

(S. B. 2034)
(Conference)

(No. 222-2011)

(Approved November 18, 2011)

AN ACT

To create the “Puerto Rico Political Campaign Financing Oversight Act,” in order to establish the legal and administrative framework that shall govern the legality, scrutiny, and evaluation of election-related contributions and expenditures; to create the Office of the Election Comptroller, define its functions, powers, and obligations, and establish its organization; to provide for the judicial review of decisions made under the provisions of this Act; to establish a transitional process; to establish penalties; and for other purposes.

STATEMENT OF MOTIVES

The guiding principle of representative democracy is that the election of government officials by the majority of those governed is made under a voting system based on guidelines and procedures that encourage such voters to exercise their right to vote directly, secretly, equally and free from coercion. The purpose sought is for every vote to be cast according to each voter’s conscience and for the result to reflect the real wishes of voters, as expressed in the votes cast. The goal of all democracies for all voters should be to feel confident that uniform rules shall be enforced equally over all participants at each event. Furthermore, it is necessary for an entity to exist which ensures observance of these rules and disallows any acts that may cast doubt on the purity of the process that shall yield the result that truly reflects the will of the majority of the People.

Throughout the 20th century, Puerto Rico continued its evolution toward a representative democracy by virtue of laws that improved the voting process, to wit: the Act of 1912, to establish the representation of minorities in the House of Delegates; the Act of 1928, to create the independent candidacy in 1929; the Act that granted the right to vote to all literate men and women; and in 1936, when universal suffrage is finally granted. An Act of Congress, called the Crawford-Butler Act of 1947, conferred onto Puerto Ricans the right to vote for their Governor. In 1952, the Constitution of Puerto Rico basically maintained the same voting system that governed at the time under the direction of the Commonwealth Election Board, which was in effect until 1974. In 1970, the Constitution was amended to lower the legal voting age to eighteen (18) years.

Election-related contributions and expenditures are an essential component of the complex electoral system. These concepts operate in a constitutionally sensitive zone of fundamental principles and rights of expression and association. These rights concur with the compelling interest of the government to protect the integrity of the voting process. Throughout time, this balance has been the subject of legislative evaluation that has resulted in measures designed to maintain the integrity of a voting process that is responsive to the institutional needs of the People in a manner consistent with the constitutional mandates that guide and underlie this process.

Thus, Act No. 110 of June 30, 1957, established and regulated the Election Fund for political parties and the contributions made thereto. However, this Act was repealed upon approval of Act No. 1 of February 13, 1974. At present, Act No. 4 of December 20, 1977, as amended, known as the “Puerto Rico Electoral Law,” preserves the Election Fund by maintaining the limits and restrictions set over contributions and by keeping accounting and financial report requirements to

ensure that parties and candidates are compliant with the limits originally imposed under Act No. 110, *supra*. The Electoral Law of 1977 underwent several amendments, among which the following are most notable:

1) Act No. 35 of October 3, 1983, which amended various components of said statute in terms of campaign financing, but retained the essence thereof as to all prohibitions, limits, and reports previously imposed by law;

2) Act No. 113-2000 established a public financing system for the campaigns of political parties and candidates for governor, which was applicable to media-related expenditures. Additionally, it defined the illegality of certain election-related contributions, directed the reorganization of the Office of the Auditor and the Information System and Electronic Processing Office of the Commonwealth Election Commission so both would respond to the principle of political balance, and provided for an electronic system to report the income and expenditures of political parties, candidates, aspirants, and officials; and

3) Act No. 115-2003 created the Office of the Electoral Auditor, subordinated to the ranking structure of the Commonwealth Election Commission. It also eliminated the criterion of political balance requirements; provided that audited candidates were secured the necessary guarantees under due process of law; extended the prescriptive terms of election crimes; established more stringent requirements for political action committees and independent groups; empowered the Chair of the Commonwealth Election Commission to impose administrative fines; established a shared responsibility system for campaign financing; created a Voluntary Election Campaign Financing Fund; and modified prohibitions and sanctions.

Notwithstanding the foregoing, the many irregularities of the 2004 General Election campaign financing led to serious accusations against private persons and public officials before the United States District Court for the District of Puerto

Rico. The prosecution of these persons made it clear that it is necessary to adopt and implement reforms to protect the voting system from further abuse of this kind. Most of the accused, as well as other persons, admitted or pled guilty to having participated in schemes to unlawfully make or receive campaign contributions. Likewise, the cycle corresponding to the 2008 General Election clearly showed the illegality of campaigns being financed with insufficient funds to support them, publicity spots placed and paid for by agencies for parties and candidates that did not have the resources to pay for them, and a system that was unable to oversee and prevent infringements of the law.

Therefore, experience calls for and warrants changes in legislation so that the abuse and legal violations of the past do not repeat themselves. It is necessary to take action in order to safeguard the value of each vote cast. Consequently, this legislation incorporates measures that have assisted in guaranteeing adequate oversight to ensure the proper use of public funds. For this reason, the Office of the Election Comptroller is hereby created, among other measures, with the organizational, operating, and legal autonomy necessary to supervise and oversee campaign contributions and expenditures according to the legal provisions in effect, and taking into account the most recent rulings of the Supreme Courts of both the United States and Puerto Rico on the matter of freedom of expression and association concerning the election process. This legislation also updates the maximum limits on individual and political action committee contributions; restricts the use of the Election Fund for institutional administrative expenses; and incorporates the use of modern public communications technology so that the People of Puerto Rico are well informed about who is making contributions to or spending in election-related causes.

This Act dramatically reduces the investment of public funds in political campaigns. Under this new system, the People of Puerto Rico shall save millions of dollars, which translates into savings of over 50%, as compared with the moneys spent under the former legal provisions.

Furthermore, a uniform and efficient procedure is hereby established for the judicial review of election-related issues. For such purposes, a training process is hereby implemented for those judges who shall be appointed to the Court of First Instance and the Court of Appeals to hear election-related cases. We thus ensure that the judges who hear these cases shall have the necessary training to accomplish the purposes of this Act. It is the duty of the Supreme Court of Puerto Rico to ensure that the judicial system is properly and readily trained to address election-related issues brought for review, vis-à-vis the current legal scenario.

Citizens are particularly interested in knowing who makes contributions to political campaigns, and the State has a compelling interest in ensuring that freedom of expression shall be properly recognized, respected, channeled, and protected. Thus, this shall enable us to better identify and prevent corrupt and unlawful actions, which at times have beleaguered our election system, and to make informed decisions for the benefit of present and future generations. This legislation shall impart the transparency on the voting system of Puerto Rico that it demands. It is necessary for the voting system of Puerto Rico to be equipped with the appropriate guidelines and requirements to ensure that the People know who provides funding for campaign activities and advertisements that deliver statements intended to sway their opinion.

Corporations or other juridical entities, as covered under this Act, shall be subject to oversight and auditing by the State for the People's protection. Furthermore, certain criteria and requirements shall be established to ensure that the members of those entities are duly informed of any political statements that

could be issued by such entities on their behalf and at their expense. By setting forth clear and effective guidelines on this matter, the members of juridical entities are provided with the necessary information for them to give their informed consent. The State, by means of this Act, seeks to implement openness and clarity as the public policy that shall govern election processes.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.000.- The Puerto Rico Political Campaign Financing Oversight Act is hereby adopted.

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CHAPTER II

PRELIMINARY PROVISIONS

Section 2.000.- Short Title.-

This Act shall be known and may be cited as the “Puerto Rico Political Campaign Financing Oversight Act.”

Section 2.001.- Public Policy Statement.-

The public policy hereby adopted by the Government of Puerto Rico is to guarantee citizens an election process based on procedures that allow the flow of information to voters and their voting rights in every election process in a manner that is equal, direct, secret, informed, and free from coercion. The foregoing seeks to allow each vote to be cast according to the voter’s conscience thus guaranteeing that uniform rules will be enforced equally on all participants of an election event. Furthermore, the necessary entities and instruments are hereby created to ensure compliance with this public policy and to provide the process with the necessary transparency to preserve its integrity.

In order to achieve these goals, it is necessary to regulate the use of the various public communications media by the citizens, groups, and/or political parties so as to safeguard the voters’ right to freedom of information as transparently and equitably as possible. Likewise, it is the public policy of the Government of Puerto Rico to ensure that members of any juridical person who

wish to participate in the election processes give their informed consent that is representative of all its members when making political contributions or statements on behalf of the entity to which they belong.

The Commonwealth Election Commission exists in the code of laws in effect, and shall continue to enforce the Puerto Rico Election Code for the 21st Century by ensuring the proper administration of the process during each election event. This Act reforms the political campaign oversight process by tempering our legislation with the most recent applicable case law. The jurisdiction over matters related to political campaign financing oversight shall be transferred to the Office of the Election Comptroller created herein. Furthermore, said Office is hereby vested with the necessary and convenient powers to carry out an effective oversight and thus see to the faithful compliance of the provisions of this Act.

Section 2.002.- Scope.-

The provisions of this Act shall apply to any natural or juridical person that raises, expends, contributes, or in any way receives funds or contributions or participates in financing political campaigns related to elective offices, except in the case of campaigns for the office of Resident Commissioner for Puerto Rico in Washington, status formulas or alternatives for voters to evaluate and choose in a referendum, plebiscite, or consultation established through legislation to such effect. Government organization, financing, operation, and oversight of campaigns for the office of Resident Commissioner shall be governed by the requirements applicable to Federal offices provided in Federal legislation, and shall be subject to the jurisdiction of the Federal Election Commission.

Section 2.003.- Rule of Interpretation.-

The provisions of this Act shall be construed so as to guarantee that the financing campaign of aspirants or candidates or for ballot options are carried out transparently and publicly, in compliance with the applicable law and the regulations.

Section 2.004.- Definitions.-

For the purposes of this Act, the following terms shall have the meaning stated hereinbelow, unless the context clearly indicates otherwise:

1) “Advertising Agency”: any organization engaged in contracting with media outlets design, placement, and selection services, as well as public opinion research, surveys, and any other activity required by a political party, aspirant, candidate, committee or ballot option to support the election thereof in any voting process, or to actively advocate for abstention —or which cannot be reasonably construed other than for such purpose, end, or objective— at any referendum or voter consultation.

2) “Citizen Group”: a group of people organized with the intent to participate in an election process. It shall also be known as a committee. It may be constituted and operated as a campaign committee, authorized committee, or political action committee. However, even if it is not constituted as a committee, it shall comply with the registration and reporting requirements, as well as the limitations provided in this Act and/or the regulations applicable to committees, as the case may be.

3) “Advertisement”: the use of time or space in the media to actively advocate for abstention or to further, promote, aid, support, or oppose the election or defeat of a political party, political ideology, aspirant, candidate or ballot option in an election, in any referendum or voter consultation, or that cannot be reasonably construed to be other than for such purpose, end, or objective.

- 4) “Election Year”: a year in which a general election is held.
- 5) “Aspirant”: a person whose name, nickname, picture, elective office, drawing, caricature, voice or likeness is included in a public communication so that his/her identity can be determined, or any person who receives contributions or manages campaign expenditures to portray him/herself for election-related purposes.
- 6) “Legislative Assembly”: The Senate of Puerto Rico and the House of Representatives of Puerto Rico.
- 7) “Candidate”: any person certified by the Commonwealth Election Commission as a candidate for the general election.
- 8) “Independent Campaign”: a campaign that is not coordinated along with a political party, aspirant, or candidate, or with the campaign committee of a political party, aspirant, or candidate, or with any representative, agent, or authorized committee thereof.
- 9) “House of Representatives”: the House of Representatives of Puerto Rico.
- 10) “Commission or Commonwealth Election Commission”: the Commonwealth Election Commission, as provided in the “Puerto Rico Election Code for the 21st Century.”
- 11) “Election Commissioner”: any person designated by the central governing body of a major political party, a party, or petition party, as its representative before the Commonwealth Election Commission pursuant to the “Puerto Rico Election Code for the 21st Century.”
- 12) “Committee”: this term shall include all committees and groups regulated under this Act, except when, from context, it is construed that a specific one is excluded.

13) “Authorized Committee”: a committee authorized by a political party, aspirant, or candidate to receive contributions or incur expenditures on behalf of and/or in representation of such political party, aspirant, or candidate. The contributions received shall be deemed to be made for the corresponding political party, aspirant, or candidate and the activities planned, organized, or carried out, as well as the incurred expenditures, shall be deemed to be coordinated with them.

14) “Political Action Committee”:

a. A committee:

(1) organized with the main purpose of promoting, furthering, advocating for, or opposing a political party or any issue presented in a plebiscite, consultation, or referendum, or the election or defeat of an aspirant in primaries, or of a candidate in general or special elections; and

(2) that receives contributions or incurs expenditures for election-related purposes in excess of one thousand dollars (\$1,000) during a calendar year; or

b. a group of two (2) or more persons:

(1) constituted for the main purpose of advocating, supporting, promoting, or furthering, aiding, or opposing the organization of a political party or the potential aspiration or candidacy of a clearly identified person; and

(2) that receives contributions or incurs expenditures for election-related purposes in excess of one thousand dollars (\$1,000) during a calendar year.

15) “Campaign Committee”: a citizen group engaged in directing, promoting, fostering, aiding, and/or providing advise on the campaign of any political party, aspirant, or candidate with the consent of said political party, aspirant, or candidate. It may receive contributions and incur expenditures. The

contributions received shall be deemed to be made on behalf of the aspirant, candidate, or political party and the activities planned, organized, or carried out, as well as the expenditures incurred, shall be deemed to be coordinated with them.

16) “Political Party Committee”: includes, according to its context, the precinct, municipal, and central committees of the political parties.

17) “Segregated Fund or Committee”: political action committee that shall register in the Office of the Election Comptroller, render reports, and comply with any and all requirements of this Act. If it makes contributions to aspirants, candidates, other committees, agents, or authorized representatives thereof, the contribution limits shall apply as provided in this Act. However, if the political action committee does not make contributions to or coordinates with any of the aforementioned entities, this Act does not impose limits on contributions or expenditures for election-related purposes made by such committee. However, the provisions that authorize the establishment of a segregated fund or committee under Section 6.010 of this Act shall apply. Furthermore, said fund or committee shall comply with the provisions of this Act related to registration and reports.

