an informal process *sui generis*, exempt from the application of the Uniform Administrative Procedure Act. The Assistant Secretary of the Permit Management Office shall make such environmental compliance determination as required under the provisions of Section 4(B)(3) of Act No. 416-2004, *supra*, and such regulation as the Environmental Quality Board may approve for the purposes of this Section and this Act, in relation to: actions taken in connection with the processing of environmental documents, categorical exclusions, actions in connection with environmental compliance determinations, and final determinations requested thereto pursuant to this Act; and any action subject to compliance with the provisions of Section 4(B)(3) of Act No. 416-2004, *supra*.

...

However, when an Autonomous Municipality is the proponent agency, the environmental planning process shall be the following: the Autonomous Municipality shall submit to the Permit Management Office the environmental document, be it an Environmental Assessment or an Environmental Impact

Statement, which shall be evaluated by the Environmental Compliance Evaluation Division. The Environmental Compliance Evaluation Division shall submit its recommendations to the Assistant Secretary or the Adjudicatory Board, as applicable, which, in turn, shall determine environmental compliance and submit its determination to the Autonomous Municipality; such determination shall be a component of the final determination on the requested permit to be timely issued by the Autonomous Municipality.

When the proposed action is a categorical exclusion for the purposes of the environmental planning process, the permit applicant shall certify in writing and under oath that the proposed action qualifies under a categorical exclusion. The Permit Management Office, through its Assistant Secretary or the Authorized Professionals, may issue an Environmental Compliance Determination under a Categorical Exclusion automatically, which shall be incorporated into the administrative record and be a component of the final determination of the proponent agency or the Autonomous Municipality with I to V Granted Hierarchy on the proposed action.

...”

Section 12.35.- Section 8.8A of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 8.8A.- Notice of Discretionary Determinations.

Upon the granting or denial of a discretionary application, the Assistant Secretary or the Autonomous Municipality with I to V Granted Hierarchy shall proceed to notify its determination in accordance with the procedure prescribed therefor in the Joint Regulation. The granting or denial of a discretionary application shall be deemed to be a final determination of the Permit Management Office. Said Office shall notify the Planning Board of final determinations related

to land uses that entail reclassification. The notice of a final determination of the Permit Management Office shall include findings of fact and conclusions of law. Also, the party adversely affected by an action, final determination, or resolution of the Permit Management Office or an Autonomous Municipality with I to V Granted Hierarchy may file a request for review with the appropriate forum.”

Section 12.36.- Section 8.11 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 8.11.- Time Limits for Evaluating Applications and Issuing Final Determinations or Permits.

The Joint Permit Regulation shall establish the guidelines that shall regulate the maximum time limits for evaluating each application. It is recognized that the permit application and evaluation process is a dynamic one; therefore, the Assistant Secretary is hereby authorized to establish or reduce the time limits for each transaction through an Administrative Order; add time limits for new transactions; consolidate transactions, or modify time limits; provided, that said Administrative Order shall be disseminated broadly.

Provided, further, that such discretionary transactions that require the holding of a hearing or require an Environmental Impact Statement (EIS) shall be evaluated and adjudicated within a period not to exceed one hundred eighty (180) days from the time the application was deemed to be complete. Discretionary transactions that do not require holding a hearing shall be evaluated and adjudicated within a period not to exceed one hundred twenty (120) days from the time the application was deemed to be complete. Likewise, it is hereby provided that every ministerial transaction shall be evaluated and adjudicated within a period not to exceed thirty (30) days from the time the application was deemed to be complete. The time limits prescribed in the Joint Permit Regulation or established

by the Assistant Secretary through administrative order shall never exceed those herein provided.

...”

Section 12.37.- Section 9.3 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 9.3.- Special Cases.

