

“Puerto Rico Industrial Development Act”

Act No. 188 of May 11, 1942 as amended

(Contains amendments incorporated by:

Act No. 11 of November 20, 1942

Act No. 325 of May 15, 1945

Act No. 285 of April 5, 1946

Act No. 99 of April 18, 1952

Act No. 134 of April 23, 1952

Act No. 456 of May, 14, 1952

Act No. 6 of July 24, 1952

Act No. 1 of February 23, 1954

Act No. 80 of June 20, 1955

Act No. 27 of June 9, 1956

Act No. 77 of June 19, 1957

Act No. 86 of June 22, 1957

Act No. 47 of June 18, 1958

Act No. 15 of May 1, 1973

Act No. 203 of December 29, 1997

Act No. 123 of June 7, 1999

Act No. 163 of December 14, 2001

Act No. 293 of December 26, 2006)

An Act creating the Puerto Rico Industrial Development Company; providing for its powers and duties; authorizing it to conduct research and experimentation, make plans and designs, acquire, operate and improve industrial and commercial enterprises; authorizing it to make loans and encourage the development and fullest usage of the economic and human resources of Puerto Rico, form and hold interests in subsidiary corporations and enterprises; authorizing it to accept grants, borrow money, and issue bonds on such terms and conditions as it may decide; transferring all rights and interest of The People of Puerto Rico in the Puerto Rico Cement Corporation to it; making an appropriation, and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

Section 1. — [Short Title]. (23 L.P.R.A. § 271)

That this Act may be cited as the "Puerto Rico Industrial Development Act".

Section 2. — Definitions. (23 L.P.R.A. § 272)

The following terms, whenever used or referred to in this Act, shall have the following meanings, except where the context clearly indicates otherwise:

- (a) *Company*. — Shall mean the Puerto Rico Industrial Development Company created by this Act.
- (b) *Bonds*. — Means bonds, notes or other evidences of indebtedness or obligations.
- (c) *Department*. — Shall mean the Department of Economic Development and Commerce created by virtue of Reorganization Plan No. 4 of June 22, 1994, App. X of Title 3.
- (d) *Secretary of the Department*. — Shall mean the Secretary of Economic Development and Commerce.
- (e) Words used in the singular number include the plural number and vice versa, and words referring to persons include firms, partnerships of all kinds and corporations.

Section 3. — [Legislative purpose] (23 L.P.R.A. § 273)

It is the intention of the Legislature that the activities of the Company to which the subsequent sections refer will benefit the inhabitants of Puerto Rico by discovering and developing the human and economic resources of the Commonwealth to the fullest possible extent as part of the New Economic Development Model for the general benefit of the People of Puerto Rico, which the latter, with regard to its industrial aspect, puts into practice through the Company. The Company may, at its discretion, collect fees for studies and services rendered to private entities and persons interested in such studies and services for the purposes of this Act.

Section 4. — Creation and Composition of the Company. (23 L.P.R.A. § 274)

- (a) A body corporate and politic is hereby created which shall constitute a public corporation and government instrumentality of the Commonwealth of Puerto Rico with the name of the "Puerto Rico Industrial Development Company".
- (b) The Company hereby created is and shall be a government instrumentality attached to the Department, as provided herein, but it is a public corporation having legal existence and personality separate and apart from that of the Government and of all officials thereof.
- (c) The powers of the Company shall be exercised and its policy shall be determined by a Board of Directors, henceforth "the Board", constituted by seven (7) members and composed of the Secretary who shall be its Chairperson, the President of the Government Development Bank for Puerto Rico, the Secretary of the Treasury, the President of the Planning Board and three members of the private sector to be appointed by the Governor of Puerto Rico with the advice and consent of the Senate. The term of office of the members of the private sector shall be of four (4) years. Any vacancy arising in said offices shall be filled by appointment of the Governor within a period of sixty (60) days from the date said vacancy occurs, and for the remainder of the term.

Four (4) members of the Board shall constitute quorum and all decisions shall be made by the majority of its members.