18) “Communication”: statement addressed to the public on or through television, the radio, satellite, cable, the Internet, a telephone bank, a newspaper, a magazine, a book, handouts, posters, banners, telephones or any other mass medium.

19) “Coordinated Communication”: a communication:

(a) paid or funded by a person other than the political party, aspirant, or candidate, or by the campaign committee, agent, representative, or authorized committee of any of the above;

(b) with election-related purposes; and

(c) that is created, produced, or distributed:

(1) with the consent, or upon request or suggestion of, or in concert with a political party, aspirant, or candidate, campaign committee, or any agent, representative or authorized committee thereof; or

(2) after agreeing on the contents, place, or frequency of the communication between:

(i) the person or entity that funded or paid for the communication or the agents, representatives, or employees thereof; and

(ii) a political party, aspirant, or candidate, or the campaign committee, agent, representative or authorized committee thereof; or

(3) by the person who paid for or funded the communication if he/she employs or uses a provider to create, produce, or distribute the communication and that such provider:

(i) renders its services at the same time; or

(ii) has rendered services to the political party, aspirant, or candidate or to the campaign committee, authorized committee, agent, or representative thereof during ninety (90) days prior to the creation, production, or distribution of the communication, so that

(a) it enables the provider to acquire information about the plans, projects, strategy, activities, or needs of the party, aspirant, candidate, or the campaign committee, authorized committee, agent, or representative thereof; and

(b) it may be reasonably inferred that the provider is using or may use such information for the creation, production or distribution of the communication.

Coordinated communication shall be deemed to be a contribution to the political party, aspirant, or candidate with whom it is coordinated.

20) “Electioneering or Election-related Communication”: any communication that:

(a) refers to a political party or ideology, aspirant, or candidate; and

(b) expressly advocates for the election or defeat of such political party or ideology, aspirant, or candidate, which occurs when it contains words such as: vote for, vote against, support, reject, refuse, work for the election of, work for the defeat of, choose, defeat, help us to elect, help us to defeat or remove, among others; or

(c) cannot be reasonably construed in any way other than advocating for the election or defeat of said political party or ideology, aspirant, or candidate; or that entirely reproduces campaign material of such political party or ideology, aspirant, or candidate. For these purposes, the term “political party” includes a political party in the process of being organized. Likewise, the terms “aspirant” and “candidate” shall include clearly identified persons who have expressed their intention to become aspirants or candidates, as well as those clearly identified as aspirants and candidates.

21) “Communications Aimed at Voters”: communications that may be received: in the senate district or representative district that the aspirant or candidate seeks to represent when such communications make reference to a clearly identified candidate or aspirant for senator or representative;

(a) in any municipality of Puerto Rico when referring to a clearly identified candidate or aspirant for Senator-at-large or Representative-at-large;

(b) in a municipality when the communication refers to a clearly identified candidate or aspirant for Mayor; or

(c) in any municipality of Puerto Rico when referring to a clearly identified candidate or aspirant for Governor;

(d) in any municipality of Puerto Rico when made to support the election or defeat of a specific option in any referendum or voter consultation.

22) “Election Comptroller”: the Executive Officer and the Appointing Authority of the Office of the Election Comptroller of Puerto Rico.

23) “Contribution”:

(a) donation of money or anything of value, including, but not limited to, the payment or refund of administrative expenses, wages, bonuses, gifts, utilities, equipment, supplies, and services, as well as pledges, advances, or guarantees to a political party, aspirant, candidate, or the campaign committee, or authorized agent, representative, or committee thereof;

(b) every donation in cash or in kind, or anything of value, made in or for any fundraising event held to benefit a political party, aspirant, candidate, or committee for election-related purposes, including banquets, raffles, birthday parties, marathons, and others;

(c) donations to support or oppose the creation of a political party or ideology, and to support or oppose clearly identified persons who have announced their intent to become aspirants or candidates.

The following shall not be deemed to be a “contribution”:

(a) the mere presence or the statements of an aspirant or candidate supporting or opposing a party, aspirant, candidate, movement, ideology, or ballot alternative in any event;

(b) personal or professional services rendered by volunteers;

(c) payment by a natural person of his/her own travel expenses, if the payment is made voluntarily and there is no agreement or understanding about the reimbursement of such expenses to said person;

(d) a loan, credit line, or revolving credit set during the regular course of business of a financial institution authorized to do business in Puerto Rico, at interest rates and under terms and conditions generally available to any member of the public, regardless of his/her position as public official, candidate, aspirant, or political party; provided, that it is not used with the intent to conceal a contribution or evade the limitations imposed by this Act.

(e) voter registration activities;

(f) payment made by any municipal or central committee of a political party for the expenditures incurred in the preparation, exhibition, and distribution of a sample ballot, printed slate, or other list of three (3) candidates or more running for an elective office in Puerto Rico; however, this clause shall not apply to the costs incurred by said committee in distributing said sample ballot, slate, or other list in television, the radio, electronic media, newspapers, magazines or other similar medium for political advertisements targeted to the general public.

(g) payment made by a municipal or central committee of a political party for the costs of campaign supplies (such as pins, stickers, handouts or flyers, newsletters, and signs) used by the volunteers of such committees to support the candidates of such parties, provided that:

(i) such payments are not used to defray the cost of materials to be used in television, the radio, newspapers, magazines, or other similar medium for political advertisements targeted to the general public;

(ii) such payments are defrayed with contributions, subject to the limits and prohibitions set forth in this Act; and

(iii) such payments are not defrayed with contributions made to an aspirant or candidate; and

(i) payment of an uncoordinated communication or a communication that is not intended for election-related purposes.

24) “Excess Contribution”: any contribution made by any natural or juridical person in violation of the limits and prohibitions set forth in this Act.

25) “Last-minute Contribution”: any contribution:

(a) with an aggregated value of one thousand dollars (\$1,000) or more, and is made or received by a party, candidate, authorized committee, campaign committee, or Political Action Committee, for the purpose of advocating the election or defeat of a candidate or an option in a referendum or consultation; and

(b) made before the election, referendum, or consultation, but after the deadline of the last campaign report required before the election.

26) “Election or Elections”: general election, primary, referendum, plebiscite, or voter consultation, and special election.

27) “Special Election”: process whereby voters choose one or more officials to fill a vacancy in an elective public office in the Government of Puerto Rico.

28) “General Election”: process whereby, every four years, on the first Tuesday after the first Monday of November, voters choose the officials who will hold elective public offices in the Government of Puerto Rico, including the office of Governor, Resident Commissioner, state legislators, mayors, and municipal legislators.

29) “Government Entities Concerned”: agencies, instrumentalities, public corporations, and municipalities of Puerto Rico.

30) “Record”: all documents or materials related to a specific issue that is or has been under the consideration of the Office of the Election Comptroller.

31) “Immediate Family”: includes, but is not limited to: mother, father, brother or sister (full-blood and half-blood sibling), spouse, son or daughter (biological or adoptive), father-in-law or mother-in-law, grandparents, uncle or

aunt (by consanguinity or affinity), cousins up to the fifth degree of consanguinity or affinity, and any persons who live under the same roof.

32) “Election-related Purposes”: the purpose, end, or objective of promoting, fostering, helping, supporting, advocating, or opposing the election or defeat of a political party or ideology, aspirant or candidate, or an alternative or option in any referendum or voter consultation; or that cannot be reasonably construed in any way other than having such purpose, end, or objective. The term “political party” shall include a political movement in the process of being organized. The terms “aspirant” and “candidate” shall include a clearly identified person in the first instance, and, in the second instance, such person once he/she is certified as a candidate by the Commonwealth Election Commission.

33) “Expenditures”: any payment of money, contribution, or anything of value, including, but not limited to pledges, advances, and guarantees.

34) “Campaign Expenditures”: expenses incurred on account of actions or efforts made for election-related purposes.

35) “Coordinated Expenditures”:

(a) are made in concert with, at the request or suggestion of, or with the consent of a political party, aspirant or candidate, the campaign committee, or the authorized agent, representative, or committee of any of the above; or

(b) a planned or carried out activity of any type, including, but not limited to the acquisition or leasing of any thing, or the purchase of air time or space in broadcasting media, after discussing with the political party, aspirant, or candidate, or with the campaign committee, or the authorized agent, representative, or committee thereof, the needs, objectives, plans, or strategy of the campaign of such political party, aspirant, or candidate, or the campaign committee, authorized committee, agent, or representative thereof.

36) “Excess Expenditures”: any propaganda expense made by any natural or juridical person in violation of the limits and prohibitions set forth in this Act.

37) “Independent Expenditures or Uncoordinated Expenditures”:

(a) expenditure made in such a manner that it may not be reasonably construed in any way other than for election-related purposes; and

(b) expenditure which is not or was not made in concert with, or at the request or suggestion of, a political party, aspirant, candidate, or campaign committee, authorized agent, representative, or committee thereof.

The mere presence of, and statements made by, an aspirant or candidate to support or oppose a party, aspirant, candidate, movement, ideology, or ballot option during an activity shall not be deemed to be a coordinated activity. Also, inquiring or verifying the availability of the aspirant or candidate to attend an activity or, in the case of elected officials, asking questions and receiving answers about the schedule or work of the official, shall not be deemed to be a coordinated activity.

38) “Government of Puerto Rico”: all the agencies that constitute the Legislative, Executive, and Judicial Branches of the Government of Puerto Rico.

39) “Uniform Administrative Procedures Act”: shall mean Act No. 170 of August 12, 1988, as amended, known as the “Uniform Administrative Procedures Act of the Government of Puerto Rico.”

40) “Media Outlet”: organizations, advertising agencies, radio, motion pictures, cable television, satellite systems, newspapers, magazines, signs, the Internet and electronic media, and other similar businesses or ventures.

41) “Mass Media”: books, radio, film, television, cable or satellite television, Internet, newspapers, magazines and publications, handouts, postcards, labels, satellite systems, telephone, telephone banks, signs, posters, banners,

plaques, bills, loudspeakers, objects, symbols, logos, and pictures, whether they are in tapes, disks, compact disks, electronic media or other similar format.

42) “Membership” or “Members”: the persons entitled to vote in a juridical person such as shareholders, partners, members subject to membership fees and who are entitled to vote in the entity in question.

43) “Municipality”: geographic delimitation, including all wards thereof, that has a specific name and is ruled by a local government constituted by Legislative and Executive Powers.

44) “Central Governing Body”: ruling entity or body at the Commonwealth level designated as such by each political party in its bylaws.

45) “Local or Municipal Governing Body”: The highest ranking Ruling Entity within the municipal political structure of any political party, of each political party constituted in the municipalities, representative districts, senate districts or election precincts.

46) “Related Organization”: any organization that, even though it is not a committee for election-related purposes, directly or indirectly establishes, or financially administers or supports, a committee for election-related purposes. The term includes, but is not limited to any corporation, cooperative, committee for election-related purposes, limited liability company, insurance company, venture or business, trust, financial institution, labor union, partnership of any type, or labor organization.

47) “Labor Organization”:

(a) any association, union, labor union, or organization of any type, or agency, committee, or employee representation plan in which employees are participants and the goals of which is to negotiate the negotiation, in representation of employees regarding claims, labor disputes, wages, wage schedules, working hours, or employment conditions;

(b) any collective bargaining organization;

(c) any local, state, or international organization to which a labor organization pays fees on account of association, affiliation, or membership; and

(d) any labor or professional association solely financed through membership fees, whether organized inside or outside of the jurisdiction of Puerto Rico.

48) “Party”: a political party that participated in the previous general election and obtained the necessary number of votes to fulfill the requirements of the “Puerto Rico Election Code for the 21st Century” to keep its party registration; however, its candidate for Governor failed to reach twenty-five percent (25%) of the total number of valid votes cast for all candidates for such office.

49) “Political Party”: national party, state party, major party, majority major party, minority major party, petition party, local party, or local petition party.

50) “Local Party”: political party that participated in the previous general election with the purpose of nominating or electing candidates to hold offices in a specific municipality, senate district, or representative district, and that obtained the necessary number of votes to fulfill the requirements of the “Puerto Rico Election Code for the 21st Century” to keep its party registration in the delimitation for which it had candidates.

51) “Local Petition Party”: political party that was registered as such in the Commonwealth Election Commission of Puerto Rico in order to participate in a general election for a specific municipality, representative district, or senate district.

52) “Petition Party”: any citizen group that is registered as a political party in the Commonwealth Election Commission of Puerto Rico pursuant to the “Puerto Rico Election Code for the 21st Century” in order to be included in the ballots of

every election precinct in Puerto Rico for a general election and with the intent to nominate at least one candidate for the office of Governor.

53) “Major Party”: political party that participated in the previous general election and polled at least twenty-five percent (25%) of the number of votes cast by all the voters who participated in such general election.

54) “Majority Major Party”: party whose candidate for Governor was elected in the previous general election.

55) “Person”: individual with rights and obligations, whether natural or juridical.

56) “Juridical Person”: includes corporations, limited liability companies, partnerships, cooperatives, trusts, groups of persons organized as an association, and labor organizations. For the purpose of the requirements imposed by Sections 6.007 through 6.010 of this Act, an entity that, regardless of its name, constitutes a political action committee or a national or local party according to its nature and origins and as defined by this Act, shall not be deemed to be a juridical person. However, a juridical person not created for election-related purposes that wishes to allot segregated funds or make Independent Expenditures shall comply with all the requirements, limitations, and reports required from political action committees, as well as with the requirements imposed by Chapter VI of this Act.

57) “Clearly Identified Person”: shall mean a natural person whose name, nickname, picture, elective office, drawing, caricature, voice, or likeness is included in a communication so that his/her identity can be reasonably determined.

58) “Plebiscite”: method employed to consult the voters of Puerto Rico whereby they choose between various options on a same issue of political order, including, but not limited to the political relation between Puerto Rico and the United States of America.

59) “Election Precinct”: a geographic delimitation in Puerto Rico for election-related purposes, which shall be composed of one municipality or more, or part.

60) “Primary”: the process whereby candidates running for elective public offices are chosen through the direct vote of the People that is subject to the “Puerto Rico Election Code for the 21st Century” and the Rules adopted by the Commonwealth Election Commission and the central body of each political party.

