Section 2.—The appropriation items included in this Act may be consolidated with any other similar items now at the disposal of the Economic Development Administration. When the interests of the service so require, the Governor or an officer designated by him, may authorize the transfer of funds from one item to another of any of the appropriations made by this Act.

Section 3.—This Act, being of an urgent and necessary character, shall take effect immediately after its approval.

Approved, December 15, 1950.

[No. 12]
[Approved, December 20, 1950]

AN ACT

TO ACCEPT THE PROVISIONS OF THE ACT OF CONGRESS ENTITLED “AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A NATIONAL EMPLOYMENT SYSTEM, AND FOR COOPERATION WITH THE STATES IN THE PROMOTION OF SUCH SYSTEM, AND OTHER PURPOSES”, APPROVED JUNE 6, 1933 (48 STAT. 113), AS AMENDED, AND TO ESTABLISH A SYSTEM OF PUBLIC EMPLOYMENT OFFICES TO BE KNOWN AS “PUERTO RICO EMPLOYMENT SERVICE AFFILIATED WITH THE UNITED STATES EMPLOYMENT SERVICE.”

Be it enacted by the Legislature of Puerto Rico:

Section 1.—This Act shall be known as the “Puerto Rico Public Employment Service Act.” The purpose of this Act is to establish in Puerto Rico a system of free public employment offices for workers seeking employment and for employers seeking workers and to obtain for Puerto Rico the benefits of the Act of Congress approved June 6, 1933 (48 Stat. 113), as amended, known as the Wagner-Peyser Act.

Section 2.—Puerto Rico hereby accepts the provisions of the Act of Congress entitled “An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system and for other purposes”, approved June 6, 1933 (48 Stat. 113), as amended.

Section 3.—The system of public employment offices created pursuant to the provisions of this Act shall be known as the “Puerto Rico Employment Service Affiliated with the United States Employment Service” and shall be administered through...
the Bureau of Employment and Migration in the Puerto Rico Department of Labor. The Commissioner of Labor shall, through such bureau, establish and maintain free public employment offices in such form and in such places as may be necessary for the proper administration of this Act and for the purpose of performing such duties as are within the purview of said Act of Congress. The Commissioner of Labor is hereby authorized and directed to appoint, in accordance with standards promulgated by the United States Secretary of Labor for the establishment and maintenance of a merit system for the administrative personnel, a Director and sufficient personnel to carry out the purposes of this Act. The Director and all employees shall be appointed within the Competitive Service of the Insular Government. The bureau shall be administered by the director, who shall, for the salary he may receive, devote his full time to the duties of the office. The bureau is hereby designated and constituted the agency for Puerto Rico for the purpose of said Act of Congress, with full power and authority to cooperate with all authorities of the United States having powers or duties under said Act of Congress, and to do and perform all things necessary to secure to Puerto Rico the benefits of such Act in the promotion and maintenance of a system of public employment offices.

Section 4.—The Commissioner of Labor shall, upon receipt of notice of approval by the United States Department of Labor of the Puerto Rico plan of operation, take forthwith such action as may be required by such plan, and provide for the appointment to and, subject to the provisions of this Act, the retention in the Puerto Rico Employment Service of the personnel of the United States Employment Service for Veterans of Puerto Rico who may be engaged in employment service activities in Puerto Rico on the date of the approval of this Act, except those retained on the staff of the Veterans Employment Representative of the United States Employment Service.

Section 5.—Any employee of the Bureau of Employment and Migration in employment service activities, and any employee of the United States Employment Service for Veterans of Puerto Rico, who on the effective date of this Act does not have employee status within the competitive service and who is appointed
to the Puerto Rico Employment Service pursuant to this Act shall, within ninety days after receipt of the notice of approval specified by Section 4 of this Act or, in the case of personnel of the United States Employment Service for Veterans, within 90 days after appointment, be afforded a reasonable opportunity to acquire such status within the competitive service by taking, on a qualifying basis, the examination of the Office of Personnel for the position which he occupied on the date of enactment of this Act or for the nearest comparable position. Any employee who, within said ninety (90) days is assigned to a position higher than the one which he occupied on the date of the approval of this Act shall, concurrently with or immediately following the said examination, be given an opportunity for promotion to such higher position to which he was assigned, in accordance with the procedure established pursuant to the Personnel Act. (Act No. 345 of May 12, 1947, as amended).

Section 6.—During the ninety (90) day period provided for in Section 5 of this Act, any employee referred to in said Section 5 shall receive at least the same salary he was receiving on the day immediately preceding such transfer or appointment. At the expiration of such period each such employee shall be paid at the salary rate in the appropriate range nearest his prior salary, not exceeding the maximum rate for the class and grade in which his position is classified, in accordance with Act No. 345, of May 12, 1947, as amended. All such employees who fail to acquire employee status within the competitive service pursuant to Section 5 of this Act, shall be promptly separated from the position they may be discharging in the Puerto Rico Employment Service.