Those members of the Board who are officials of the Government of Puerto Rico shall not receive any compensation for their services. The remaining members shall be entitled to receive the per diems fixed by the Board from time to time, on the basis of the per diems paid to similar instrumentalities for each Board meeting they attend, as certified by the Secretary thereof. The Company shall reimburse the necessary expenses incurred in the exercise of their duties.

The debts, obligations, contracts, bonds, notes, due bills, receipts, expenditures, accounts, funds, concerns and property of the Company, its officials, agents or employees, shall be deemed to be those of said government controlled company and not those of the Commonwealth Government nor of any office, bureau, department, commission, dependency, municipality, branch, agent, official or employee thereof.

Section 5. — Industrial Promotion. (23 L.P.R.A. § 275)

The Company is authorized and empowered to promote, persuade and induce private capital to initiate and maintain in operation, and otherwise promote the establishment and functioning of, all kinds of commercial, cooperative or mining operations, and industrial operations related with the utilization, processing and manufacture, through the use, among others, of the following materials: silica sands, clays, fibers of all kinds; agricultural, animal, forestry, mining, fisheries and chemistry products, and any by-product, derivative and wastes thereof, and finished and semi-finished products.

Whenever it may be deemed convenient by the Company, and subject to the applicable provisions of the following section of this Act, it may initiate one or more of such operations on its own initiative or associated with other private or government entities, or through participation in any adequate manner, or through the investment of Company funds in enterprises owned by others, or the investment of funds belonging to others in enterprises owned by the Company in whatever manners currently used or which may hereafter be used for the investment of funds in such operations. For these purposes, the Company may provide the facilities, financing and service which in its judgment are justified in each of such cases.

Section 6. — [Promotion of investment of capital; investment by company in private enterprises; priority to residents] (23 L.P.R.A. § 276)

In addition to the other powers conferred herein, the Company is hereby authorized to promote and carry out those activities that shall tend to encourage investments in the manufacture and services sectors and in other enterprises, enable commercial exchange, foster the use in industrial enterprises of capital owned by residents of Puerto Rico, and prevent the evils of large-scale absentee ownership of capital and to that end, but without limitation thereto, it may impose requirements with regard to loans, permit that the owners of private capital to acquire any type and quantity of stock or other securities in the corporations it organizes, and shall acquire any kind and quantity of stock or other securities in corporations engaged in industrial or commercial enterprises initiated with private capital, whether of residents or nonresidents, under such terms, conditions and stipulations which the Company may prescribe; and it may, provided that all other factors being equal, grant

preference and priority to residents for the investment of money in stock and in granting loans, and conduct any other transactions it deems proper.

Section 7. — Loans. (23 L.P.R.A. § 277)

In addition to the other powers herein granted, the Company is hereby authorized and empowered to make loans to any person, firm, corporation, or other organization when the amount of such loans is to be used to further the government purpose of developing the economy of Puerto Rico and especially its industrialization.

In making such loans, preference and priority shall be given, where other factors are equal, to enterprises governed by cooperative, governmental or other nonprofit organizations, or to enterprises which give the greatest return in terms of human welfare in Puerto Rico. The interest rate, maturity, and other terms of loans made by the Company and the character and value of the security to be required for granting them, shall be determined and fixed by the Company. No loan shall be made unless from business experience and the facts and circumstances of each case, the Company can reasonably predict that the enterprise which is to receive the loan will be able to repay the same, and that the said loan will be repaid.

Section 8. — General Powers. (23 L.P.R.A. § 278)

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

- (a) To have perpetual existence as a company.
- (b) To adopt, alter, and use a seal which shall be judicially noticed.
- (c) To prescribe, adopt, amend, and repeal bylaws governing the manner in which its general business may be conducted and the powers and duties granted to, and imposed upon it by law may be exercised and performed.
- (d) To have complete control and supervision of any and all of its property and activities, including the power to determine the character of and necessity for all its expenditures and the manner in which they shall be incurred, allowed and paid without regard to the provisions of any laws governing the expenditure of public funds and such determination shall be final and conclusive upon all officers of the Commonwealth Government, and to prescribe, adopt, amend, and repeal such rules and regulations as may be necessary or proper for the exercise and performance of its powers and duties.
- (e) To sue and be sued.
- (f) To make contracts and to execute all instruments necessary or convenient in the exercise of any of its powers.
- (g) To acquire in any lawful manner, including, but without limitation, acquisition by purchase, condemnation, lease, bequest, devise or gift, and to hold, maintain, use and operate any property, real, personal, or mixed, tangible or intangible, including, but without limitation, securities and other personal property or any interest therein, deemed by it to be necessary or desirable for carrying out the purposes of the Company. The power to acquire property by condemnation shall not apply to the acquisition of buildings wherein enterprises of a commercial, industrial or agricultural nature are being operated in good faith.