When factors such as public health and safety, law enforcement, public improvements, environmental or archeological conditions render the approval of a ministerial project undesirable, the Assistant Secretary and the Autonomous Municipalities with I to V Granted Hierarchy may, as the case may be, seeking to protect the public interest and taking into account such factors and the recommendations of any government entity, may deny the permit for such project. The Assistant Secretary and the Autonomous Municipalities with I to V Granted Hierarchy, as the case may be, may deny such application insofar as the unfavorable conditions of the project exist, even if the project in question is of the type allowed for the area pursuant to the Planning Regulations in effect. In exercising such power, the Assistant Secretary and the Autonomous Municipalities with I to V Granted Hierarchy, as the case may be, shall take the necessary steps to prevent such power from being used for the purpose of hindering the issuance of the pertinent permit or disregarding the regulatory provisions in effect, in cases where there are no truly special circumstances.”

Section 12.38.- Section 19.12 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 19.12.- Interpretation in the Case of other Conflictive Laws or Regulations.

The provisions of any other law or regulation, which directly or indirectly governs the evaluation, granting, or denial of permits, recommendations or activities directly or indirectly related to land development and use in Puerto Rico, the collection of service charges by means of fees and stamps for construction plans, shall only be supplemental to this Act, insofar as its provisions are not in conflict with the provisions and purposes of this Act. Any law or regulation in which reference is made to or that mentions the Regulations and Permits Administration or its Administrator, or to the Board of Appeals on Construction and Lot Division shall be deemed to be amended so as to replace them with the Permit Management Office, or the Assistant Secretary of the Permit Management Office or the Reviewing Board, respectively, and as the case may be, provided that the provisions thereof are not in conflict with the provisions or purposes of this Act.”

Section 12.40.- Section 19.13 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” is hereby amended to read as follows:

“Section 19.13.- Effectiveness and Transition.

All Sections of this Act shall take effect immediately after its approval, except for Section 19.10. Within thirty (30) days from the approval of this Act, the Governor shall appoint, pursuant to the provisions of Sections 2.2 of this Act, the persons who shall hold office as Assistant Secretary of the Permit Management Office and the Chief Permit Inspector, in order for them to participate in the drafting and adoption of the regulations required by this Act, as well as in the establishment of the Permit Management Office and the Office of the Chief Permit Inspector.

...”

Chapter XIII – Amendments to the Puerto Rico
Planning Board Organic Act

Section 13.1.- Section 2 of Act No. 75 of June 24, 1975, as amended known as the “Puerto Rico Planning Board Organic Act,” is hereby amended to read as follows:

“Section 2.- Creation.

The Puerto Rico Planning Board is hereby created within the Department of Economic Development and Commerce.”

Section 14.2[sic].- Section 20 of Act No. 75 of June 24, 1975, as amended, known as the “Puerto Rico Planning Board Organic Act,” is hereby repealed.

Chapter XIV – Amendments to the Culebra Conservation and Development Act

Section 14.01.- Section 2 of Act No. 66 of June 22, 1975, as amended, known as the “Culebra Conservation and Development Act,” is hereby amended to read as follows:

“Section 2.- Public Policy and Legislative Intent.

It is hereby declared as the public policy of the Government of Puerto Rico to preserve and maintain the ecological integrity of Culebra, including its keys, islets, and surrounding waters and to ensure that the continuous development of Culebra fully protects and preserve its extraordinary natural environment, which is part of Puerto Rico’s patrimony.

The formulation, adoption, and administration of land development and use plans and programs in the Municipality of Culebra shall be carried out in accordance with the public policy set forth herein and in full compliance with the provisions of Act No. 161-2009, the ‘Joint Regulation for the Evaluation and Issuance of Land Development, Use, and Businesses Operation Permits’ adopted thereunder, the rules and regulations of the Environmental Quality Board, and in

accordance with the Master Plan and classification map adopted for the Island of Culebra.”

Section 14.02.- Subsection (a) is hereby amended, subsection (b) is hereby repealed, and the remaining subsections of Section 4 of Act No. 66 of June 22, 1975, as amended, known as the “Culebra Conservation and Development Act,” are hereby renumbered to read as follows:

“Section 4.- Authority-Creation, Assignment; Governing Board; Executive Director.