61) “Election Process”: any election-related activity carried out by the Commonwealth Election Commission.

62) “Elective Office”: any vacant office in the municipal or Commonwealth government, which shall be filled by means of an election.

63) “Claim”: a complaint made under oath whereby violations of the law or regulations are alleged before a forum with jurisdiction.

64) “Respondent”: person against whom a claim is filed.

65) “Claimant”: person who files a claim.

66) “Senate”: the Senate of Puerto Rico.

67) “Provider”: any advertising agency, creative, artist, media producer, as well as a manufacturer, distributor, and/or vendor of supplies for propaganda or any person who assists in the promotion of electioneering communications or used in the chain of communication.

68) “Court of Appeals”: the Court of Appeals of Puerto Rico.

69) “Court of First Instance”: the Court of First Instance of Puerto Rico.

70) “Supreme Court”: the Supreme Court of Puerto Rico.

71) “Public Hearing”: activity in which the participation of any interested person who wishes to provide his/her statements on the matter under consideration is allowed.

72) “Volunteer”: any person who provides a service voluntarily and without compensation.

Section 2.005.- Terms Used.-

Any and all words used in the singular form in this Act shall be deemed to include the plural form as well when its use so justifies. Likewise, the masculine gender shall include the feminine, and vice versa.

CHAPTER III

OFFICE OF THE ELECTION COMPTROLLER

Section 3.000.- Creation of the Office of the Election Comptroller.-

The Office of the Election Comptroller is hereby created, to be composed of one (1) Election Comptroller and two (2) Assistant Election Comptrollers.

Section 3.001.-Appointment.-

The Office of the Election Comptroller shall be directed and supervised by an Election Comptroller who shall be appointed for a term of ten (10) years by the unanimous agreement of the Election Commissioners. In the event that the Election Commissioners fail to reach an agreement within a term of thirty (30) days, to be counted as of the date on which a vacancy arises, except that the Legislative Assembly authorizes an additional period of thirty (30) days, the Governor shall appoint an Election Comptroller, with the advice and consent of the Senate and the House of Representatives, by a two-thirds (2/3) vote of their members. The Election Comptroller shall take office until his/her successor is confirmed by the Senate and the House of Representatives. In the performance of his/her duties, the Election Comptroller shall have full operational autonomy. The Election Comptroller shall receive the same compensation as that fixed for the Chair of the Commonwealth Election Commission. The Election Comptroller shall appoint two (2) Assistant Election Comptrollers, who shall serve as trust employees and carry out functions as assigned by the Election Comptroller

pursuant to this Act and any others deemed pertinent. The Election Comptroller and the Assistant Election Comptrollers shall reside in Puerto Rico at the time of their appointment. The office of Election Comptroller may only be held by a person of legal age, who has resided in Puerto Rico during the five (5) years that precede the date of his/her appointment, who must be a duly qualified voter of recognized professional capacity, moral probity, and expertise in public administration and government affairs, and with knowledge and interest in election-related matters. The Election Comptroller must not have held the office of Secretary or Election Commissioner of a political party, or have been a candidate or held an elective office. At least one (1) of the Assistant Election Comptrollers must be a Certified Public Accountant and the other one must be an Attorney-at-Law authorized by the Supreme Court to practice such profession in Puerto Rico. In the event of the absence or temporary disability, death, resignation, or removal of the Election Comptroller, the Assistant Election Comptroller authorized to practice Law in Puerto Rico shall carry out the functions and duties of the Election Comptroller, as Acting Election Comptroller, until the Election Comptroller resumes office or his/her substitute is appointed and takes office. In the event that the temporary absence or vacancy occurs simultaneously in both positions, the Governor shall appoint an Acting Election Comptroller, without the advice and consent of the legislative houses, until a substitute is officially appointed and confirmed.

The compensation of the Assistant Election Comptrollers shall be fixed by the Election Comptroller in the Compensation Plan for trust employees adopted by the Office of the Election Comptroller.

Section 3.002.- Dismissal and Vacancy of the Election Comptroller and Assistant Comptroller Offices.-

The Election Comptroller and Assistant Election Comptrollers may be dismissed on the following grounds:

- a. exhibiting bias against a political party, candidate, or citizen group;
- b. being convicted of a felony or misdemeanor in connection with the election process;
- c. being convicted of a felony or misdemeanor involving moral turpitude;
- d. incurring gross negligence carrying out their duties;
- e. suffering any temporary, permanent, partial, or full physical or mental disability that impairs them to carry out the duties and powers of their office.

Any complaints in connection with the aforementioned destitution grounds shall be filed with the Office of the Secretary of the Election Comptroller. Such complaints shall be referred by the Office of the Secretary of the Election Comptroller to be addressed pursuant to the due process of law by a panel composed of three (3) judges of the Court of First Instance appointed by resolution of the Supreme Court of Puerto Rico.

Section 3.003.- Powers, Duties, and Functions of the Election Comptroller.-

The Election Comptroller shall have the following powers, duties, and functions:

- a. To carry out the functions, duties, and responsibilities imposed by this Act and by any other law, insofar as these are not incompatible with the provisions of this Act;
- b. To sue and file any judicial writs or recourses deemed appropriate and to assume representation of the Office of the Election Comptroller in the event that it is sued or included in any judicial writ or action.

c. To adopt the official seal of the Office of the Election Comptroller, judicial notice of which shall be taken to authenticate all documents that are required or authorized to be issued under this Act;

d. To act as the administrator and chief executive officer of the Office of the Election Comptroller; establish the internal organization thereof; appoint assistant officials; and plan, direct, and supervise the operations of the Office so as to meet the purposes of this Act;

e. To issue administrative orders and opinions to comply with this or any other authority granted under this Act or the regulations adopted thereunder. The Election Comptroller may issue opinions or circular letters at the request of any party or *motu proprio* when he/she deems it necessary;

f. To issue and notify any determination and communication required and authorized under this Act; appoint the officials and employees of the Office of the Election Comptroller, which shall have the technical expertise and experience required to achieve the purposes of this Act, as well as to appoint any necessary personnel to carry out the functions thereof, as provided in this Act. The Office of the Election Comptroller shall be an Individual Administrator, and its personnel shall be excluded from the provisions of Act No. 184 of 2004, as amended, known as the “Public Service Human Resources Administration Act of the Commonwealth of Puerto Rico,” and of Act No. 45 of 1998, as amended, better known as the “Puerto Rico Public Service Labor Relations Act”;

g. To establish and maintain an organizational, physical, and technological structure as provided in this Act and, as necessary for the proper operation of the Office of the Election Comptroller, which include sharing administrative resources or components with the Commonwealth Election Commission;

h. To fix and authorize the payment of per diems and reimburse the expenses incurred by the officials, employees, and agents thereof, according to the appropriate financial resources;

i. To establish an election auditing system that shall be applied fairly and uniformly to natural and juridical persons, the media, advertising agencies, aspirants, candidates, political parties, groups, and committees, subject to the provisions of this Act;

j. To draft the Regulations on General Auditing Guidelines adapted to the election processes, and any other regulations necessary to enforce the provisions of this Act; these regulations shall be filed with the Department of State of the Government of Puerto Rico. Such regulations shall be adopted pursuant to the procedure established in this Act after holding a public hearing, for which a notice shall be published in at least two (2) newspapers of general circulation at least fifteen (15) days before the holding of such hearing. The regulation process shall be carried out as provided in this Act, and the provisions of the Uniform Administrative Procedures Act, Act No. 170 of 1988, as amended, shall not apply.

k. To draft and adopt specific auditing guidelines following generally accepted auditing guidelines, but specifically adapted to election procedures, which shall apply in an uniform manner;

l. To draft a duly grounded written opinion for every audit in which apparent violations of the election law are found.

m. To carry out audits in connection with contributions and expenditures, and address and investigate complaints duly sworn before a notary public related to violations of this Act. Every complaint shall be managed as provided in the regulations and the management thereof, including disclosure, shall be governed by the auditing guidelines;

n. To adopt a job classification and compensation plan;

o. To require services from personnel of other government agencies that may be transferred to work in the Office of the Election Comptroller;

p. To use, by means of an agreement, and without it being understood as a limitation, any administrative resources, services, and facilities available in other public agencies and instrumentalities, such as information technologies, offices, accounting services, finance services, human resources, legal affairs, equipment, supplies, and others;

q. To obtain services under contract from technical, professional, specialized, or other personnel as necessary or appropriate in order for the Office of the Election Comptroller to comply with the provisions of this Act;

r. To represent the Office of the Election Comptroller in any events or activities that so require or that, in his/her judgment, so warrant.

s. To acquire, lease, sell, or otherwise dispose of any property, as necessary or appropriate, to meet the purposes of this Act;

t. To enter into and execute contracts or authorize any other necessary instrument to exercise the powers granted under this Act;

u. To negotiate and execute any necessary and convenient arrangements or agreements, in order to comply with the objectives of the Office of the Election Comptroller, with entities of the Federal, state, and municipal governments and other departments, agencies, public corporations, or instrumentalities of the Government of Puerto Rico, as well as with private institutions;

v. To accept and receive gifts or funds by means of appropriations, advances, or other kind of aid or benefit when these are made by government entities or nonprofit institutions, subject to the provisions of Act No. 12 of July 24, 1985, as amended, known as the "Ethics in Government Act of the Government of Puerto Rico," the regulations adopted thereunder, and any other applicable law, according to the circumstances; to acquire by means of purchase, loan, gift, or

development: software, infrastructure, communications network services, hardware, and any other devices, services, and supplies in connection with information systems;

x. To correct, *motu proprio* or by request of any interested party, any typographic or grammatical error, or inadvertent or repairable errors or omissions in the final determinations and decisions issued in accordance with the requirements established by regulations;

y. To prepare and keep in digital format the administrative records of the matters under consideration by the Office of the Election Comptroller, which shall be available for public inspection during business hours;

z. To provide the agencies of the Executive, Judicial, and Legislative Branches with any information required by them;

aa. To request any agency or public corporation of the Executive Branch, the two (2) Houses of the Legislative Branch, or the Judicial Branch, any necessary or pertinent information to comply with the provisions of this Act;

bb. To establish educational and orientation programs in connection with the obligations, duties, and responsibilities imposed by this Act; attendance to such education and advisory programs shall be mandatory for every aspirant and candidate and any treasurer and deputy treasurer of the committees authorized under this Act; not later than thirty (30) days as of the filing of a candidacy, and not later than fifteen (15) days as of the filling of a vacancy by means of replacement, the aspirant shall complete the training provided by the Office of the Election Comptroller; this Office shall be responsible for issuing the appropriate certificate and publish a list of certified aspirants; in the case of treasurers and deputy treasurers, these shall take the courses not later than thirty (30) days after their designation; the Election Comptroller, or the person designated by him/her, shall offer such courses outside regular business hours and on weekends when the

aspirant, candidate, treasurer, or deputy treasurer so requests; if any aspirant, candidate, treasurer, or deputy treasurer fails to comply with this obligation, he/she shall be subject to the administrative fines authorized under this Act; and

cc. To investigate any apparent violations of the provisions and regulations of this Act.

Section 3.004.- Minimum Operational Components or Divisions.-

The organizational structure of the Office of the Election Comptroller shall, at the very least, have the following operational divisions, units, or components:

- a. The Office of the Election Comptroller
- b. The Office of the Secretary of the Election Comptroller
- c. The Office of the Contributions Auditor
- d. The Office of the Expenditures Auditor
- e. Information Technologies Office
- f. Administration, Finance, and Budget
- g. Legal Affairs
- h. Human Resources
- i. Any other operational division, unit, or component that the Election Comptroller may deem necessary to discharge the responsibilities imposed by this Act and other laws.

Section 3.005.- Powers and Duties of the Secretary of the Office of the Election Comptroller.-

In addition to any other functions or duties provided in this Act, or the regulations promulgated thereunder, the Secretary shall:

- (a) Take notes, draft, and prepare Minutes of the administrative hearings of the Office of the Election Comptroller, as well as certify them;
- (b) Certify, compile, notify, and publish the resolutions, orders, opinions, and determinations of the Office of the Election Comptroller;

(c) Receive the papers, documents, notifications, and other issues under the consideration and/or resolution of the Office of the Election Comptroller;

(d) Notify the Election Comptroller about the receipt of any documents, papers, appeals, notices, and other matters presented to him/her, not later than twenty-four (24) hours following the receipt thereof, provided that five days (5) before the holding of an election he/she shall notify so immediately;

(e) Notify interested parties, through the corresponding means, about resolutions, orders, determinations, and actions of the Office of the Election Comptroller;

(f) Issue certifications and records of the documents, opinions, and other determinations of the Office of the Election Comptroller;

(g) Be responsible before the Election Comptroller for the custody and proper order of all records and documents pertaining to the Election Comptroller;

(h) Present and show the records and documents pertaining to the Election Comptroller to any person who so requests, ensuring at all times that such records and documents are not altered, mutilated, or destroyed, and not allowing their retrieval from his/her office;

(i) Take oaths in connection with matters related to this Act and/or those that pertain to the Election Comptroller;

(j) Carry out any other acts and meet any other obligations as necessary to fully discharge his/her duties and those prescribed by law, regulations, or order of the Election Comptroller.

Section 3.006.- Information Systems.-

The Office of the Election Comptroller shall operate by means of a computer system whereby every document required shall be delivered electronically in a speedy and accurate manner.

Through clear and expeditious guidelines, the Office of the Election Comptroller shall establish internal mechanisms related to the evaluation process to issue determinations regarding whether or not the provisions under its jurisdiction have been complied with; develop any necessary strategies to actively incorporate the use of information technologies and telecommunications in its operations.