(h) To appoint such officers, agents, and employees and vest them with such powers and duties, and to fix, change, and pay such compensation for their services as the Company may determine.

(i) To borrow money, give security and make and issue bonds of the Company for any of its corporate purposes or for the purpose of funding, refunding, paying, or discharging any of its issued or assumed outstanding bonds or obligations, and any of its payment of its bonds and of any and all other obligations by pledge or mortgage of, or other lien on, all or any of its contracts, revenues, income or property.

(j) To accept grants or loans from, and enter into contracts, leases, agreements, or other transactions with, any federal agency, the Commonwealth of Puerto Rico, or political subdivisions of the Commonwealth of Puerto Rico, and to expend the proceeds of any such grants or loans for any corporate purposes.

(k) To lease, alienate and dispose of, as it may prescribe, any of its property.

(l) Acquire, hold and dispose of stock and membership rights, contracts, bonds or other interests in other companies, entities or corporations, and exercise any and all powers or rights in relation therewith, and obtain the organization in accordance with the law and exercise partial or total control over profitable or nonprofit, affiliated or associated subsidiary companies, partnerships or corporations, provided that, in the judgment of the Board, such an arrangement is necessary, proper or convenient in order to achieve the purposes of the Company or the exercise of its powers, and to sell, lease, assign or otherwise cede any other Company property or delegate or transfer any of its rights, powers, functions or duties, except the right to institute eminent domain proceedings, to any such companies, entities or corporations that may be subject to its control.

(m) To do all acts or things necessary or convenient to carry out the powers granted to it by this Act or by any other Act of the Legislature of Puerto Rico, or by any Act of the Congress of the United States; Provided, however, That the Company shall have no power at any time or in any manner to pledge the credit or taxing power of the Commonwealth of Puerto Rico or any of its political subdivisions, nor shall the Commonwealth of Puerto Rico or any of its political subdivisions be liable for the payment of the principal of or interest on any bonds issued by the Company.

(n) Whenever, in the judgment of the Company, it shall become necessary to take immediate possession of the property to be expropriated, the Company shall request of the Governor of Puerto Rico that he, in representation of the People of Puerto Rico, acquire, and he shall have power to acquire, by purchase, expropriation, or any other lawful means, for the use and benefit of the Company, such property and property rights as may be necessary and convenient to carry out the ends and purposes of the Company. The Company shall make available in advance to the People of Puerto Rico the required funds estimated as the value of the property or rights to be acquired. Any difference in value that may be determined by the court may be paid from the public treasury, but the Company shall be under obligation to reimburse such difference. Once said reimbursement is fully made, title to said property shall be vested in the Company by a court order duly entered; Provided, That in those cases in which the Governor of the Commonwealth of Puerto Rico shall deem it necessary and convenient that the title on the property and/or rights thus acquired be registered directly in behalf of the Company, in order to expedite fulfillment of the ends and purposes for which it was created, he may so request from the court at any time within the eminent domain

proceedings, and the court shall so order. The power herein vested shall not limit or restrict in any way whatsoever the power of the Company itself to acquire property.

(o) All real and personal property and all right or interest therein which the Company may deem it necessary to acquire for the carrying out of its purposes are hereby declared of public utility and may be expropriated by the Company, or at its behest, and for its use and benefit, by the People of Puerto Rico, represented by the Governor, without the previous declaration of public utility provided in section 2 of the General Law of Eminent Domain [32 L.P.R.A. § 2902].

(p) Eminent domain proceedings instituted under the provisions of subsections (g), (n), and (o) of this section shall be processed according to the provisions of General Law of Eminent Domain of March 12, 1903 as amended [32 L.P.R.A. § 2901-2913] , and to that end the Company shall enjoy all rights and assume all obligations prescribed by said law with respect to every expropriating authority.