(a) It is hereby created a body corporate and politic, which shall constitute a public corporation or municipal instrumentality within the Municipality of Culebra with its own juridical personality, which shall be known as the ‘Culebra Conservation and Development Authority’.

(b) The Authority shall be within the Municipality of Culebra and shall be charged with the formulation, adoption, and administration of plans and programs for the conservation, use, and development of Culebra, pursuant to the public policy set forth in this Act, the rules and regulations of the Environmental Quality Board, and the Master Plan, and the zoning map adopted by the Puerto Rico Planning Board for the Island of Culebra, including its adjacent islets and keys, as it may be amended, pursuant to the provisions of Act No. 213 of May 12, 1942, as amended.

(c) ...

...

(d) ...

(e) ...

(f) ...

(g) ...”

Section 14.03.- Section 5 of Act No. 66 of June 22, 1975, as amended, known as the “Culebra Conservation and Development Act,” is hereby amended to read as follows:

“Section 5.- Authority- Powers and Duties.

(1) The Authority shall exercise all rights and powers as are necessary or convenient to implement the legislative public policy and the purposes of this Act including, but not limited to, the following:

(a) ...

...

(d) to implement the public policy of the Government of Puerto Rico as formulated in this Act and in accordance with the provisions of Act No. 161-2009, as amended;

(e) to exercise absolute ownership and intervene in each and every one of its properties, including the authority to adopt the rates, duties, or fees to be charged for the use thereof;

(f) ...

...

(m) to advise the Planning Board, the Environmental Quality Board, the Department of Natural and Environmental Resources, and the Permit Management Office of the Department of Economic Development and Commerce on the drafting and approval of regulations applicable to Culebra that may be promulgated by any such agencies;

(n) ...

(i) ...

(ii) ...

(iii) ...

(iv) ...

(v) ...

(vi) to fix the rates, duties, or fees to be charged to private persons for the use of its properties, facilities, and for transactions or services.

Said regulations shall be approved, adopted, amended, or revoked by the Authority upon notice and the holding of public hearings.

(o) to issue orders to do or refrain from doing an act as well as cease and desist orders so that preventive or control measures may be taken as are necessary, in the judgment of the Authority, to achieve the purposes of this Act. The person against whom such order is issued may request the holding of an administrative hearing wherein he shall state, in writing, the reasons why the order should be modified or revoked as well as why it should not be enforced.

At the hearings mentioned in this paragraph (o), the following procedures shall be followed:

(i) Hearings shall be held before an Examining Board composed of the Secretary or his representative, who shall preside it, the Mayor of Culebra and his representative, and when deemed necessary by the Secretary, an attorney and an expert on the matter discussed at the hearing.

(ii) The Authority shall set the day, time, and place where the hearings shall be held and notify the parties against whom the order has been issued within not less than ten (10) days before the date of the hearing. The parties may appear pro se or by counsel.

(iii) Any person who believes he is entitled to intervene in the hearing shall file a motion to intervene not later than the date fixed for the hearing, and the Examining Board that shall preside over the hearing shall decide, on the date thereof or subsequently, whether or not it admits the requested intervention, which shall be accompanied by a brief setting forth his arguments against or in support of the order that is the object of the hearing. The motion to intervene as

well as the arguments should be served by certified mail, on the same filing date, on the party against whom the order had been issued or on his attorney and shall be governed in all other matters by the Rules of Civil Procedure on procedures for intervention.

(iv) After the hearing is held, the Examining Board shall submit its written report to the Authority within thirty (30) days after it has concluded.

(v) The Authority shall issue its resolution, with the findings of fact and conclusions of law, and shall render its determination within forty (40) days from the date it receives the report of the Examining Board.

(vi) The resolution or determination issued by the Authority shall be served by mail on all parties and shall include a certification of service and the date thereof, which shall be signed by the Secretary appointed by the Authority, if any, or by the official in charge of the documents of the Authority.

(vii) Any of the parties that intervened in the hearing may file a request for reconsideration of the Authority's resolution within fifteen (15) days from the date of entry of a copy of the notice of the resolution or determination. Such request for shall be served on the other parties on the same date it is filed with the clerk's office of the Authority and, if the party fails to do so, said request for reconsideration shall be dismissed.