Section 3.007.- Rulemaking Authority.-

In order to discharge the powers and duties imposed under this Act, the Office of the Election Comptroller is hereby empowered, as it may apply, to adopt, amend, and/or repeal:

a. Any bylaws and necessary operating guidelines for structuring and operating the Office of the Election Comptroller in accordance with the provisions of this Act and any other applicable law;

b. Any regulations to establish the procedure to be followed when carrying out any oversight and enforcement powers conferred under this Act; the necessary regulations to establish the collection of fees, duties, and charges, upon previous approval, pursuant to the applicable provisions; regulations that shall guarantee that the audits shall be conducted simultaneously for all the candidates to the same office, including those who have not been elected; prior to the publication of the audit reports, the Election Comptroller shall provide the candidates with the opportunity to amend, answer, and state in writing their explanation as to the preliminary findings contained in the draft of the report; furthermore, he/she shall provide them with the option to meet with him/her to discuss such issue informally; every audit report shall include the answer or explanation that the audited person provided with respect to the findings; during the draft phase, the reports shall remain confidential; the publishing thereof shall be made simultaneously for all candidates to the same office; audit reports shall be

published not later than twelve (12) months after a general election is held, except when these address sworn complaints on alleged violations committed during the campaign period; the Election Comptroller shall notify all candidates of the date on which the audit reports shall be published, providing them with a copy of the final report within, at least, five (5) days before the publication date; the Election Comptroller shall notify the audited candidate of any finding indicating that he/she has inadvertently received any contributions of money that infringe the provisions of the applicable law and regulations in order for such contributions to be returned within thirty (30) calendar days following the notification of the Election Comptroller; failure to return such contributions shall be duly recorded in the audit report's findings.

Section 3.008.- Budget.-

The Election Comptroller shall prepare and administer the budget of the Office of the Election Comptroller. The necessary funds to comply with the purposes of this Act during the current fiscal year, and subsequent fiscal years, shall be consigned every year in the Government of Puerto Rico General Expense Budget Act. All the moneys received by the Office of the Election Comptroller to carry out the task of implementing the provisions of this Act, from the sources specified in this Act and from any other sources, shall be covered into a Special Fund, to be denominated as the "Special Fund of the Office of the Election Comptroller." All funds, accounts, budget appropriations, and surpluses in the power of the Commonwealth Elections Commission that have been appropriated to the Office of the Election Auditor shall be transferred to the Office of the Election Comptroller immediately after this Act takes effect.

Every year, the Legislative Assembly shall provide the Office of the Election Comptroller with sufficient funds for its operations. For such purposes, the Governor shall submit to the consideration of the Legislative Assembly the

General Expense Budget of the Office of the Election Comptroller for each fiscal year, which shall never be lower than that of the preceding year, except that the budget for non-election years following the year in which a general election was held may be lower or unless the budget of the Government is decreased, in which case, it may be lower, but proportional to the budget reduction. The budget of the Office of the Election Comptroller shall be accounted with priority, as requested by the Election Comptroller. No general or special provision of law may be invoked to freeze the budget or accounts of the Office of the Election Comptroller to postpone expenditures or disbursements.

Before utilizing the resources deposited in the Special Fund, the Office of the Election Comptroller shall submit the expense budget every year for the approval of the Legislative Assembly. The resources of the Special Fund earmarked to defray the regular operating expenses of the Office of the Election Comptroller shall be complemented with appropriations originating from the General Fund of the Government of Puerto Rico, if necessary.

Section 3.009.- Procurement.-

The Office of the Election Comptroller shall be exempted from the provisions of Act No. 164 of July 23, 1974, as amended, known as the “General Services Administration Act.” The Office of the Election Comptroller, in compliance with the provisions of this Act, shall establish, through regulations adopted for such purposes, its own procurement and assistive service systems, in accordance with sound fiscal administration, and economy and efficiency guidelines. Preference in the acquisition of goods and services shall be given to manufacturing plants and professional firms from Puerto Rico; thus, the provisions of Act No. 14 of 2004, as amended, known as the “Puerto Rican Industry Investment Act,” the regulations promulgated thereunder, and programs directed to include local enterprises shall apply.

Section 3.010.- Studies or Research.-

The Office of the Election Comptroller may carry out any studies or research deemed appropriate, and may require any necessary or pertinent information to achieve such purposes, as well as approve any necessary and reasonable rules and regulations to such ends.

Section 3.011.- Annual Report.-

The Election Comptroller shall draw and submit an annual report to the Governor and the Legislative Assembly not later than ninety (90) days after the closing of the fiscal year about the operations and the fiscal situation of the Office of the Election Comptroller, including any recommendations that the Election Comptroller may deem necessary for the most efficient operations of such Office. After submitting the first annual report, the Election Comptroller shall include at the end of his/her annual reports, a summary of the recommendations made previously and a description of the action taken with regard to such recommendations. In addition, he/she shall include a summary of the presented cases, as well as their status or conclusion.

Section 3.012.- Personnel.-

Regular career service personnel who, as of the effective date of this Act, were holding regular positions with permanent duties in the Career Service, may be transferred with such status to the Office of the Election Comptroller from the Commonwealth Election Commission, as well as from any other Government Entities, provided that the Election Comptroller requests their transfer and the employee accepts the same. Trust employees that, as of the date of their appointment by the Election Comptroller, were entitled to reinstatement as provided in Section 9.2 of Act No. 184 of 2004, as amended, which reforms the

“Public Service Human Resources Administration of the Government of Puerto Rico,” shall remain in their positions with such status until the Appointing Authority determines to reinstate them to their career status.

Transfers shall be made taking into account the duties of each employee in the Commonwealth Election Commission, as well as in all other Government Entities concerned, but shall be subject to the needs for personnel and availability of financial resources of the Office of the Election Comptroller and the volume of work in said office.

The classification, reclassification, and compensation of positions shall be established according to the classification and compensation plans applicable in the Office of the Election Comptroller. Transferred employees shall, at least, meet the minimum job classification requirements of the position they shall hold.

All other matters related to personnel and human resources transferred to the Office of the Election Comptroller shall be addressed through an administrative order for such purposes, in coordination with the Chair of the Commonwealth Election Commission and the heads of the Government Entities Concerned, when applicable, and in compliance with all laws related to the administration of government personnel currently in force, including Act No. 7 of 2009, known as the “Special Act to Declare a State of Fiscal Emergency and to Establish a Comprehensive Fiscal Stabilization Plan to Salvage the Credit of Puerto Rico.” The Election Comptroller shall work in coordination and cooperation with the Chair of the Commonwealth Election Commission and the heads of the Government Entities Concerned in all that pertains to the transfer of personnel. Likewise, the Election Comptroller and the Chair of the Commonwealth Election Commission are hereby authorized to issue any necessary administrative orders to comply with this Act and its public policy in all that pertains to the personnel attached to these entities, pursuant to the provisions of this Act.

Section 3.013.- Transfer of Property.-

Any property or interest thereon, records, files, documents, funds whether appropriated or to be appropriated and available in the future, including surplus, assets, accounts receivable of any kind, and any other authorizations of the Office of the Election Auditor of the Commonwealth Election Commission are hereby transferred from the Commonwealth Election Commission to be used in attaining the ends and purposes of this Act.

Section 3.014.- Transfer of Liabilities.-

The approval of this Act shall not affect or impair the liabilities incurred by the Commonwealth Election Commission with any agency or private entity by virtue of Act No. 4 of December 20, 1977, as amended, known as the “Election Law of Puerto Rico,” which shall be assumed by the Election Comptroller as a result of this transfer.

Likewise, this Act shall not invalidate any contracts duly executed by the Commonwealth Election Commission, if any, that are in effect as of the date of the approval of this Act and by virtue of which services are rendered to the Election Auditor, if any, which shall continue in effect until their termination date, insofar as the terms thereof are not inconsistent with the provisions of this Act or except they are cancelled, if so provided by the contract in question.

Section 3.015.- Special Fund of the Office of the Election Comptroller.-

All charges, fees, administrative or civil fines, penalties, or payments collected by the Office of the Election Comptroller, as provided in this Act, shall be covered into the Special Fund of the Office of the Election Comptroller.

Section 3.016.- Summons.-

In order to comply with the duties imposed onto him/her by this Act, the Election Comptroller may issue summons to compel the appearance of witnesses, take depositions, and furnish any kind of electronic, documentary, or other

evidence. The Election Comptroller may resort to any Part of the Court of First Instance to petition the Court to order compliance with a summons. The Court of First Instance shall give priority to considering and deciding upon such petition and have the authority to issue orders to compel the appearance of witnesses or the production of any document, object, data, or evidence previously required by the Election Comptroller. The Court of First Instance shall be empowered to hold a person in contempt for failure to comply with such orders. Any person may be prosecuted and convicted for perjury committed when giving testimony under oath before the Election Comptroller or any person authorized to such purposes by the Election Comptroller.

CHAPTER IV

OFFICE OF THE CONTRIBUTIONS AUDITOR

Section 4.000.- Creation of the Office of the Contributions Auditor.-

The Office of the Contributions Auditor is hereby created as a division of the Office of the Election Comptroller with the powers granted by this Act and the regulations to be adopted thereunder.

The Office of the Contributions Auditor shall be directed by one of the Assistant Election Comptrollers so designated. The Assistant Election Comptroller appointed to direct this Office shall not direct the Office of the Expenditures Auditor simultaneously.

Section 4.001.- Powers, Duties, and Functions of the Assistant Election Comptroller in charge of the Office of the Contributions Auditor.-

In addition to others granted by this Act and any other law, the Election Comptroller in charge of the Office of the Contributions Auditor shall have the following general powers, duties, and functions:

a. To discharge the functions, duties, and responsibilities imposed under this Act, or under any other law insofar as they are not inconsistent with the provisions of this Act;

b. To establish the organizational structure necessary for the proper operation of the Office of the Contributions Auditor;

c. To prepare and maintain the administrative files, in digital format, of the issues under consideration by the Office of the Contributions Auditor, which shall be available for public inspection at the Office of the Election Comptroller during business hours;

d. If he/she deems it pertinent, to investigate any alleged noncompliance with the provisions of law of the Office of the Election Comptroller in the fund collection process for political campaigns;

e. To advise the Election Comptroller as to the filing of writs with the Court of First Instance to require refunds or stop collections if he/she concludes that such actions have been carried out in violation of the applicable laws or regulations;

f. To recommend the correction of repairable errors, as these are defined by regulations, in any determination issued by the Office of the Election Comptroller;

g. To provide the Commonwealth Election Commission, through the Election Comptroller, any information required by the former, and assist such entity in the oversight of political campaigns and any other relevant matter, by virtue of the provisions of this Act and all other applicable laws and regulations;

h. To verify compliance by the officials under his/her supervision with the terms established in this Act, and any applicable regulations, in the process of evaluating and issuing a final determination;

i. To issue notices and orders to show cause, and make any recommendations that he/she may deem pertinent to the Election Comptroller;

j. To recommend the text of the regulations to be adopted by the Office of the Election Comptroller to oversee the collection process in political campaigns, referendums, plebiscites, and any other event in which the collection of funds is permitted to promote political candidates, status ideologies, and political parties;

k. To examine any contribution reports that shall be submitted to the Office of the Election Comptroller;

l. To investigate and process all matters, including, but not limited to any complaints referred by the Election Comptroller;

m. To order the correction of repairable errors as these are defined by regulations in any determination issued by the Office of the Election Comptroller.

Section 4.002.- Minimum Operational Components.-

The organizational structure of the Office of the Contributions Auditor shall have at least one Compliance Oversight division or component.

Section 4.003.- Compliance Oversight.-

The Contributions Auditor shall oversee compliance with all requirements of law and regulations related to the manner and form in which contributions for election-related purposes are to be made or collected.

CHAPTER V

OFFICE OF THE EXPENDITURES AUDITOR

Section 5.000.- Creation of the Office of the Expenditures Auditor.-

The Office of the Expenditures Auditor is hereby created as a division of the Office of the Election Comptroller with oversight powers granted by this Act and the regulations to be adopted thereunder.

The Office of the Expenditures Auditor shall be directed by one of the Assistant Election Comptrollers so designated. The Assistant Election Comptroller appointed to direct this Office shall not direct the Office of the Contributions Auditor simultaneously.

Section 5.001.- Powers, Duties, and Functions of the Assistant Election Comptroller in charge of the Office of the Expenditures Auditor.-

In addition to any others granted by this Act and any other law, the Election Comptroller in charge of the Office of the Expenditures Auditor shall have the following general powers, duties, and functions:

a. To discharge the functions, duties, and responsibilities imposed under this Act, or those under any other law, insofar as they are not inconsistent with the provisions of this Act;

b. To establish the organizational structure necessary for the proper operation of the Office of the Expenditures Auditor;

c. To prepare and maintain the administrative files, in digital and/or electronic format, of the issues under consideration by the Office of the Expenditures Auditor, which shall be available for public inspection at the Office of the Election Comptroller during business hours;

d. To investigate any alleged noncompliance with the provisions of the “Puerto Rico Election Code for the 21st Century” and those of the Office of the Election Comptroller as to expenditures incurred and use of funds for election-related purposes;

e. To advise the Election Comptroller as to the filing of writs with the Court of First Instance in order to require suspension of payment, advertising, or refunds and to stay a campaign if he/she concludes that such actions have been carried out in violation of the applicable laws or regulations;

f. To examine any report submitted to the Office of the Elections Comptroller, including, but not limited to the report on income and expenditures in connection with public communications in order to evaluate whether there are sufficient funds to defray any placement of advertisements, as well as to make any other recommendation that he/she may deem pertinent.

- g. To recommend the correction of repairable errors, as these are defined by regulations, in any determination issued by the Office of the Election Comptroller;
- h. To provide the Commonwealth Election Commission, through the Election Comptroller, any information required by the former, and assist such entity in the oversight of political campaigns and any other relevant matter by virtue of the provisions of this Act and all other applicable laws and regulations;
- i. To verify compliance by the officials under his/her supervision with the terms established in this Act, and any applicable regulations, in the process of evaluating and issuing a final determination;
- j. To issue notices and orders to show cause, and make any recommendations that he/she may deem pertinent to the Election Comptroller;
- k. To recommend the text of the regulations to be adopted by the Office of the Election Comptroller to oversee any incurred election-related expenditures;
- l. To investigate and process all matters, including, but not limited to any complaints referred by the Election Comptroller;

Section 5.002.- Minimum Operational Components.-

The organizational structure of the Office of the Expenditures Auditor shall have at least one Compliance Oversight division or component.

Section 5.003.- Compliance Oversight.-

The Expenditures Auditor shall oversee compliance with all requirements of law and regulations that establish controls and limits as to the manner and form in which an account of election-related expenditures shall be kept.