(q) To provide space in the existing and available buildings for non-profit public or private organizations that shall be established in the future, or in the case of those that already exist to expand their operations, to be used as factories in already existing and operating industrial zones under the protection of [the] Industrial Development [Company]. The human resources to be used for the functioning and operations of said factories must be, in their majority, persons with disabilities.

Any nonprofit organization that applies to lease a building owned by the Company shall include in its application, the intended use of the building; a revised copy of its certificate of incorporation; a certificate of corporate good standing; and any other requirement established by the regulations created for these purposes. Once the lease of the building is approved, the favored organization shall give notice of the availability of the jobs and their basic functions, to the recruitment offices of the following public entities that help in the search for jobs for this population sector: the Occupational Development Council; the Vocational Rehabilitation Administration; the Office of the Governor for the Employment of Persons with Disabilities, attached to the Office of the Advocate for Persons with Disabilities; and the Department of Labor and Human Resources.

The nonprofit organizations that qualify under this subsection shall be entitled to a reduction of the leasing rate established for the industrial zone in which the building to be leased is located.

For such purposes, the Company shall establish by regulations, the necessary provisions to handle all that is related to the application procedure, the selection of the site, including the rental to be fixed, and the requirements to be considered so as to request a reduction in the amount of the lease, to be determined pursuant to Act No. 170 of August 12, 1988, as amended [3 L.P.R.A. §§ 2101 et seq.] known as the "Uniform Administrative Procedures Act".

Section 9. — Executive Director. (23 L.P.R.A. § 280)

(a) The Executive Director of the Company shall be appointed by the Governor with the advice and consent of the Senate. The Executive Director shall hold office at the will of the Board of Directors and his/her remuneration shall be as determined by it. Subject to the

control of the Board, the Executive Director shall be in charge of the activities of the Company and shall have those powers that are provided by the regulations of the Company.

(b) The other officers of the Company shall be appointed and their powers determined in accordance with the bylaws of the Company.

Section 10. — Officers and Employees. (23 L.P.R.A. § 281)

(a) The appointments, removals, promotions, transfers, dismissals, reinstatements, suspensions, leaves of absence and changes in grade, compensation or title of the officials and employees of the Company shall be made and allowed as provided in the rules and regulations approved by the Board, leading to a general plan, insofar as said Board shall deem it consistent with the best interests of the Company, its employees and its services to the public, similar to that which may be in effect for the employees of the Commonwealth Government under the public service personnel laws of Puerto Rico. The officials and employees of the Company shall be entitled to reimbursement of such necessary travel expenses, or per them payments in lieu thereof, that are authorized or approved pursuant to the regulations of the Company. The officials and employees of any board, commission, agency or department of the Commonwealth of Puerto Rico may be appointed to similar positions in the Company without examination. Any of the officials or employees of the Commonwealth thus appointed, and who prior to their appointment were beneficiaries of any existing pension, retirement or savings and loan fund system or systems, shall continue to enjoy, after said appointment, the rights, privileges, obligations and status, with respect to said system or systems that are prescribed by law for officials and employees that hold similar positions in the Commonwealth Government, unless within the term of six (6) months after the effectiveness date of this act, or six (6) months after said appointment, whichever is later, said officials and employees, or any of them, notifies their intention of relinquishing them, it being understood that in this case they shall then have those that correspond to Commonwealth Government officials or employees who have resigned or been separated; and all employees thus appointed to positions in the Company who at the time of their appointment, held or would have held positions in the Commonwealth Government or who enjoyed any right or status under the rules and classifications in force pursuant to the Puerto Rico personnel laws, shall retain the same status, with respect to employment or reemployment in the Commonwealth Government service, that they enjoyed at the time they entered the service of the Company, or such better rights or higher status that the Central Personnel Administration Office may deem to be pertinent to the position and benefits attained in the Company. All officials and employees appointed to positions in the Company who, at the time of their appointment, enjoyed, or later acquired any rights or attained any status under the rules and classification of the Central Personnel Administration Office for appointment to any similar position in the Commonwealth Government, shall have, upon request, the rights, privileges, obligations and status, with respect to becoming beneficiaries of any existing pension, retirement or savings and loan fund system or systems, as if they had been appointed to a similar position in the Commonwealth Government. The Company shall be subject to the provisions of Act No. 96 of June 26, 1956, as amended.