Section 7.—There is hereby created in the Department of Finance of Puerto Rico a special fund to be known as the Employment Service Administration Fund. All moneys deposited or paid into this Fund shall be continuously available to the Commissioner of Labor for expenditure in accordance with the provisions of this Act, and shall not lapse at any time or be transferred to any other fund. The fund shall consist of all moneys received for the administration of this Act from the United States of America, or any agency thereof, or from any other source; all moneys received from any agency of the United

Puerto Rico bajo esta Ley, se le dará, dentro de los noventa (90) días siguientes de recibirse la notificación a que se refiere la Sección 4 de esta Ley, o en el caso de empleados del Servicio de Empleos de Estados Unidos para Veteranos, dentro de los noventa (90) días siguientes a su nombramiento, oportunidad para adquirir dicho status dentro del Servicio por Oposición, tomando, a base de calificación, el examen de la Oficina de Personal correspondiente a la posición que ocupaba a la fecha de la aprobación de esta Ley o el correspondiente a la posición más similar. A todo empleado que dentro de dichos noventa (90) días sea asignado a una posición superior a la que ocupaba a la fecha de la aprobación de esta Ley, se le dará, al mismo tiempo en que tome dicho examen, o posteriormente, oportunidad para ascender a la posición superior a que se le haya asignado, de acuerdo con el procedimiento establecido conforme a la “Ley de Personal” (Núm. 345 de 12 de mayo de 1947, según ha sido enmendada).

Sección 6.—Durante el período de noventa (90) días dispuesto por la Sección 5 de esta Ley todo empleado a que se refiere dicha misma se deberá recibir, por lo menos el mismo sueldo que recibía el día inmediatamente anterior al de su transferencia o nombramiento. Al expirar dicho período, a cada uno de tales empleados se le pagará dentro de la escala de remuneración el sueldo más aproximado a su sueldo anterior, no debiendo exceder del sueldo máximo dentro de la escala para la clase y grado en que su posición esté clasificada, de acuerdo con la Ley Núm. 345 de 12 de mayo de 1947, según ha sido enmendada. Todos aquellos de dichos empleados que no adquieran status de empleado dentro del Servicio por Oposición, conforme a lo dispuesto en la Sección 5 de esta Ley, serán inmediatamente separados del cargo que ocupen en el Servicio de Empleos de Puerto Rico.

Sección 7.—Por la presente se crea en el Departamento de Hacienda de Puerto Rico un fondo especial que se conocerá como “Fondo para la Administración del Servicio de Empleos”. Todo dinero depositado o pagado a este fondo estará continuamente a la disposición del Comisionado del Trabajo para ser gastado de acuerdo con las disposiciones de esta Ley, y no prescribirá en ningún momento o será transferido a fondo otro alguno. El fondo consistirá de todos los fondos recibidos de Estados Unidos para la administración de esta Ley, o de cualquiera de sus agencias, o de cualquier otra fuente; todos los fondos recibidos
States or any State or territory as compensation for services or facilities supplied to any such agency by the Puerto Rico Employment Service; all amounts received pursuant to any surety bond or insurance policy or from other sources for losses sustained by the Employment Service Administration Fund, or by reason of damage to property, equipment, or supplies; and all moneys received from the sale or disposal of any such property, equipment, or supplies which may cease to be necessary for the proper administration of this Act.

Section 8.—Moneys belonging to the Employment Service Administration Fund pursuant to the provisions of Section 7 of this Act shall be secured by the depositary bank by collateral in the full amount of the funds on deposit. Such security shall consist of (a) United States Government obligations, direct or guaranteed and (b) direct obligations of Puerto Rico. Such collateral security shall be pledged at not to exceed the face value of the obligation, and shall be kept separate and distinct from any collateral security pledged to secure other funds of Puerto Rico.

Section 9.—Moneys placed in the Employment Service Administration Fund shall not be commingled with other funds of Puerto Rico, but shall be maintained in a separate account on the books of the depositary bank. All moneys granted, accruing to or received by said fund are hereby appropriated for the purposes mentioned in this Act and shall be paid out by the Treasurer of Puerto Rico only upon vouchers prepared and approved and certified to by the Director of the Puerto Rico Employment Service, or his duly authorized agent for such purpose. All moneys in this fund shall be expended solely for the purposes and in the amounts found necessary by the Secretary of Labor for the proper and efficient administration of the Puerto Rico Employment Service.

Section 10.—The Treasurer of Puerto Rico shall be liable on his official bond for the faithful performance of his duties in connection with the Employment Service Administration Fund provided under this Act. Such liability on the official bond of the Treasurer shall be effective immediately upon the effectiveness of this Act, and such liability shall exist in addition to any

de cualquier agencia de Estados Unidos o de cualquier Estado o territorio como compensación por servicios o facilidades suministrados a cualquiera de tales agencias por el Servicio de Empleos de Puerto Rico; todas las sumas recibidas por concepto de cualquier fianza o póliza de seguro o de otras fuentes por pérdidas sufridas por el Fondo para la Administración del Servicio de Empleos o por razón de daño a la propiedad, equipo o materiales; y todo dinero realizado de la venta o disposición de cualquiera de dicha propiedad, equipo o materiales que puedan dejar de ser necesarios para la adecuada administración de esta Ley.