**CHAPTER VI
CONTRIBUTIONS**

Section 6.000.- Contributions.-

It shall be unlawful to solicit, make, or accept contributions in violation of the provisions of this Act.

Section 6.001.- Natural Persons.-

No natural person may, directly or indirectly, make contributions in or outside Puerto Rico to a political party, aspirant, candidate, campaign committee, authorized committee, or political action committee in excess of the amounts set forth in Federal Law 2 U.S.C. §441(a)(1)(A) *et seq.*, as amended, or in any Federal law that substitutes it. The Election Comptroller shall be required to inform the general public, giving priority to natural or juridical persons with any interest in election campaigns, on the amount of the contributions authorized by law as provided by the Federal Election Commission. Furthermore, it shall be the duty of the Election Comptroller to provide orientation regarding the rules, terms, and conditions related to the provisions of this Section.

The provisions of this Section shall not apply to Political Action Committees that constitute a segregated fund or independent expenditure fund that do not coordinate or make a contribution to any party, aspirant, candidate, campaign committees, or authorized committees.

For the purposes of this Act, if a contribution is made to a political action committee that does not coordinate or contributes to any party, aspirant, candidate, or the campaign committee or authorized committee thereof, and the political action committee subsequently coordinates or contributes to a party, aspirant, candidate, campaign committee, or authorized committee, such political action committee, its founders, treasurer, and deputy treasurer shall refund to the Office of the Election Comptroller all funds received under its previous non-coordinating status and not used for non-coordinated expenditures during its previous non-coordinating status. The Office of the Election Comptroller shall identify the contributors in order to issue refunds and, if not possible, these sums shall be deposited in the Special Fund created under Section 10.004 of this Act. This is a joint obligation.

Section 6.002.- Aggregation.-

No person shall contribute more than five (5) times the allowed annual contribution amount limit to a candidate. Within said limit, such person may distribute his/her contributions up to the amount authorized in Section 6.001 for each one of the beneficiaries. Limits shall apply on a calendar year basis, except during an election year or during the holding of a special election, when the applicable contribution limit for aspirants is separate and independent from the applicable limit of contributions made to the same person as candidate in a general or special election; in this case, a new annual aggregate shall be computed. Contributions received by a person while he/she was an aspirant may be used by such person if he/she becomes a candidate. No contribution pertaining to a specific year shall be accrued to another year even if such contribution has not been made. Contributions to candidates for Resident Commissioner, as well as contributions made to national parties, shall be governed by the provisions of Federal Law 2 U.S.C. § 441(a)(1)(A) *et seq.*; for such reason, said contributions shall not be calculated for the purposes of this aggregation.

Section 6.003.- Ownership of Contributions.-

No person shall make contributions with money or property belonging to another person. A contribution is made when it is delivered or given to an authorized agent or representative to receive it. A contribution made to the campaign committee or authorized committee, authorized agent or representative of the political party, aspirant, or candidate in question, as well as a coordinated expenditure of any of the former, shall be deemed to be a contribution made to a political party, aspirant, or candidate. Parties that agree or coordinate to support a common cause in any election, plebiscite, referendum, or consultation shall be deemed to be one single party for purposes of this Act.

Section 6.04.- Contributions in Cash.-

(a) Any contribution exceeding the amount of two hundred dollars (\$200) shall require the identification of the contributor with his/her name and last name, mailing address, name of the person or entity to whom the contribution is made, and an identification number such as: election number, Puerto Rico driver's license number, number of an identification issued by the state or Federal government that complies with the provisions of the Real ID Act of 2005, 119 Stat, 302, or any other valid identification. Segregated committees and political action committees may not receive contributions in cash.

(b) The total anonymous contributions that may be received by a party and its candidate for Governor may exceed \$600,000 of the total of private contributions.

Section 6.005.- Refund.-

If an aspirant or candidate who has received contributions for a certain elective office himself/herself, or through his/her campaign committee, authorized committee, authorized agent, or representative for a certain election, chooses to withdraw from such office, such aspirant or candidate shall be bound to refund the contributors the total amount of contributions made by such contributors, including any amount spent during the campaign, if any. In the event that a contributor cannot be located or in the case of an anonymous contribution of two hundred dollars (\$200) or less, which does not require the contributor's identification, the aspirant or candidate who has received the contribution shall be responsible for remitting the same to the Secretary of the Treasury by means of a certified check, electronic transfer, or bank or postal money order. The Secretary of the Treasury shall use any amount received as provided in this Section to defray any expenditures drawn from the Special Fund for Election Campaign Financing.

Section 6.006.- Spouses and Minors.-

Contributions made by a spouse shall be deemed to be separate contributions, so that each spouse may be able to contribute up to the maximum amount allowed under this Act. In the case of contributions made by a legally emancipated minor, the date of birth (DD/MM/YYYY) of the minor and proof of the public document attesting to such emancipation shall be stated in the payment instrument. Under this Act, the ability of unemancipated minors to make contributions on their own or through an adult is not recognized. If the payment instrument fails to state the amount contributed by each contributor of those who share the same payment instrument, the Election Comptroller shall consider the sum of the corresponding limits to the type of contribution made by said contributors in order to determine any excess contribution. If it is determined that there is an excess contribution, the Election Comptroller shall adjudicate the amount of contribution by dividing the total amount of the excess contribution among the persons who share the payment instrument into equal parts.

Section 6.007.- Juridical Persons.-

No juridical person shall make contributions out its own resources in or outside Puerto Rico to any political party, aspirant, candidate, campaign committee, or to any authorized agent, representative, or committee thereof, or to political action committees that make contributions or coordinate expenditures among them. However, it may establish, organize, and administer a committee, to be known as a segregated committee or fund that, for the purposes of contributions and expenditures, shall be treated as a public action committee that must be registered in the Office of the Election Comptroller, render reports, and comply with all requirements imposed under this Act. Thus, its members, employees, and their immediate family or related persons may make contributions that shall be deposited in the account established and registered in the Office of the Election

Comptroller. In order for a juridical person to be able to establish a segregated committee or fund for these purposes, it must comply with the limitations and requirements set forth in Section 6.010 of this Chapter. The committee, organization, or citizen group may make donations from said account to political parties, aspirants, candidates, and campaign committees and authorized committees, as well as to political action committees making contributions to any of them.

Section 6.008.- Limits for Segregated Committees and Public Action Committees.-

Segregated committees or funds may make contributions to any political party, aspirant, candidate, campaign committee, and authorized committees, and to any authorized agent and representative thereof, provided that the contributions do not exceed the limits established in this Act for natural persons or aggregates. These limits shall also apply to contributions made by members to a juridical person that shall use them to make a contribution to a political party, aspirant, candidate, campaign committee, and authorized committee, or to any authorized agent and representative thereof. Two (2) or more political action committees shall be deemed to be one (1) single committee if they have been established by the same person or group of persons, are controlled by the same person or group of persons, or share officials, directors, or employees.

Section 6.009.- Independent Expenditures.-

Nothing in this Act shall limit contributions of money or anything of value made for election-related purposes to natural persons, juridical persons, or political action committees that do not contribute or incur coordinated expenditures with political parties, aspirants, candidates, campaign committees, or authorized committees, or with any authorized agent and representative thereof. However, in these cases, the provisions of Section 6.001 of this Act shall apply. To make

contributions or incur in this type of expenditures, a juridical person must obtain the authorization of the majority vote of its members, as provided in Section 6.010 of this Act.

Section 6.010.- Authorization to Establish a Segregated Committee or Fund or to Incur Expenditures for Election-related Purposes.-

To obtain the authorization mentioned in Sections 6.007 and 6.009 of this Act:

1. The juridical person must hold a membership meeting. The call for such meeting shall be issued fifteen (15) days before the holding thereof and shall only include this authorization purpose.

2. At the meeting, the majority plus one of the total members of the entity, whether a corporation, cooperative, partnership, association, or labor organization, shall approve by direct and secret vote the use of the money or property of the entity for election-related purposes. Under no circumstances shall a vote that has not been cast be counted as a vote in favor of the use of money or the property for election-related purposes.

3. For such authorization, the members shall be informed of the purposes of the electioneering communication or communications that shall be paid for, including the specific purpose of the messages to be transmitted and the amount of money that shall be earmarked to such campaign. Before voting at the meeting, the members shall be clearly informed of whether they, as an organization, intend to support, oppose, or advocate for the election or defeat of a political party, ideology, aspirant, or candidate. No organizational structures shall be created to evade the requirement of obtaining the informed consent of the members of any juridical person.

4. The board of directors and the highest ranking official of the juridical person in question shall certify, under oath and under penalty of contempt, that all the requirements of this Section were met. The certification shall include the notice sent to all members and the date thereof, the date and the place of the meeting, the total number of members of the juridical person, the number of members that attended the meeting, the exact results of the voting, and an accurate and detailed description of the information regarding the amount of money or property that was approved. This sworn certification shall state the veracity and accuracy of the information furnished. In addition, the Election Comptroller shall immediately publish said certification over the Internet.

5. Said certification shall be remitted, on the business day following the voting, to the Office of the Election Comptroller. After obtaining the corresponding authorization and remitting the aforementioned certification, the entity shall register in the Office of the Election Comptroller as an entity that intends to incur expenditures for election-related purposes or make contributions, and render the appropriate reports. The registration of such entity shall be carried out according to the demands and requirements of a Political Action Committee.

6. Any executive, director, manager, managing partner, and the highest ranking official thereof at the time the contribution or expenditure was made for election-related purposes in violation of this Section shall be responsible for compensating the juridical person ten thousand dollars (\$10,000) or the amount of the contribution or expenditure, plus any lawfully applicable interest, whichever is higher. This responsibility shall be separate and independent from any other fine or offense set forth in this or any other Act. Any member of the juridical person may request the refund established in this Section to the Court. Any member of the juridical person may file a complaint, under oath, with the Office of the Election

Comptroller to report any violations of this Section, or resort to the Court in the event that his/her complaint is not addressed.

7. This process may be regulated by the Office of the Election Comptroller subject to the requirements of this Act.

Section 6.011.- Access of Parties, Aspirants, Candidates, and Committees to Public Services.-

Political parties, aspirants, candidates, campaign committees, authorized committees, and political action committees shall have the same access and opportunity to obtain the services provided by Government agencies. No political party, aspirant, candidate, campaign committee, authorized committee, or political action committee may request or accept special privileges from Government agencies. No Government agency may grant special privileges to a political party, aspirant, candidate, campaign committee, authorized committee, or political action committee.

Section 6.012.- Contributions by Public Employees.-

No representative or agent of a political party, aspirant, candidate, campaign committee, authorized committee, and political action committee may request or receive a contribution from an official or employee of any agency, while such official or employee is performing official duties of his/her office or is in his/her workplace.

Section 6.013.- Coercion.-

No public official or employee of any agency may, during work hours and work days, attempt to exert influence, whether directly or indirectly, on any other public official or employee to pay, lend, or contribute part of his/her salary or anything of value to any political party, aspirant, candidate, campaign committee, authorized committee, and political action committee. The provisions of this

Section shall apply to soliciting contributions, whether in person or through flyers, through telephone messages, computer messages or similar means.

Section 6.014.- Use of Real or Personal Property of the Government.-

The use of any motor vehicle, ship, aircraft or real or personal property of the Government of Puerto Rico or its municipalities for the purposes of carrying out political campaigns to support or oppose any political party, aspirant or candidate is hereby prohibited. The preceding sentence shall not apply to motor vehicles assigned to the Governor, the Resident Commissioner for Puerto Rico in Washington, Commonwealth Legislators, Mayors, and Election Commissioners, due to the nature of their duties, or to officials designated to such vehicles; however, in no case shall the use of more than one official vehicle per office be allowed for such purposes.

Section 6.015.- Lease of Property for Transportation.-

Motor vehicles, ships or aircrafts belonging to any agency of the Government of Puerto Rico or its Municipalities that are available for charter or lease may be used for elections purposes subject to a standard fee on equal terms for every customer. Leasing contracts executed for these purposes shall be available for inspection, reproduction or photocopy by the public at the government agency executing the lease and the Office of the Election Comptroller.

Section 6.016.- Restrictions to Leased Property.-

Motor vehicles, ships or aircrafts that are leased as provided in Section 6.015 of this Act shall not be marked or identified with political-partisan messages, insignia or emblems.

Section 6.017.- Lease Regulations.-

The Office of the Election Comptroller shall promulgate regulations to implement the terms and conditions under which real property, motor vehicles, ships or aircrafts may be leased in accordance with the provisions of this Chapter.

CHAPTER VII
ORGANIZATION OF POLITICAL
ACTION COMMITTEES AND OTHERS

Section 7.000.- Filing of Statement of Organization.-

Every political action committee, campaign committee, and authorized committee shall register in the Office of the Election Comptroller, in which a Registry of Committees shall be kept. For the purposes of this Act, segregated funds or committees and funds for independent expenditures shall be registered in compliance with the requirements, registration, reports, and limitations required to Political Action Committees, as applicable. The registration shall be made by filing a statement of organization with the Office of the Election Comptroller. Depending on the type of committee, the terms to file such statement of organization shall be the following:

a. Every political action committee, campaign committee, and authorized committee of a candidate or aspirant shall present its statement of organization with the Election Comptroller within ten (10) business days following its designation as such.

b. Every segregated committee or fund organized pursuant to Sections 6.007, 6.008, 6.009, and 6.010 of this Act shall file its statement of organization with the Election Comptroller within ten (10) business days following its establishment.

c. Any other committee shall file its statement of organization with the Election Comptroller within ten (10) business days following its establishment as a committee as such term is defined in Section 2.004 of this Act.

d. In the particular case of a Political Action Committee established and registered in another jurisdiction of the United States of America, its States or Territories, with the intent of making contributions or incurring expenditures for

election-related purposes within the limits established in this Act, it shall file its statement of organization with the Election Comptroller within ten (10) business days after having made its first contribution or expenditure within the jurisdiction of Puerto Rico.