(b) No person shall hold an executive office in the Company who has substantial direct or indirect financial interest in any privately owned business which is financed by, or which is in competition with a business engaged in or financed by the Company.

Section 11. — [Bylaws] (23 L.P.R.A. § 282)

The regulations of the Company shall provide for the internal affairs of the latter and the duties and responsibilities of its officials. The regulations shall be approved, and shall be subject to be amended by the Board. No regulations or amendments thereto shall be effective until they have been duly recorded in the official book of minutes of the Company, after having been approved through a resolution of the Board. No regulation shall be inconsistent with the provisions of this Act.

Section 12. — Moneys and Accounts of the Company. (23 L.P.R.A. § 283)

All the moneys of the Company shall be deposited in depositories qualified for funds of the Commonwealth Government, but they shall be kept in a separate account or accounts in the name of the Company. Disbursements shall be made by the latter pursuant to the regulations and budgets approved by the Company.

The Secretary of the Treasury, in consultation with the Company, shall establish the accounting system required for the adequate statistical controls and records of all expenses and income belonging to or managed and controlled by the Company. The Secretary shall also require that the accounts of the Company be kept in such a way that they may be segregated, insofar as may be advisable, in relation to the various types of activities of the Company. The Controller, or his/her representative, shall examine, from time to time, but not less than once a year, the accounts and books of the Company, including its loans, income, disbursements, contracts, leases, accrued funds, investments and any other matters related to its financial situation, and shall render a report thereof to the Governor, to the Board and to the Legislature of Puerto Rico.

Section 13. — Company Bonds. (23 L.P.R.A. § 284)

(a) By authority of the Government of Puerto Rico, which is hereby granted, the Puerto Rico Industrial Development Company may issue and sell its own bonds from time to time and have them outstanding.

(b) The bonds may be authorized by resolution or resolutions of the Board, approved by any two (2) of the following officials: The President of the Government Development Bank for Puerto Rico, the Secretary of the Treasury, the Secretary and the President of the Planning Board; and may be of such series; bear such date or dates; mature at such a time or times not exceeding fifty (50) years from their respective dates; bear interest at such rate or rates that do not exceed the maximum rate permitted by law; be of such denomination or denominations, and in the form of bonds, either with coupons or registered; bear such registration or conversion privileges, shall be granted in such a manner; be payable through such means of payment and at such a place or places; be subject to the terms of redemption, with or without premiums; be declared as due or become due on a date prior to maturity;

shall provide for the reimbursement of mutilated, destroyed, stolen or lost bonds; be authenticated upon compliance with such conditions; and contain such other terms and stipulations as provided by such resolution or resolutions. The bonds may be sold at public or private sale for a price or prices not less than ninety-five percent (95%) of their par value as determined by the Board. Refunding bonds may be exchanged for outstanding bonds of the Company under such terms that the Board may deem beneficial to the best interests of the Company. The form and text thereof notwithstanding, and in the absence of an express statement on the face thereof that the bonds are nonnegotiable, all bonds of the Company shall at all times be and be understood to be, negotiable instruments for all purposes.

(c) The bonds of the Company bearing the signatures of officers of the Company in office on the date of the signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefor any or all of the officers whose signatures or facsimile signatures appear thereon shall have ceased to be such officers of the Company. Any resolution authorizing the bonds may provide that any such bond may contain a recital that it is issued pursuant to this Act, and any bond containing such recital under authority of any such resolution shall be conclusively deemed to be valid and to have been issued in conformity with the provisions of this Act.

(d) Pending the execution and delivery of definitive bonds, temporary or interim bonds, receipts or certificates may be issued in such form and with such provisions, as may be provided in such resolution or resolutions.

(e) Any resolution or resolutions authorizing any bonds or the trust contract securing said bonds may contain provisions, which shall be part of the contract with the bondholders:

(1) As to the disposition of the entire gross or net revenues and present or future income of the Company, including the pledging of all or any part thereof to secure payment of the bonds.