(viii) The Authority may deny the request for reconsideration without holding a hearing or upon holding a hearing. The filing of a request for reconsideration shall toll the time prescribed for filing a petition for review with the Court of First Instance, Fajardo Part, until the decision has been entered and notified, in the same manner provided in subparagraph (6) of this paragraph.

(ix) The Authority shall enter its decision on the request for reconsideration not later than ten (10) days from the filing thereof and if no action is taken upon the expiration of said period, it shall be deemed to be denied.

(x) Any of the parties may file with the Court of First Instance of Puerto Rico, Fajardo Part, a petition for review of the original order, or of the order issued upon reconsideration, within thirty (30) days from the date of a copy of the notice thereof and such party shall serve a copy of the petition for review on the Authority and on any other parties that intervened in the case. Such notice may be served by mail, but on the same date on which the petition for review was filed. In cases in which the Authority fails to act on a request for reconsideration, the period for filing a petition for review shall begin to count upon the expiration of a ten (10)-day period from the filing of the request for reconsideration. The judgment entered by the Court of First Instance shall become final within thirty (30) days from notice thereof and may only be reviewed by certiorari to the Supreme Court of Puerto Rico, which shall be granted at its discretion.

(xi) The filing of a petition for review with the Court of First Instance of Puerto Rico, Fajardo Part, shall not stay the effects of the appealed resolution, unless it is so ordered by the court at the request of the party, upon holding a hearing to be set promptly and finding good cause or reason therefor.

(xii) If the effects of the resolution are stayed, the court shall enter a written judgment, based on findings of fact and conclusions of law, and the aggrieved party may file a petition for a writ of certiorari with the Supreme Court of Puerto Rico within thirty (30) days from the date on which the notice of the stay is served.

(xiii) The hearing on the merits of the petition for review or notice of appeal shall be set not later than sixty (60) days after the filing thereof.

The hearing of the petition for review, as provided in subsection (10), shall consider, for all pertinent purposes, the record of the proceedings in the administrative forum; however, the parties may present additional evidence upon the filing of a motion to such effects if the court so allows in the exercise of its discretion.

(xiv) The findings of fact made by the Authority upon issuing its resolution shall be final and binding if supported by the evidence presented.

(p) ...

(q) ...

(r) ...

(s) ...

(t) ...

(u) ...

(v) ...

(w) ...

(x) ...

(y) ...

(z) ...

(aa) ...

(bb) To order the demolition of existing illegal structures, or of those that are in process of construction, and the demolition or stop of the expansion of existing illegal structures, through an order that may be issued to such effect, and of which notice shall be personally served on the owner, his agent, or employee who is on the property or occupies the structure. In the event that it is impossible to serve notice on the persons that must be notified, as required above, a copy of the notice mentioned in this Section shall be posted on the structure and a copy of such notice shall be likewise posted in the Culebra City Hall. In such case, the notice

posted on the structures shall constitute sufficient notice for all intents and purposes of this Act. This notice shall not become invalid on the ground that the duly posted copy has become detached, deteriorated, or destroyed as the result of natural phenomena or the acts of persons unauthorized to do so. The Secretary shall certify the date the notice was posted on the structure in question. This certificate shall be sent to the Secretary of State who shall keep it as a public document for the purposes of this Act; provided, that the persons who have their homestead in structures located on public land, and use them as such prior to the effective date of this Act, shall be entitled to compensation according to the market value of the structures, in accordance with the appraisal thereof, pursuant to subsection (2)(b) of this Section. The owners of structures located on public land which do not constitute a homestead shall not receive any compensation therefor when such structures are removed by order approved to such effect by the Authority.