Section 7.001.- Content of the Statement of Organization of the Committees.-

The Statement of Organization of a political action committee, campaign committee, authorized committee, or political party committee shall include:

a. The name of the committee, mailing and street address, Website address, email address, telephone and fax number, and kind of committee;

b. The name, mailing and street address, Website address, email address, telephone and fax number, and relationship with any related organization or affiliate committee, as well as its kind;

c. The name, position, mailing and street address, email address, telephone and fax number, and position of the record and accounts keeper of the committee;

d. The name, position, mailing and street address, email address, telephone and fax number of its founders, treasurer, and deputy treasurer, if any, at the time the committee was organized;

e. A statement about its form of organization, whether it is a corporation, partnership or association or any other type of organizational structure under which it is operating;

f. An indication of whether the committee is a campaign committee or a committee authorized by a candidate or aspirant, in which case, the name, mailing and street address of the candidate or aspirant, the office to which he/she aspires, and the political party to which the aspirant or candidate is affiliated shall be provided;

g. An indication of whether the committee is a campaign committee or an authorized committee of a political party, in which case, the name of the party shall be identified, and the mailing and street address, Website address, email address, and telephone and fax number shall be provided;

h. An indication of whether the committee was created to support the election or defeat of a specific option in any referendum, plebiscite or consultation to voters and, if that were the case, the option in question shall be described;

i. An indication of whether the committee has coordinated or contributed, or will coordinate or contribute to a political party, aspirant, candidate or campaign committee, authorized committee or any agent or representative thereof;

j. A list of all banks, deposit boxes, or other deposit locations used by the committee:

k. A written acceptance of the office by the treasurer or deputy treasurer, if applicable.

l. In the particular case of a Political Action Committee established and registered in another jurisdiction of the United States of America, its States or Territories, it shall file with the Election Comptroller a true copy of the documents that attest to its creation as such in the jurisdiction of the state of origin, which includes at least the name of the committee, mailing and street address, Website address, email address, telephone and fax number, and type of committee; and the name, position, mailing and street address, email address, telephone and fax number of the treasurer of the Political Action Committee, and the date on which it was established.

Section 7.002.- Segregated Funds or Independent Expenditure Funds.-

In the case of a segregated fund or independent expenditure fund under Section 6.007, 6.008, 6.009, and 6.010 of this Act, the committee shall notify the name of the related organization to the Election Comptroller. If the related

organization is commonly known by its acronym by the general public, its Statement of organization must also include such acronym.

Section 7.003.- Changes in the Information included in the Statement of Organization.-

Any change in the information submitted in a statement of organization shall be notified to the Election Comptroller within ten (10) business days following the change. If the change is made as a result of the provisions of Section 7.001(i), then the provisions of Section 6.001(a) shall apply.

Section 7.004.- Designation of Campaign Committees and Authorization and Participation in other Committees.-

a. Any candidate or aspirant who collects or expends five hundred dollars (\$500) or more shall designate one (1) committee as his/her campaign committee within ten (10) business days of becoming a candidate or aspirant, and such designation shall be included in the statement of organization of such committee.

b. No candidate or aspirant shall designate more than one (1) committee as his/her campaign committee. The foregoing shall not impair a candidate or aspirant from authorizing additional committees or participating in a committee established to support a slate of candidates or aspirants that include such candidate or aspirant, or from participating in joint fundraising efforts, provided that an authorized committee is established for such purposes and all contributions and expenditures be disbursed or appropriated proportionally between the participating candidates or aspirants. For the purposes of this provision, the mere presence of a candidate or aspirant at a fundraising activity of another candidate or aspirant shall not mean that a joint fundraising effort has been carried out.

Section 7.005.- Campaign Committee Officials.-

Every candidate or aspirant shall appoint a treasurer to his/her campaign committee, who shall be a resident of Puerto Rico.

a. The campaign committee treasurer shall include his/her written acceptance to such office in the statement of organization.

b. The candidate or aspirant may designate a deputy treasurer to carry out the duties of the treasurer when the latter is unable to do so. The deputy treasurer shall also be a resident of Puerto Rico and his/her appointment shall be included in the statement of organization of the committee.

Section 7.006.- Vacancy in the Office of Campaign Committee Treasurer.-

The candidate or aspirant may remove the treasurer of his/her campaign committee from such position. In the event of a vacancy in the position of campaign committee treasurer, the candidate or aspirant shall:

a. Notify the Election Comptroller within fifteen (15) days after the vacancy occurs.

b. Assume all the duties of the treasurer, if the committee lacks a deputy treasurer.

c. Fill the vacancy in the office of treasurer and notify the Election Comptroller about the information required with respect to the treasurer in the statement of organization of the committee within fifteen (15) business days following the appointment.

d. A successor treasurer shall not be responsible for the accuracy and reliability of the records of his/her predecessor.

Section 7.007.- Treasurer of Other Committees: Vacancies; Authorizations.-

Every committee shall have a treasurer. No political action or authorized committee shall receive contributions or donations or make expenditures while the office of treasurer is vacant. No committee shall make expenditures without the authorization of its treasurer or authorized agent. In case that the office of treasurer remains vacant, the committee shall notify the Election Comptroller within five (5) days after the vacancy occurs. When a committee appoints a treasurer to fill the

vacancy, the committee shall notify the Election Comptroller about the information required with respect to the treasurer in the statement of organization of the committee within five (5) business days after the appointment.

Section 7.008.- Recordkeeping.-

The Treasurer shall keep an account of:

a. All contributions, gifts, and donations made by or on behalf of such committee;

b. The name, address, voter's identification number or driver's license number of any person who makes contributions, gifts or donations that exceed two hundred dollars (\$200);

c. The name, address, voter's identification number or driver's license number of any person who makes contributions, gifts or donations that exceed one thousand dollars (\$1,000) annually, as well as the date and amount of such contributions, gifts, or donations;

d. The name and address of any political action committee that makes contributions, gifts or donations, as well as the amount and date of such contributions;

e. The name and address of any person who makes a disbursement, as well as the date, amount, and purpose thereof, and if necessary, the name of the party, candidate or aspirant on whose benefit the disbursement was made, and the office to which the candidate or aspirant aspires. The treasurer shall also keep a receipt, invoice or cancelled check for every disbursement that exceeds two hundred dollars (\$200);

f. The funds of all political action committees shall be kept segregated and shall not be mixed with the funds of any person.

Section 7.009.- Additional Duties of the Treasurer.-

The Committee Treasurer shall also have the following duties:

- a. To timely draft the reports required by this Act as required by the Election Comptroller;
- b. To file every report required by this Act and attest to its accuracy under penalty of contempt;
- c. In the event that he/she notices any error or omission in any of the reports required by this Act, to file an amended report.

Section 7.010.- Conservation of Records.-

The treasurer of a political party committee, campaign committee, authorized committee, and political action committee shall keep all records required by this Act until the Office of the Election Comptroller issues a final report of the election campaign related thereto. In the case of reports filed electronically, as provided in Section 8.012 of this Act, the treasurer shall keep a machine-readable copy.

Section 7.011.-Exclusive Campaign Depository; Bank Accounts.-

- a. Every political action committee, campaign committee, and authorized committee shall designate a bank authorized to do business in Puerto Rico as its exclusive campaign depository.
- b. Every committee shall keep a campaign account in its name with such depository in a branch open to the public. The committee may have other accounts with such depository, but in the same branch. The accounts shall identify the committee by its full name and no acronym may be used.
- c. Every contribution received directly or indirectly by the committee shall be deposited in the campaign account not later than ten (10) business days after the collection thereof.

d. Every disbursement made by a committee shall be by check drawn on the campaign account, except in the case of a petty cash disbursement.

e. The committee may keep petty cash funds for disbursements under two hundred and fifty dollars (\$250), but shall keep a record of such disbursements as required by Section 7.010 of this Act.

Section 7.012.- Terminating the Committee.-

a. A committee may not be terminated or wound up until the treasurer files, before the Election Comptroller, a statement, under penalty of contempt, indicating that the committee is no longer receiving contributions or making disbursements and has no outstanding debts or obligations.

b. None of the foregoing shall limit the authority of the Election Comptroller to establish, by regulations, procedures to:

1. Determine and declare that a committee is insolvent;
2. Orderly liquidate an insolvent committee and use its assets to reduce the outstanding debts or obligations thereof;
3. Terminate an insolvent committee after liquidating its assets and applying such assets to the outstanding debts or obligations thereof; and
4. Dispose of any campaign surpluses, acquired equipment, and any other existing property.

Section 7.013.- Debts of Parties.-

As of the effective date of this Act, the certified debts of the political parties administered by the Commonwealth Election Commission shall be administered by the Office of the Election Comptroller. Any outstanding debts of over ten (10) years, counted as of the time they became due and payable, may be claimed within forty-five (45) days according to the procedure established in this Act. Only those debts that are claimed within the term and under the conditions set forth in this Section shall be payable. The Election Comptroller shall publish only one public

notice in a newspaper of general circulation stating in detail the name of the creditors and the amount of the debt. Creditors shall have a term of forty-five (45) days to claim the payment by filing a sworn statement with the Office of the Election Comptroller, as well as attesting evidence of the debt. Once the forty-five (45)-day term provided in this Section elapses, all debts of the parties not claimed shall prescribe and be eliminated from the records of the party, and may not be claimed. The publication of the public notice shall not be construed as an admission or acceptance of the debt by the political party.

Section 7.014.- Political Action Committees.-

All the accounts of a political action committee shall be deemed to be part of such committee. Political action committees shall not organize or be part of other political action committees. Political parties, candidates, and aspirants may establish or administer campaign committees, and have and benefit from authorized committees; however, they, their campaign committees or authorized committees may not establish or administer political action committees. The report, registration, and limitation requirements imposed by this Act to Political Action Committees shall apply to every segregated fund for contributions or independent expenditures established for election-related purposes by a juridical person, whether or not they decide to organize as such.

CHAPTER VIII

REPORTS

Section 8.000.- Accounting and Reports of Other Income and Expenditures.-

(a) Every political party, aspirant, candidate, elected official or the authorized agent, representative, campaign committee or committees thereof, as well as every political action committee, shall keep a complete and detailed record of every contribution or gift received in or outside Puerto Rico, and of any expenditure incurred by any of the above which is not chargeable to the Election

Fund and, on the dates established by the Election Comptroller, each shall file quarterly reports under oath that contain a list of such contributions or gifts and expenditures, the date in which they were received or incurred, the full name and address of the person who made the contribution or on whose behalf the payment was made, and the purpose of the expenditure made. This requirement shall not apply to aspirants and/or candidates for municipal legislator.

(b) Any activity defrayed with contributions made by different persons for the purposes of advocating the election or defeat of a candidate, aspirant, elected official, party, consultation or ideology, whether it is a fundraising event to promote the election or defeat of a candidate, aspirant, ideology, consultation or party or to pay off outstanding debts, grant a recognition, pay homage or celebrate birthdays, shall be reported to the Office of the Election Comptroller in the form and manner provided in this Section.

(c) When a fundraising event is carried out during a political rally, including mass meetings, marathons, rallies, social gatherings or other similar events, the collector or collectors shall, after the holding of such events, take a duly sworn Minute stating:

- (1) the type of political event held;
- (2) an estimated number of attendees;
- (3) the amount of money raised;
- (4) that none of the donors contributed an amount in excess of those

allowed by this Act.

Such Minute shall be filed with the Office of the Election Comptroller within twenty (20) business days after the date on which such activity was held. Provided that, starting on October 1st of the year in which the general election is held and until the last day of such year, parties and candidates for Governor shall

file such Minute with the Office of the Election Comptroller within five (5) business days after the date on which the activity was held.

Starting on October 1st of the year in which the general election is held, and until the last day of such year, parties and candidates for Governor shall notify the Office of the Election Comptroller of every political rally held within a term not to exceed five (5) days as of the date on which the event was held. This notice shall include the date of the activity, the venue, and the number of attendees.

(d) Starting on October first (1st) of the year prior to the general election, parties and candidates for Governor shall file the report provided in subsection (a) of this Section with the Office of the Election Comptroller on a monthly basis before the fifteenth (15th) day of the month following the month for which the report is filed. From October first (1st) of the election year until the last day of such year, parties and candidates for governor shall file reports on a weekly basis; that is to say, on the Monday of the week following the week for which the report is filed.

(e) From July first (1st) of the election year until the last day of such year, except for candidates for Governor and parties, the report provided in subsection (a) of this Section shall be filed with the Office of the Election Comptroller on a monthly basis before the fifteenth (15th) day of the month after the month for which the report is filed. From October first (1st) of the election year until the last day of the month in which the elections are held, reports shall be filed fortnightly on the fifteenth (15th) and thirtieth (30th) day of each month, or the following business day, with the Office of the Election Comptroller, if such dates fall on non-business days for the Office of the Election Comptroller.

(f) The last report that shall cover the transactions after the first (1st) of January of the year following the election year shall be filed ninety (90) days after the same.

(g) As of January 1, 2012, the Election Comptroller shall review all the reports within a ninety (90)-day term, counted as of their filing date, in order to state any findings on the refund of excess contributions, if any. Failure to comply with such term shall prevent the Office of the Election Comptroller from issuing any notices on its findings and requiring such refunds.

(h) The provisions set forth in the foregoing subsections shall apply to any election, referendum, plebiscite, consultation, or any election process, and the corresponding reports shall be filed on the dates set forth by the Office of the Election Comptroller through regulations.

(i) Any person who, at any time before his/her nomination, receives a contribution, directly or through another person, group or entity to be used for an election in which the recipient of such contribution shall participate as a candidate or aspirant, for the purpose of filing the reports required in this Section, shall be deemed to be a candidate or aspirant.

(j) Attached to any and all reports required under this Section, a political party, committee, aspirant, and candidate shall include a sworn statement indicating whether any of the services rendered by their agents or advertising agencies were coordinated; that is, made in cooperation, consultation, concert with, planning or at the request or suggestion of any other political party, candidate, aspirant or authorized committees or agents thereof or political action committees involved. If the services were coordinated, then the sworn statement shall include the name and address of the party, candidate, aspirant, or the committees thereof, or that of the political action committee with which the rendering of services was coordinated.

(k) The Election Comptroller shall establish a dynamic computerized program to audit parties, political action committees, aspirants, and candidates, and the campaign committees and segregated committees thereof, at least every two (2)

years, unless he/she determines that these should be carried out more often. During these audits, the bank accounts of parties, aspirants, candidates, and the committees thereof, as well as those of the political action committees, may be examined. The results of such audits shall be disclosed to the public within five (5) days after the completion of the audit or before.