(2) As to the rates or prices to be charged for goods or services sold or loans made by the Company, and the application, use, and disposition of the amounts that may be raised by the collection of such rates and from other receipts of the Company.

(3) As to the setting aside of reserves for amortization funds, and the regulation and disposition thereof.

(4) As to limitations on the right of the Company to restrict and regulate the use of any property or part thereof.

(5) As to limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied.

(6) As to limitations on the issuance of additional bonds.

(7) As to the procedure by which the terms of any resolution authorizing bonds, or any other contract with the bondholders, may be amended or abrogated, and the amount of the bonds the holders of which must consent thereto, and the manner in which such consent may be given.

(8) As to the amount and kind of insurance to be maintained on the undertakings of the Company, and the use and disposition of insurance moneys.

(9) Covenanting against pledging all or any part of the revenues, income or property of the Company to which its right then exists or the right to which may thereafter come into existence.

(10) As to events of default and terms and conditions upon which any or all of the bonds shall become or may be declared due before maturity and as to the terms and conditions upon which such declaration and its consequences may be waived.

(11) As to the rights, liabilities, powers, and duties arising upon the breach by the Company of any of its covenants, conditions, or obligations, and as to the appointment of a receiver in case of non-performance by the Company.

(12) As to vesting in a trustee or trustees the right to enforce any covenants made to secure, to pay, or in relation to the bonds; as to the powers and duties of such trustee or trustees, and the limitation of liabilities thereof; and as to the terms and conditions upon which the holders of the bonds or any proportion or percentage of them may enforce any covenants made under this Act or duties imposed hereby.

(13) As to the manner of collecting the rates, fees, rentals, interest or other charges for the services, facilities, loans or commodities of undertakings of the Company.

(14) As to any other acts and things not inconsistent with this Act that may be necessary or convenient for the security of the bonds, or as may tend to make the bonds more marketable.

(f) Neither the members of the Board, nor the Secretary or any person issuing the bonds shall be personally liable therefor.

(g) The Company is authorized to purchase any outstanding bonds issued or assumed by it with any funds available therefor, at a price not more than the principal amount or the current redemption price thereof and the accrued interest.

Section 14. — Commonwealth and its Political Subdivisions Not Liable on Bonds. (23 L.P.R.A. § 285)

The bonds and other obligations issued by the Company shall not be a debt of the Commonwealth of Puerto Rico or any of its municipalities or other political subdivisions, and neither the Commonwealth of Puerto Rico nor any such municipalities or other political subdivisions shall be liable thereon, nor shall such bonds or other obligations be payable out of any funds other than those of the Company.

Section 15. — Bonds Legal Investments for Fiduciaries and Security for Public Deposits. (23 L.P.R.A. § 286)

The bonds of the Company shall be lawful investment, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the Government of Puerto Rico or any officer or officers thereof.

Section 16. — Tax Exemptions. (23 L.P.R.A. § 287)

In order to facilitate the procurement of funds by the Company to enable it to carry out its corporate purposes, the bonds issued by the Company and the income therefrom shall be and remain at all times exempt from taxation.

Section 17. — Agreement of the Government. (23 L.P.R.A. § 288)

The Commonwealth Government does hereby pledge to, and agree with, any person, firm, or corporation, or any federal, Commonwealth, or state agency, subscribing to or acquiring bonds or other obligations of the Company, that it will not encumber, limit, or restrict the properties, income, revenues, rights, or powers hereby vested in the Company, until all such bonds or other obligations at any time issued, together with the interests thereon, are fully met and discharged.

Section 18. — Injunctions. (23 L.P.R.A. § 289)

An injunction shall not be granted to prevent the application of this Act or any part thereof.

Section 19. — Inconsistent provisions of other Acts superseded. (23 L.P.R.A. § 290)

Insofar as the provisions of this Act are inconsistent with the provisions of any other act of the Legislature of Puerto Rico, the provisions of this Act shall be controlling and no law heretofore or hereafter passed governing the administration of the Commonwealth Government or any parts, offices, bureaus, departments, commissions, dependencies, municipalities, branches, agents, officers or employees thereof shall be construed to apply to the Company unless so specifically provided.