In the cases in which, pursuant to the preceding paragraph, payment of compensation is required after the order referred to in subsection (1)(bb) of this Section is entered and compensation based on the value appraised by the Court of First Instance of Puerto Rico, Fajardo Part, is deposited in favor of the owner or accepted by him in a public document executed to that effect, the Authority may resort to such Part of the Court of First Instance of Puerto Rico by way of a verified petition requesting the enforcement of the aforementioned order of the Authority and the eviction of the persons occupying the structure. Upon the filing of said verified petition and the order issued by the Authority, the court shall summon the parties to appear and show cause why their eviction should not be decreed. The respondent shall answer in writing with notice to the Authority. The court shall enter judgement not later than fifteen (15) days after the hearing.

If the judgment enforces the order of the Authority, the court shall order the eviction of the occupants within a period of not less than thirty (30) days nor more than sixty (60) days after the notice of the entry of judgment. The eviction shall be executed by the Marshal.

In case eviction is ordered, the party against whom it is entered may file a petition for a writ of certiorari with the Supreme Court of Puerto Rico, within thirty (30) days from the notice of judgment of the lower court. The petition for a writ of certiorari shall be granted at the discretion of said court.

If an order is entered pursuant to the provisions of this paragraph (bb), regarding a structure that does not constitute a homestead, once the order has been personally served, the Authority may resort to the Court of First Instance of Puerto Rico, Fajardo Part, by way of a verified petition requesting the enforcement of the aforementioned order, a copy of which shall be attached to the petition, as well as the eviction of the persons occupying the structures. The Authority shall attest, in the verified petition filed with the court, to having personally served the owners or occupants of the structure with a copy of the administrative order of eviction.

If the judgment to be entered by the court, upon the holding of hearings, adopts or enforces the aforementioned order, said judgment shall provide that the owner or the occupants of the structure shall vacate such structure within a period not to exceed thirty (30) days, counted from the date of notice of entry of judgment.

The judgment entered by the court shall be served by the marshal.

(2) The Authority shall:

(a) Approve and adopt a plan for the management and administration of its functions under this Act, not later than July 1, 1976, to be approved by the Department and the Planning Board;

(b) Prepare, not later than July 1, 1976, an inventory of all the structures located in the maritime-terrestrial zone and other land of the Federal Government to be transferred to the Authority pursuant to the Joint Report as well as in public domain or patrimonial lands of the State. The inventory shall state which of these structures constitute a homestead, the date on which the homestead was established and the names and addresses of all the owners and occupants of such structures. Upon conducting the appropriate investigation, the Board shall determine which right may assist the owners and possessors of the structures located on public domain lands, and shall likewise establish which of them constitute illegal or clandestine structures for the purposes of this Act. The Board shall direct the appraisal of all the structures which constitute a homestead. The inventory shall be a public document;

The appraisers shall have the right to access the property upon identifying themselves. If the appraiser requests to enter the property and access is denied, he may request the Court of First Instance of Puerto Rico, Fajardo Part, upon explaining the situation, to order the property owner or occupant to allow access under penalty of contempt.

(c) Give notice to each and every one of the owners of the structures, by mail, of the information appearing in the inventory about their property and the appraised value thereof;

(d) Promulgate regulations to ban clandestine or illegal buildings on the public domain or patrimonial lands of the Authority or the Government of Puerto Rico, or on lands transferred thereto by the United States Government and its agencies or instrumentalities, and to establish surveillance to prevent such buildings from being constructed;

(e) Call the residents of Culebra to public hearings not later than sixty (60) days after the close of the fiscal year to inform the community about the

Authority’s accomplishments during the fiscal year that just ended, as well as to receive feedback from citizens on the development and conservation of said municipality and set the goals for the following year.”

Section 14.04.- Section 6 of Act No. 66 of June 22, 1975, as amended, known as the “Culebra Conservation and Development Act,” is hereby amended to read as follows:

“Section 6.- Prohibitions.

No agency shall approve any private work or project related to the Island of Culebra that is inconsistent with the plans and policies formulated and adopted by the Authority, as provided in Section 4(b) of this Act. To such effects, the petitioner shall obtain a favorable endorsement from the Authority.

...”

Section 14.05.- Section 16 of Act No. 66 of June 22, 1975, as amended, known as the “Culebra Conservation and Development Act,” is hereby amended to read as follows:

“Section 16.- Budget.