Section 8.001.- Last-minute Contribution Reports.-

Any contribution or gift of one thousand dollars (\$1,000) or more received from a source after the deadline for filing the last report before the holding of an election shall be reported to the Election Comptroller within a twenty-four (24)-hour period after receiving it. The report shall state the full name of the candidate and his/her committees, political party, or political action committee that received the contribution or gift, as well as their mailing address. The report shall also state the name of the donor or contributor, his/her mailing address, occupation, and the name of his/her employer or, if self-employed, the name of the business. Last-minute contributions or gifts shall also be included in the next report filed by the candidate and his/her committees, political parties or political action committees with the Election Comptroller.

Section 8.002.- Independent Expenditures Report.-

1. Expenditures amounting to one thousand dollars (\$1,000).

(a) Initial Report.- Any person or political action committee that contracts to make independent expenditures amounting to one thousand dollars (\$1,000) or more, twenty (20) days or less, but more than twenty-four (24) hours before the holding of an election, shall file a report within twenty-four (24) hours of having made or contracting to make such expenditures.

(b) Additional Reports.- After any person or political action committee has filed the report required in the above paragraph, an additional report shall be filed within twenty-four (24) hours each time the person makes or contracts to

make an Independent Expenditure that exceeds by itself or in the aggregate an additional one thousand dollars (\$1,000).

(c) These reports shall be separate and independent from any other required report.

2. Expenditures amounting to five thousand dollars (\$5,000).

(a) Initial Report.- Any person or political action committee that, at any time on or before the twentieth (20th) day before the election, contracts to make independent expenditures aggregating five thousand dollars (\$5,000) or more shall file a report within forty-eight (48) hours of having made or contracted to make such expenditure.

(b) Additional Reports.- After any person or political action committee has filed the report required in the above paragraph, an additional report shall be filed within forty-eight (48) hours each time such person makes or contracts to make an independent expenditure that, by itself, exceed or aggregates an additional five thousand dollars (\$5,000).

(c) These reports shall be separate and independent from any other required report.

3. Place of Filing and Content of Independent Expenditure Reports.

The reports required by this Section shall be filed with the Office of the Secretary of the Election Comptroller, and shall contain:

(a) the name, address, and telephone number of the person who made or shall make the expenditure, as well as the name, address, and telephone number of any person who shares or dwells at the address of the person who made or shall make the expenditure, and of related organizations, and also the name, address, and telephone number of the guardian or guardians of the accounting records and books of the person who made or shall make the expenditure;

(b) the address of the main place of business of the person who made or shall make the expenditure, if other than a natural person;

(c) the amount and date of each expenditure in excess of two hundred dollars (\$200);

(d) the election, referendum, plebiscite or consultation to which the expenditure corresponds and, if applicable, the names of the candidates identified or to be identified, as well as the office he/she is running for; and

(e) the names and addresses of all the donors and contributors who contributed an amount that totals or exceeds one thousand dollars (\$1,000), whether by itself or in the aggregate.

Section 8.003.- Contracts for Distribution Through the Media, Production Costs, and Reports.-

(a) Any political party, its candidate for Governor and their committees, and each political action committee shall submit to the Election Comptroller and the management of all media outlets they intend to use, the name or names, and the signatures of the persons authorized to enter into contracts on their behalf for air time and space in such media outlet.

(b) Prior to the beginning of the media campaigns, advertising agencies shall be bound to require from political parties, their candidates for Governor, and their committees, as well as political action committees, a certification of the Office of the Election Comptroller, and another from the Commonwealth Election Commission attesting to their enrollment, registration, or certification by said entity, as applicable. All agencies rendering advertising services and all media outlets rendering services to parties at the central level, candidates for Governor, and their committees, or political action committees shall be bound to file monthly reports with the Office of the Election Comptroller, starting in January of each general election year, stating the costs of the services rendered by them in

connection with political advertisements. Agencies and media outlets referred to in this paragraphs shall be bound to include in their reports the name, mailing address, and an identification number of any person who defrays production costs of political advertisements for a political party at the central level, candidates for Governor or their committees, political action committees, persons or independent groups. Furthermore, they shall report any contribution or gift made in the form of goods or services, such as vehicles, studies, surveys, or others of any kind, for the purpose of advocating the election or defeat of a party or candidate. Such reports shall be filed, under oath, not later than the tenth (10th) day of the month following the month for which the report is filed.

(c) Starting on the first Monday of July of an election year, the parties and candidates for Governor shall submit the reports required under this Section on a weekly basis, including all the expenditures incurred by them from Monday to Sunday of the week before that for which the report is filed. Other candidates and committees that participate in the election shall submit their corresponding reports on the fifteenth (15th) and thirtieth (30th) day of each month. Should these dates fall on days in which the Office of the Election Comptroller is not open for business, the candidates or committees shall submit such report on the following business day of the Office of the Election Comptroller.

(d) Starting on the first (1st) day of July of an election year, all agencies rendering advertising and media services to parties, candidates for Governor or their committees, and any other candidates running for the office of Mayor or Legislator or their committees, as well as political action committees, shall be bound to require from the treasurer of each party or committee, a signed and sworn certification by the treasurer, under penalty of perjury, which asserts that the request to place an advertisement or group of advertisements is unequivocally funded with the resources already collected and duly reported to the Election

Comptroller to defray the total cost of such electioneering communications or group thereof.

(e) Advertising agencies may place advertisements requested by an aspirant, candidate, party, political action committee, or other type of committee, provided that they have already received from the requestor the corresponding payment for the total expenditures incurred in placing the requested advertisement. In the case that the expenditure is to be defrayed by the Special Fund established in Chapter X of this Act, the advertising agencies shall request the certifications of collections and fund availability provided by this Act.

(f) Media outlets shall also agree to place advertisements requested by a candidate, aspirant, political action committee, or any other type of committee through direct advertising, provided that they have already received from the requestor the corresponding payment for the total expenditures incurred in placing the requested advertisement on the media. In the case that the expenditure is to be defrayed with the resources of the Special Fund established in Chapter X of this Act, media outlets shall request the certifications of collections and availability of funds provided by this Act. Media outlets shall request, prior to placing the advertisement, a signed and sworn statement by the treasurer of the party, aspirant, candidate, political action committee, or any other type of committee that requests the media placement of electioneering communications, certifying, under penalty of perjury, that the funds have been already collected and registered with the Election Comptroller, and that the advertising agency serving as intermediary received the payment for the total cost of all the media placements sought to be contracted for a specific timeframe when this transaction is made through an advertising agency. In the case that such cost is to be defrayed with the resources of the Special Fund established in Chapter X of this Act, it shall be certified that the necessary funds have been collected and reported, and are already available.

(g) Advertising agencies and media outlets are hereby prohibited to fund with their own resources the cost of placing electioneering communications for any party, aspirant or candidate for an elective office or for political action committees or any other type of committee that requests the placement of such electioneering communications for the purpose of positively or negatively impacting the election of a candidate, aspirant or ideology in a general election, candidacy [sic] or in a consultation, plebiscite, or referendum.

(h) Corporations or individuals who are owners of media outlets are hereby prohibited to agree to place or broadcast electioneering communications for which all the aforementioned requirements have not been fully complied with, as applicable.

Section 8.004.- Media Expenditure Control.-

(a) Any expenditure incurred by a party at the central level to support or oppose the nomination, candidacy or election of any candidate for Governor, his/her platform or the platform of his/her party, shall be deemed drawn against the limit available to a political party or its candidate for Governor or an independent candidate for Governor under Section 10.001 of this Act.

(b) Any person or group of persons not affiliated and not contributing with a political party, campaign committee or authorized committee of a candidate, aspirant or party, and who independently solicits or accepts contributions and gifts or makes independent expenditures for the benefit of a party, ideology, aspirant or candidate shall publicly disclose and specify that such expenditure has not been approved by the party, aspirant or candidate or his/her committees in question or coordinated with the party, aspirant or candidate or his/her committees.

(c) Any oral and/or visual or written communication whereby gifts or contributions are solicited or accepted or whereby independent expenditures are incurred to the benefit of a party, ideology, aspirant or candidate shall indicate

clearly and unequivocally that the activity has been carried out or that the advertisement has been placed without the authorization of the benefited party, aspirant or candidate or his/her committees or coordinated with the party, aspirant or candidate or his/her committees.

(d) This section shall apply to any expenditures made that fail to comply with the provisions herein and which shall be deemed drawn against the spending limit of the political party, aspirant or candidate supported by the person or group of persons concerned or to which they are affiliated, including if an independent campaign fails to comply with the requirements herein provided; and the expenditures thereof shall be deemed as corresponding to the supported party, aspirant, candidate, option or ideology. However, the political party or independent candidate for Governor may refute such presumption following the procedure approved by the Election Comptroller to such purposes.

Section 8.005.- Media Use.-

The Election Comptroller shall update the impact of the inflation factor on mass communication media one (1) year before the date in which a general election is to be held. For such purposes, the appropriate study shall be conducted and remitted to the Governor and the Legislative Assembly of the Government of Puerto Rico.

Radio and television stations owned by the Government of Puerto Rico shall not be used by the ruling party for political-partisan purposes. However, upon petition from the Commonwealth Election Commission, the stations shall be bound to provide it with a spot within their programming from August to November during an election year to advise voters, on equal conditions, as to the platforms of the parties, aspirants or candidates involved in the election. The Commonwealth Election Commission shall establish through regulations and in coordination with

the radio and television stations of the Government of Puerto Rico the form and manner in which spots shall be provided for the use established herein.

Section 8.006.- Electioneering Communications; Disclosure. Report Requirement.-

Any person who makes a disbursement that, by itself or in the aggregate, exceeds five thousand dollars (\$5,000) to defray the direct expenditures of producing and distributing electioneering communications during any calendar year shall file with the Election Comptroller a report containing the information required in subsection (b) below. Such report shall be filed not later than twenty-four (24) hours after the “disclosure date,” as such term is defined.

a. Report Content.- Any report required under this Section shall be filed under penalty of perjury and shall contain the following information:

i. the name, address, and telephone number of the person who made or shall make the disbursement, and of the organizations related thereto, as well as the name, address, and telephone number of any person that shares or dwells at the address of the person who made or shall make the disbursement, and the name, address, and telephone number of the guardian or guardians of the accounting records or books of the person who made or shall make the disbursements;

ii. the address of the main place of business of the person who made or shall make the disbursement, if other than a natural person;

iii. the amount and date of each disbursement exceeding two hundred dollars (\$200);

iv. the election, referendum, plebiscite, or consultation to which the disbursement pertains and, if applicable, the names of the candidates identified or to be identified, as well as the office they are running for; and

v. the names and addresses of all the persons that made a contribution to the person who files the report to defray electioneering communications, subject to being included in the report during the calendar year prior to the date of the report, of an amount that totals or exceeds five hundred dollars (\$500), whether by itself or in the aggregate.

c. Disclosure Date.- For the purposes of this Section, the term “disclosure date” shall mean:

1. the first date in a calendar year in which a person made a disbursement to defray the direct costs of production and distribution of electioneering communications which, by itself, exceeds or aggregates five thousand dollars (\$5,000).

2. any other subsequent date on which a person has made a disbursement to defray the direct costs of production and distribution of electioneering communications which, by itself, exceeds or aggregates five thousand dollars (\$5,000) since the most recent disclosure date for such year.

d. Coordination with other requirements.- The report required by this Section is independent from and additional to any other report required by this Act.

Section 8.007.- Publication and Distribution of Communications;
Prohibition on Discrimination by the Written Press.-

Whenever a political action committee makes a disbursement to fund any communication through any radio or television station, cable or satellite television, the Internet, through computers, newspapers, magazines, billboards or direct mail to five hundred (500) people or more of the same type of message, or any other type of political advertisement targeted to the general public, or when a person makes a disbursement to fund an announcement for election-related purposes or to finance an electioneering communications, as such term is defined in Section 2.004 of this Act, such communication shall contain the following:

(a) If the communication was coordinated, paid, and/or authorized by a party, aspirant, candidate, campaign committee or committee authorized by such party, candidate, aspirant or its agents, the communication shall indicate that it has been coordinated, paid, and/or authorized by such party, aspirant, candidate, campaign committee or authorized committee.

(b) If the announcement was paid by other persons, but authorized by a party, aspirant or candidate or by a campaign committee or committee authorized by such party, aspirant, candidate or its agents, the communication shall indicate that it has been paid by such persons and authorized by such party, aspirant, candidate, and his/her committees.

(c) If the communication was not authorized by a party, aspirant or candidate or by the campaign committee or authorized committee of said party, aspirant or candidate or their agents, the communication shall clearly indicate the name, street address, and Website address of the person who paid for the communication and shall clearly indicate that it was not authorized by the candidate, aspirant, party, and its committees.

(d) No person who sells spots on television, radio, cable or satellite television, or space in newspapers, magazines, the Internet, or billboards to a party, aspirant, or candidate, or his/her committees, or the agent of the party, aspirant, or candidate for the purposes of their campaign may charge a rate for using such spot for other purposes.

Section 8.008.- Specifications.-

Any written communication required by Section 8.007 shall:

(a) have a sufficiently large font size to be clearly read by the recipient of such communication.

(b) have a printed rectangular margin that makes it stand out from the rest of the content of the communication; and

(c) be printed in a contrasting color that distinguishes the background from the rest of the communication.

Section 8.009.- Communications made by Candidates or Authorized Persons.-

a. Through Radio.- Any communication described in Section 8.007 that is broadcast through radio, in addition to complying with the requirements of said Section, shall include a personal audio statement by the aspirant or candidate that identifies him/herself and indicates that he/she has approved the communication, if it were the case. Moreover, it shall include the following audio statement: “name of the person or committee that shall pay for the communication and the name of any organization related to such person or committee responsible for the content of the message.”

b. Through Television.- Any communication described in Section 8.007 that is broadcast through television shall, in addition to complying with the requirements of said Section, include a statement by the aspirant or candidate that identifies him/her and indicates that he/she has approved the communication, if it were the case. Such statement shall be made through:

a) a full screen image of the aspirant or candidate showing him/her making the statement; or a picture of the aspirant or candidate synchronized with the audio statement;

b) the statement shall also appear in writing during the last four seconds of the communication in a clear and readable printed statement distinguished from the background of the communication; and

c) the following audio statement shall be included: “name of the person or committee that shall pay for the communication and the name of any organization related to such person or committee responsible for the content of the message.”