Sección 8.—Los dineros pertenecientes al Fondo para la Administración del Servicio de Empleos bajo las disposiciones de la Sección 7 de esta Ley serán garantizados por el banco depositario mediante garantía colateral por la suma total de los fondos en depósito. Tal garantía consistirá de (a) obligaciones del Gobierno de Estados Unidos, directamente asumidas o garantizadas por éste y (b) obligaciones de Puerto Rico directamente asumidas por éste. Tal garantía colateral estará comprometida a no exceder del valor a la par de la obligación, y se mantendrá separada y distinta de cualquier garantía colateral comprometida para asegurar otros fondos de Puerto Rico.

Sección 9.—Los dineros depositados en el Fondo para la Administración del Servicio de Empleos no se mezclarán con otros fondos de Puerto Rico y se mantendrán en una cuenta separada en los libros del banco depositario. Todos los dineros cedidos, devengados o recibidos por dicho fondo son por la presente asignados para los fines mencionados en esta Ley y serán pagados por el Tesorero de Puerto Rico sólo mediante comprobantes preparados y aprobados y certificados por el Director del Servicio de Empleos de Puerto Rico o su agente debidamente autorizado para tal propósito. Todos los dineros en este fondo serán gastados solamente a los fines y por las cantidades que el Secretario del Trabajo encuentre que son necesarias para la adecuada y eficiente administración del Servicio de Empleos de Puerto Rico.

Sección 10.—La fianza oficial del Tesorero de Puerto Rico responderá por el debido cumplimiento de sus deberes en relación con el Fondo para la Administración del Servicio de Empleos creado en esta Ley. Tal responsabilidad de la fianza oficial del Tesorero será efectiva tan pronto como empiece a regir esta Ley, y dicha responsabilidad existirá en adición a
liability upon any separate bond existing on the effective date
of this provision, or which may be given in the future.

Section 11.—If the United States Secretary of Labor should
find that any sum of money appertaining to the Employment
Service Administration Fund has, because of any action or con-
tingency, been lost or expended for purposes other than, or in
amounts in excess of, those determined by said Secretary to be
necessary for the proper and efficient administration of this
Act, such sum shall be replaced from the sum therefore appro-
priated from the general funds of Puerto Rico to the Employ-
ment Service Administration Fund for expenditure as provided
in Section 7. Upon receipt from the Secretary of Labor of
notice of such findings, the Director of the Budget shall forth-
with report to the Governor the amount required to replace the
sum in question, and the Governor shall, at the earliest oppor-
tunity, submit to the Legislature a request for the approipa-
tion of such amount.

Section 12.—The Commissioner of Labor shall establish an
Advisory Council composed of men and women representing em-
ployers and employees in equal number, and representing the
public interest for the purpose of fixing policies and discussing
problems relating to the employment of workers and to the as-
surance of impartiality, neutrality and freedom from political
influence in the solution of such problems. Members of the Ad-
visory Council shall be selected from time to time in such manner
as the Governor shall prescribe, and shall be paid per diem not
exceeding fifteen (15) dollars for each day they attend council
meetings, and shall be reimbursed for necessary traveling ex-
penses in accordance with regulations therefor, applicable to
employees of the Insular Government. The Council shall have
access to all files and records of the Puerto Rico Employment
Service.

Section 13.—(a) No officer or employee engaged in the ad-
ministration of this Act may (1) use his official authority or
influence for the purpose of interfering with an election or a
nomination for any office, or affecting the result thereof, or (2)
directly or indirectly coerce, attempt to coerce, command or
advise any such other employee to pay, lend, or contribute any
part of his salary or compensation, or anything else of value,
to any party, committee, organization, agency, or person for political purposes. No such officer or employee shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose, and to express their opinions on all political subjects and candidates. For the purpose of the second sentence of this Act the term "officer or employee" shall not include (1) the Governor; (2) duly elected or appointed heads of executive departments of the Puerto Rico Government or of any municipality, who are not in the competitive service of the Insular Government; (3) officers holding elective offices.

(b) Any officer or employee of the Puerto Rico Employment Service violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no funds appropriated by the Puerto Rico Legislature or granted by any agency of the Federal Government shall be used to pay the compensation of such person.

(c) No person shall seek or attempt to use any political endorsement in connection with any appointment to a position in the competitive service.

(d) No person shall use directly or indirectly his official authority or influence to secure for any person an appointment to any position in the competitive service, or an increase in pay or other advantage, for the purpose of influencing the vote or political action in favor of any person, or for any other purpose.

(e) Any person who shall directly or indirectly coerce, attempt to coerce, or command any officer or employee of the Puerto Rico Employment Service to pay, lend or contribute any part of his salary or compensation or anything of value to any party, committee, organization, agency or person for political purposes shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not to exceed one thousand (1,000) dollars or by imprisonment in jail for a term of not more than one (1) year, or by both penalties.

Section 14.—This Act, being of an urgent and necessary character, shall take effect immediately.

Approved, December 20, 1950.