The Authority shall operate with the budget adopted by its Governing Board from the funds generated by its own operations including the fees fixed and collected for the use of its facilities, its transactions and/or services, the legislative and municipal appropriations received, as well as any gifts from both government and private entities.”

Chapter XV – Roosevelt Roads Naval Station Facilities and Land Redevelopment Authority Act

Section 15.1.- Section 3 of Act No. 508-2004, as amended, known as the “Roosevelt Roads Naval Station Facilities and Land Redevelopment Authority Act,” is hereby amended to read as follows:

“Section 3.- Creation.

A public corporation and government instrumentality of the Government of Puerto Rico is hereby created that shall constitute an independent body corporate and politic named the Authority for the Redevelopment of the Land and the Facilities of the Roosevelt Roads Naval Station, within the Department of Economic Development and Commerce.”

Chapter XVI - Transitory Provisions

Section 16.1.- Transition Process.

The Governor and the Secretary are hereby authorized to adopt transition measures as are necessary for the purposes of implementing the provisions of the Reorganization Plan without interrupting the public services and other administrative processes of the bodies that shall comprise the Department and the components thereof.

Any actions that are necessary, appropriate, and convenient to achieve the purposes of the Reorganization Plan and this Act, including, but not limited to, the revision of regulations, the establishment of their internal, programmatic, and budgetary structure, as well as the account structure required for the proper accounting of its funds, and the relocation of offices, shall begin within a period not to exceed thirty (30) calendar days after the approval of this Plan.

The Secretary shall have up to one hundred eighty (180) days as of the approval of this Act to certify compliance with the delegated duties and functions regarding the consolidated entities.

In what pertains to the Operational Entities, the process to enable the consolidation shall begin once the Secretary issues the certification required under this Act to the Governor in order for the amendments to the Laws concerning these Operational Entities to become effective.

Meanwhile, administrative structures and functions may be carried out by current officials and existing structures until the Secretary of the Department certifies the transition. The regulations and processes in effect shall continue to be valid until the Secretary of the Department modifies them in accordance with the Act, and the Secretary may apply such regulations and processes even if they refer to the previous administrative structure repealed under this Reorganization Plan.

Section 16.2.- Employee Provisions.

The provisions of this Act shall not be used as grounds for the dismissal of any regular employee. The personnel of the various agencies and instrumentalities that compose the Department shall be assigned in accordance with the statutes, regulations, and administrative rules applicable thereto. Likewise, all personnel regulations and transactions shall comply with the provisions of Act No. 8-2017, as amended, known as the “Government of Puerto Rico Human Resources Administration and Transformation Act.”

Employees transferred to other areas or entities as a result of the reorganization shall keep their vested rights pursuant to the laws, rules, collective bargaining agreements, and regulations applicable thereto, as well as their privileges, obligations, and status with respect to any existing pension, retirement, or savings and loan fund system established by law, in which they were participating prior to the approval of this Act and that are compatible with the provisions of Act No. 26-2017, as amended, known as the “Fiscal Plan Compliance Act.”

Section 16.3.- Rulemaking Authority.

In addition to the general rulemaking authority recognized under Section 2.03(l) of Act No. 122-2017, and Reorganization Plan No. 4-1994, as amended, and the laws of the Consolidated Entities, the Secretary shall have the duty to approve regulations as are necessary to implement and enforce the Reorganization

Plan of 2018 and this Act. The regulations shall render government operations more effective and efficient as well as expedite and streamline the internal processes of the Department. Likewise, the Secretary Head is hereby empowered to promulgate any other regulations and orders to fully comply with the applicable laws.

Except for those related to the internal operations and administration of the agency, regulations shall be approved in accordance with the requirements of Act No. 38-2017, known as the “Government of Puerto Rico Uniform Administrative Procedure Act.”

Every regulation, order, resolution, circular letter, and other administrative document that governs the operations of the bodies, programs, services, and functions that are hereby transferred to the Department and are valid as of the effective date of this Act, shall continue in effect, provided, that they are consistent with this Act, until they are explicitly altered, modified, amended, repealed, or substituted by the Secretary.

