

(H. B. 1750)

(No. 214-2014)

(Approved December 16, 2014)

AN ACT

To add a subsection (rr) to Section 2.3 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act”; and amend Section 13.012 of Act No. 81-1991, as amended, known as the “Commonwealth of Puerto Rico Autonomous Municipalities Act,” in order to grant additional powers to the Executive Director of the Permit Management Office and the Autonomous Municipalities with Permits Offices to evaluate within a period not to exceed thirty (30) days any application for permit or endorsement for works funded in their entirety with state, legislative and municipal funds, or with special appropriations between them; and for other related purposes.

STATEMENT OF MOTIVES

Act No. 161-2009, as amended, known as “Puerto Rico Permit Process Reform Act,” was approved in order to establish the legal and administrative framework that would govern the application, evaluation, granting, and denial of building permits that have an impact on the economic development of the Commonwealth of Puerto Rico. Said statute repealed Act No. 76 of June 24, 1975, as amended, known as the “Organic Act of the Regulations and Permits Administration,” among other provisions.

Recently, Act No. 161-2009, *supra*, was amended by Act No. 151-2013 to eliminate the bureaucratic obstacles entailed by permitting process on the island, because Act No. 161-2009, *supra*, was approved under the premise that it was necessary to improve the permitting system in Puerto Rico.

Section 13.01 of Act No. 81-1991 authorizes the municipalities to adopt Territorial Ordinance Plans which shall be tools for the integrated and strategic ordering of the entire municipal territory. Currently, countless municipalities have already adopted territorial ordinance plans and others are in the process of adopting one, as it is a requirement established by the Autonomous Municipalities Act so that Municipalities may eventually assume the competencies and authorities of the Planning Board and the former Regulations and Permits Administration (ARPE).

Secondly, potential investors interested in investing in the instruments issued by the Government of Puerto Rico, shall do so assuming a higher default risk on their investments, which shall considerably reduce the number of potential investors. Thirdly, given the Government of Puerto Rico's likelihood of not receiving the expected support for the bond issue and to finance economic development projects, such as construction, it has to be more cautious when appropriating public funds for these projects. This may affect its capacity to generate sufficient public funds to invest in construction works or programs that boost the economic development on the island.

Since this is a compelling matter, the administration of the Hon. Alejandro Garcia-Padilla, Governor of the Commonwealth of Puerto Rico, has introduced several fiscal measures to address the impact that the downgrading of the government's credit would have on the Executive Branch. In view of the public discussion that this matter of great interest has generated on the Island, it is necessary to expedite the permitting process for construction works funded by government that have already submitted or are about to submit their applications to the appropriate agencies and municipalities so the construction thereof may begin, thus generating economic activity and aiding the Island's economy.

Therefore, it is necessary to amend Section 2.3 of Act No. 161-2009, *supra*, and add a paragraph to Section 13.012 of Act No 81-1991, *supra*, to establish more streamlined terms for the evaluation of applications for the permits or endorsements required under our code of laws, specifically for the following:

1. Works funded solely with state, legislative or municipal funds, that do not include new construction or new structures, and
2. Works for remodeling or carrying out non-substantial improvements to sports facilities, community centers, recreational parks or any other public structures property of the Municipal or State Government, and
3. Works that do not have a negative impact on the health and safety of the people or that adversely affect the integrity of the environment and natural resources.

Thus, a more flexible public policy is established on the approval of remodeling or improvement works, for sports and recreation and public use facilities that do not have a substantial impact on existing structures for the purpose of providing a public benefit, and, stimulating economic development through the creation of jobs, among other things.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- A new subsection (rr) is hereby added to Section 2.3 of Act No. 161-2009, as amended, known as the “Puerto Rico Permit Process Reform Act,” to read as follows:

“Section 2.3.- Authorities, duties, and functions of the Executive Director.-

(a) ...

(b) ...

(qq) To evaluate and authorize land subdivisions. The Permit Management Office shall grant authorizations for land subdivision ...

(rr) To evaluate, within a period not to exceed thirty (30) days to be counted from the time the proponent has met all requirements established by the laws and regulations in effect for such purposes, any application for permit or endorsement of works funded in their entirety with state, legislative, municipal funds or special appropriations between them, other than new construction or newly-built structures, but for remodeling or making improvements other than substantial improvements to sports facilities, community centers, recreational parks or any other public structure property of the Municipal or State Government, and do not have a negative impact on the health and safety of the people or that adversely affect the integrity of the environment and the natural resources.

Substantial improvements shall mean a set of operations carried out in order to modify a property whose investment is equal to more than fifty (50%) of the market value minus the value of the land. Such term may include remodeling, rehabilitation, reconstruction, restoration, and other types of construction.”

Section 2.- A new paragraph is hereby amended and added to Section 13.012 of Act No. 81-1991, as amended, known as the “Commonwealth of Puerto Rico Autonomous Municipalities of Act of 1991,” to read as follows:

“Section 13.012.- Transfer of Jurisdiction on Territorial Ordinance

Every an application for a permit or endorsement of works funded in their entirety with state, legislative, municipal funds or special appropriations between them, other than new construction or newly-built structures, but for remodeling or making improvements other than substantial improvements to sports facilities, community centers, recreational parks or any other public structure property of the Municipal or State Government, and do not have a negative impact on the health and safety of the people or that adversely affect the integrity of the environment and the natural resources, filed with a municipality shall be evaluated within a period not to

exceed thirty (30) days, to be counted from the time the proponent has met the requirements established by the laws and regulations in effect for such purposes.

Substantial improvements shall mean a set of operations carried out in order to modify a property whose investment is equal to more than fifty (50%) of the market value minus the value of the land. Such term may include remodeling, rehabilitation, reconstruction, restoration, and other types of construction.”

Section 3.- Separability Clause

If any clause, paragraph, subparagraph, article, provision, section, subsection or part of this Act were held to be unconstitutional by a competent court, said holding shall not affect, impair or invalidate the remaining provisions of this Act. The effect of said holding shall be limited to the clause, paragraph, subparagraph, article, provision, section, subsection or part thereof thus held to be unconstitutional.

Section 4.- Effectiveness

This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 214-2014 (H. B. 1750)** of the **4th Regular Session** of the **17th Legislative Assembly of Puerto Rico**:

AN ACT add a subsection (rr) to Section 2.3 of Act No. 161-2009, as amended, known as the "Puerto Rico Permit Process Reform Act"; and amend Section 13.012 of Act No. 81-1991, as amended, known as the "Commonwealth of Puerto Rico Autonomous Municipalities Act," in order to grant additional powers to the Executive Director of the Permit Management Office and the Autonomous Municipalities with Permits Offices to evaluate within a period not to exceed thirty (30) days any application for permit or endorsement for works funded in their entirety with state, legislative and municipal funds, or with special appropriations between them; and for other related purposes.

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

In San Juan, Puerto Rico, on this 8th day of October, 2021.

Mónica Freire-Florit, Esq.
Director