Section 20. — Reports. (23 L.P.R.A. § 291)

The Company shall submit to the Legislature, to the Office of Management and Budget and to the Governor of Puerto Rico, as soon as practicable after the close of the fiscal year of the Commonwealth Government:

(1) A financial statement audited and prepared according to generally-accepted accounting principles, which shall include the income and the expenditures of the Company during the fiscal year accounted for, a statement of the condition of the Company at the close of said fiscal year, and a complete report of the business of the Company for the preceding fiscal year, and

(2) a complete report on the status and progress of all its enterprises and activities from the creation of the Company or from the date of its last such report. The Company shall also submit to the Legislature and to the Governor of Puerto Rico, on such other times as required to do so, official reports of its business and activities pursuant to this Act.

Section 21. — [Submission of Budget] (23 L.P.R.A. § 291a)

In order to allow the Company to perform its new functions and powers as directed by this Act, the existing balances of the budget for fiscal year 1997-98 are hereby transferred together with other available funds as of January 1, 1998.

For subsequent fiscal years, the Executive Director of the Company shall submit a budget petition to the Office of Management and Budget, annually. Once said petition has been filed

and evaluated it shall be submitted by the Governor to the Legislature within the General Expense Budget of the Government of Puerto Rico.

Furthermore, the Company shall submit to the Office of Management and Budget and to the Office of the Controller of Puerto Rico, any reports required by these with regard to the use of the funds appropriated by virtue of this Act or any other funds received through other legislative appropriations. The Company shall also submit official reports to the Legislature and to the Governor of Puerto Rico, on those other occasions that may be required, on all those activities defrayed with the funds authorized pursuant to this section.

The Company shall maintain separate accounts for all those obligations that shall be defrayed chargeable to the budget item assigned to it in compliance with the stipulations provided herein.

Section 22. — Appropriations. (23 L.P.R.A. § 271 note)

The sum of five hundred thousand (500,000) dollars is hereby appropriated from any funds in the Treasury of Puerto Rico not otherwise appropriated, to carry out the provisions of this Act, and the Treasurer of Puerto Rico is authorized and directed to pay said sum to the Company, or to the officer or agent thereof that at a meeting of the board it may designate for the purpose; and there is appropriated for the same purpose, from any funds in the Insular Treasury not otherwise appropriated, a sum of five hundred thousand (500,000) dollars for the fiscal year 1943-44 and five hundred thousand (500,000) dollars for the fiscal year 1944-45; there is further appropriated, for the same purpose, from any funds in the Insular Treasury not otherwise appropriated, the sum of seventeen million five hundred thousand (17,500,000) dollars, and the Treasurer of Puerto Rico is authorized and directed to pay and deliver said sum to the Company or to the official or agent thereof whom the board may designate for the purpose; Provided, That the Company may devote any sums out of the total of this appropriation to the development of the "Aid to Industrial Development" program thereof.

Section 23. — Transfer of Interest in Puerto Rico Cement Corporation. (23 L.P.R.A. § 271 note)

There is or shall be hereby transferred and delivered to the Company all of the rights and interests of The People of Puerto Rico in or to the Puerto Rico Cement Corporation including all the funds, rights, powers, stocks, bonds, memberships, certificates or other evidences of interest or interests thereon, of indebtedness therefor, of control or ownership thereof, subject to all obligations and encumbrances, legal or equitable, with which the same may be burdened.

Section 24. — Separability of Provisions. (23 L.P.R.A. § 271 note)

If any provisions of this Act or the application of such provisions to any person or circumstance shall be held invalid, the remainder of the Act and the application of such provisions to persons or circumstances other than those as to which it shall have been held invalid shall not be affected thereby.

Section 25. — Time of Taking Effect.

This Act shall take effect ninety days after its approval.

Note. This compilation was prepared by the Puerto Rico OMB staff who have striven to ensure it is complete and accurate. However, this is not an official compilation and may not be completely free of error. It contains all amendments incorporated for reading purposes only. For accuracy and exactitude please refer to the act original text. Compiled by the Office of Management and Budget Library.