It is hereby provided that any law, executive order, administrative order, regulations, resolution, circular letter, or similar document making reference to any of the Consolidated Entities is hereby amended, and henceforth any reference to the Consolidated Entities shall be deemed to refer to the Department; and any reference to the Secretary, Executive Director, Board Member, or an equivalent position in each of the Consolidated Entities and Operational Entities shall be deemed to refer to the Secretary of the Department once the Secretary presents the appropriate certification and they become Consolidated Entities, except for the references to the Tourism Company which shall become the Tourism Office of the Department of Economic Development and Commerce, and Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate

Tax Act,” and Act No. 221 of May 15, 1948, as amended, known as the “Games of Chance Act,” in accordance with the amendments contained herein.

The Regulations on the functions herein transferred to the Department of the Treasury through the amendments made to Act No. 221 of May 15, 1948, and Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” shall continue in effect until they are expressly altered, modified, amended, repealed, or substituted by the Secretary.

Section 16.4.- Transactions Pending Before the Culebra Conservation and Development Authority.

Applications for endorsements and/or for any other transaction governed by Act No. 161-2009, as amended, filed with the Culebra Conservation and Development Authority for which a final determination has not been made as of the effective date of this Act shall be transferred to the Permit Management Office of the Department of Economic Development and Commerce to issue a final determination pursuant to the provisions of the Joint Regulation without it constituting an additional financial burden for the proponent under the code of laws in effect.

Section 16.5.- Budget.

As of the approval of this Act, the Department is hereby authorized to use and administer the funds, assets, and resources previously allocated to the consolidated entities pursuant to the budget in effect and the applicable laws. For each fiscal year following the year of approval, the Department shall file with the Office of Management and Budget its budget request, which shall include, as part of the Department’s budget, an expense budget that takes into account the Consolidated Entities and the Operational Entities, once the Secretary presents the appropriate certification and they become Consolidated Entities. Funds shall be

appropriated thereto for its expenses and operations according to its needs and the total resources available.

Chapter XVII- General Provisions

Section 17.1.- Conflicting Provisions Superseded.

If the provisions of this Act were in conflict with the provisions of any other law approved by the Legislative Assembly of Puerto Rico, the provisions of this Act shall prevail unless the provisions of such other law specifically amends or repeals any or all of the provisions of this Act.

Section 17.2.- Severability Clause.

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 void 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 ruling, holding judgement 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 void 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 void 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 possible extent, even if it renders ineffective, voids, invalidates, impairs, or holds to be unconstitutional any part thereof, or even if it renders ineffective, invalidates, impairs, or holds to be unconstitutional the application thereof to any person or circumstance. The Legislative Assembly

would have approved this Act regardless of any determination of severability that the Court may make.

Section 17.3.- Effectiveness.

This Act shall take effect upon its approval. The effectiveness of the amendments contained in Sections 6.1 through 6.10 and the amendments to Reorganization Plan No. 4-1994 in what pertains to the Tourism Company shall be suspended until the Secretary of the Department of Economic Development and Commerce certifies to the Governor and the Legislative Assembly that all the necessary steps for an effective consolidation have been taken. The effectiveness of the amendments contained in Sections 11.1 through 11.18 and the amendments to Reorganization Plan No. 4-1994 in what pertains to the Trade and Export Company shall be suspended until the Secretary of the Department of Economic Development and Commerce certifies to the Governor and the Legislative Assembly that all the necessary steps for an effective consolidation have been taken. The effectiveness of the amendments to Act No. 272-2003, as amended, known as the “Commonwealth of Puerto Rico Room Occupancy Rate Tax Act,” contained in Sections 10.1 through 10.52; and the amendments to Act No. 221 of May 15, 1948, contained in Sections 5.1 through 5.18, shall be suspended until the Secretary of the Department of Economic Development and Commerce certifies to the Governor and the Legislative Assembly that all the necessary steps for an effective consolidation have been taken.