These requirements shall be equally applied to any proselytizing communication broadcast over the Internet.

Section 8.010.- Computer Programs for Report Filing.-

The Election Comptroller shall promulgate the standards to be used to develop and use computer software that:

a) allows committees to keep an account of the revenues and expenditures and transmit it immediately to the Election Comptroller.

The Election Comptroller shall provide a copy of such computer programs to any person onto whom this Act imposes the obligation to file reports with the Election Comptroller.

Section 8.011.- Report Formal Requirements; Electronic Filing.-

Any person or committee that has expenditures amounting to ten thousand dollars (\$10,000) during the previous year or has an expenditure projection of ten thousand dollars (\$10,000) or more during the current year shall file the reports required by this Act in the electronic format approved and provided by the Election Comptroller. The Election Comptroller may dispense the person from the electronic filing requirement on a case-by-case basis, and only when it is evidenced that the person or committee lacks the capacity to file the reports using the format approved or provided by the Election Comptroller. The electronic format shall:

(a) be produced by a program provided by the Election Comptroller that generates electronic files in the format approved by the Election Comptroller; or

(b) be an online system provided or approved by the Election Comptroller.

It shall not be necessary to submit a hard copy of any report filed electronically.

The Election Comptroller shall be responsible for ensuring that all electronically filed reports are available to the public, as requested by the interested party. In the specific case of last-minute contributions and expenditure reports,

these shall be made available to the public in the same manner. The Election Comptroller shall be responsible for keeping a record of these requests.

The Election Comptroller shall keep all the information filed electronically for a term of ten (10) years, starting on the filing date.

The Election Comptroller shall provide on his/her Website a list of the persons that have complied with the report filing requirement.

Any report not filed electronically shall be filed in those forms designed and adopted by the Election Comptroller through regulations.

Section 8.012.- Collection Reports and/or Pending Expenditure Assessments.-

Collection Reports duly filed and pending expenditure assessments that are in process prior to the effective date of this Act and pertaining to candidates for the office of Governor and political parties shall be transferred to the Office of the Election Comptroller so that a final determination may be issued in accordance with the provisions of the applicable laws at the time of the filing of such requests. However, in case that a recommendation is benefited under the procedural provisions of this Act, which would have otherwise resulted in a claim should the provisions of previous laws have been applied, the Office of the Election Comptroller shall then act on such recommendation pursuant to the provisions of this Act or the Regulation adopted thereunder.

CHAPTER IX

ELECTION FUND

Section 9.000.- Election Fund.-

A special fund is hereby created in the accounts of the Department of the Treasury to be denominated as the Election Fund, which shall be appropriated with any funds available in the general fund with the necessary amount for its financing, implementation, administration, and operation.

Section 9.001.- Participation.-

It shall be understood that a political party avails itself of the benefits of the Election Fund from the date its Central Governing Body, through its president or secretary, so requests under oath to the Election Comptroller. Not later than the business day following the receipt of the sworn application at the Office of the Election Comptroller, the latter shall certify to the Secretary of the Treasury that such requirement has been complied with. Once such certification is issued, the political party may draw from the Election Fund, as provided in this Chapter.

Section 9.002.- Authorized Amount.-

During non-general-election years, each registered political party that has met or complied with the procedure established in Section 9.001 of this Act, may annually draw up to four hundred thousand dollars (\$400,000) from the Election Fund. During the election year, up to six hundred thousand dollars (\$600,000) may be drawn from such Fund. The limitations set forth in Section 9.003 of this Act shall not apply to the amount appropriated during an election year, and any expenditure related to the political party in question may be drawn against it. The surplus from previous years may not be drawn against. In the event that an unregistered party or a party that has lost its registration is registered, the amount available to such party shall be prorated according to the time remaining until the end of the current year. It shall be the responsibility of the Office of the Election Comptroller to audit this fund at least at the close of every calendar year.

Section 9.003.- Use of the Election Fund.-

The Election Fund shall be used to defray administrative expenses directed to support the general operations of the parties, including, without it being understood as a limitation, general office expenses such as the salary of employees and contractors, the rent of real and personal property, acquisition of real property by means of purchase, telephone, cable or satellite television, regular or electronic

mail, messenger services, utilities, travel and representation expenses, office equipment, institutional advertisements such as call for meetings and assemblies; notices to render aspirations and candidacies official and to hold positions in the party structure during the reorganization thereof; printing of programs and publications, distribution and transportation of institutional material, such as handouts, recordings, symbols, flags, films; institutional expenditures in connection with conventions, assemblies, and the registration and transportation of voters in Puerto Rico. This fund shall not be used to defray expenditures in connection with any candidate's campaign. A registered party may acquire, and have absolute ownership of only one real property, which shall be the seat of the party headquarters.

Section 9.004.- Property Acquired with the Resources of the Fund.-

Any real or personal property acquired with the resources of the Election Fund shall belong to the People of Puerto Rico. In the event that a party ceases to exist, the property acquired with the money originating from the Election Fund must be returned to the Election Comptroller to be transferred to the Government of Puerto Rico within thirty (30) days as of: (1) the time in which the Commonwealth Election Commission issues the certification of the results of the general election in which the party has been rendered unregistered; or (2) the time in which the president or the highest ranking official of the party issues a certification stating that the party has ceased to exist. Noncompliance with this Section shall entail a penalty amounting to the total worth of the property not returned plus legal interests. However, the Office of the Election Comptroller or the Government may choose not to receive the returned property if it would be a burden or entail losses to the Treasury. In these cases, the party that has been rendered unregistered shall keep exclusive ownership of the property and the obligations it has assumed notwithstanding any actions that the Office of the

Election Comptroller or the Government may initiate to recover the public investment in connection with said property.

Section 9.005.- Recordkeeping of Expenditures.-

Any party drawing on the Election Fund shall keep a full and detailed report of any expenditure incurred and charged against such Fund as well as render a duly sworn report before the Office of the Expenditures Auditor of the Office of the Election Comptroller, disclosing the expenditures and the date thereof, the full name and address of the person on whose favor payment was made, as well as the purpose of such payment. Said report shall be filed every three (3) months within ten (10) days after the deadline to file such reports. The Secretary of the Treasury shall not authorize any disbursement paid out of the Election Fund until the provisions of this Section are complied with.

CHAPTER X

SPECIAL FUND FOR ELECTION CAMPAIGN FINANCING

Section 10.000.- Special Fund for Election Campaign Financing.-

A joint responsibility system with citizen participation to finance the expenditures of political party campaigns and candidates for Governor and of independent candidates for Governor is hereby established with the creation of a Special Fund for Election Campaign Financing. Said Fund shall be nourished by private and public resources. This fund shall require that the parties, as well as the candidates who opt to avail themselves of this financing system, do so fully. They may not benefit from the system partially.

Section 10.001.-Limits.-

The total amount of campaign expenditures of each political party and its candidate for Governor, or independent candidates for Governor, that avail themselves of the benefits of the Special Fund during an election year, shall not exceed ten million dollars (\$10,000,000). Should such amount be exceeded, an

administrative fine equal to three (3) times the excess amount shall be imposed. Campaign expenditures shall include, but not be limited to the following items: campaign management and administration, operating expenses of any facility, consumer services, transportation and promotion vehicles, maintenance and fuel, preparation of promotional materials such as flags, t-shirts, posters, stickers, brochures, handouts, advertisements in newspapers, radio, local television, cable and satellite television, the Internet, billboards, and expenditures made in connection with support services rendered by advertising agencies, graphic artists, external technicians and advisors, payment for canvassing and field studies, setup and expenditures related to political rallies and assemblies during an election year, among others. This includes the regular administrative expenses of the political party's central committee, which may be defrayed with the Election Fund.

Section 10.002.- Eligibility and Procedure.-

Any registered political party that has a candidate running for the office of Governor who has been certified by the Commonwealth Election Commission to participate in the general election for which participation in the Fund is requested shall be eligible to benefit from the Special Fund. The party shall have and keep one candidate for the office of Governor who may not be the candidate of another political party benefiting from the Special Fund in the same general election. Failure to comply with this requirement or the withdrawal of the candidate benefiting from the Special Fund shall make the party and the candidate severally liable to return the funds received. In order to benefit from the Special Fund, the President or the Secretary of the Political Party, or the independent candidate for Governor, if it were the case, shall submit a sworn application before the Election Comptroller. The sworn certification shall be received at the Office of the Election Comptroller within fifteen (15) days after the date on which the Office of the Election Comptroller certifies such candidacy for the office of Governor. This term

shall be strictly observed. Not later than the business day following the receipt of the sworn application in his/her office, the Election Comptroller shall certify compliance with this requirement to the Secretary of the Treasury. Once certified, the fund matching may begin. The option to benefit from the Fund shall be final and binding and may not be revoked for such general election.

Section 10.003.- Responsibility for the Special Fund.-

The Secretary of the Treasury shall be responsible for the operation of the Special Fund and the custody of the money deposited therein. For this purpose, he/she shall keep separate accounts for each political party and candidate for the office of Governor that is benefiting from the Fund. Payments and disbursements shall be made through the Department of the Treasury, upon justification to such effect, in accordance with the rules that apply to disbursements of the Treasury's resources.

Section 10.004.- Resources for the Special Fund.-

The Special Fund shall be appropriated from amounts in the general fund, that is to say, any available amounts necessary for the operation, administration, and financing of the Special Fund shall be appropriated thereto; from contributions received by political parties and their candidates for the office of governor, and independent candidates for the office of Governor; interest generated by the resources of the fund; money collected from civil penalties under this Act; and anonymous contributions in excess of the established limit.

Section 10.005.- Operation of the Special Fund.-

The Secretary of the Treasury shall transfer the following amounts to the Fund:

(1) Up to a maximum of five million dollars (\$5,000,000) in contributions for the campaign of each political party and its candidate for the office of Governor, and independent candidates for the office of Governor, respectively; and

(2) A gradual and correlative appropriation of up to five million dollars (\$5,000,000) for each political party and its candidate for the office of Governor, and independent candidates for the office of Governor, for the same purpose, to be equally matched as the contributions collected by the political parties and candidates benefiting from the Special Fund. The fund-matching may be made up to five (5) o'clock in the afternoon of the same day of the general election, after this time and date no further collection may be made for this Fund.

Any contribution received by a person as an aspirant may be used for the fund-matching upon receipt of negative debt certification submitted to the Election Comptroller if the person has been certified as a candidate for the office of Governor.

A political party and its candidate for the office of Governor, and independent candidates for the office of Governor, may opt to avail themselves of a volunteer fund of one million dollars (\$1,000,000) if they do not wish to participate from the fund-matching system. The political party and its candidate for the office of Governor and independent candidates for the office of Governor that chooses this option may receive contributions up to the amount of nine million dollars (\$9,000,000) not entitled to the fund-matching, to conduct the campaign of the political party in question and its candidate for the office of Governor. The party and its candidate for the office of Governor that choose this option shall not participate from the gradual and correlative fund appropriation. Should such amount be exceeded, an administrative fine equal to three (3) times the excess amount shall be paid.

Section 10.006.- Availability of Funds.-

Even though parties, candidates, aspirants, or their committees can raise money for this Fund in preceding dates, the resources of the Fund shall be available for political parties and candidates to the office of Governor after July 1st

of the year in which the general election is to be held. From said date, the Secretary of the Treasury shall make any corresponding disbursements from the Special Fund, not later than the fifth (5) business day after having submitted the request for funds along with the necessary documents for the processing thereof.

Section 10.007.- Campaign Expenditures Pending Payment.-

Political parties and candidates for the office of Governor shall certify to the Election Comptroller the sum of their accrued debts pending payment as of July 1st of the year in which the general election is to be held. Such certification shall be submitted not later than July 15th of the same year. Political parties and candidates are empowered to collect funds to repay such debt before July 1st, even if they have opted to benefit from the Special Fund. The money collected to repay such debts shall be deposited in a financial institution in an separate account from all other accounts of the party and candidates, and shall be used solely to such purposes; the Election Comptroller shall have access to such accounts at all times for oversight purposes. The name of the financial institution and account number shall be submitted to the Office of the Election Comptroller and the revenues and expenditures shall be included in the reports to be filed by parties and candidates with the Office of the Election Comptroller as required by this Act. Contributions thus collected and reported to repay any accrued debt shall not affect the limit allowed in the Special Fund.

Section 10.008.- Fines to Parties and Candidates.-

Any fine imposed on those parties and their candidates for the office of Governor that benefit from the Special Fund, which has not been paid before July 1st of the year in which the general election is to be held, shall be deducted by the Secretary of the Treasury from the funds available under the Special Fund.

CHAPTER XI

OVERSIGHT AND COMPLIANCE

Section 11.000- Oversight.-

The Assistant Election Comptroller in charge of the Office of the Contributions Auditor and the Assistant Election Comptroller in charge of the Office of the Expenditures Auditor shall examine the information included in the reports that must be filed with the Office of the Election Comptroller, as well as any information they receive or have access to. If they find any discrepancies or apparent violations of the Act, including the placement of advertisements without having sufficient funds to pay for them, the Assistant Comptroller concerned shall issue and remit a notification on apparent violations with an order to show cause stating the reasons why he/she should not proceed or refer the case to the Secretary of Justice or any other agency, along with the imposition of an administrative fine or judicial action to address and stop the infraction.

Section 11.001.- Notification Procedure.-

After the notification of an apparent violation and order to show cause is issued, the procedure below shall be followed:

(1) If the person or entity so notified appears and demonstrates compliance with the requirements of the Act, the issue shall be deemed resolved.

(2) If the person or entity so notified appears and admits to the violation, he/she shall be given the opportunity to correct any error, and if he/she agrees to pay an administrative fine, the case shall be referred to the Election Comptroller with a favorable recommendation of imposing a reduced administrative fine ranging between 10% and 75% of the limit of the fine established in this Chapter. This provision shall not apply in the case of an offense or of violations of Sections 6.007, 6.008, 6.009, and 6.010 of Chapter VI of this Act. In such cases, the report shall be remitted to the Election Comptroller.

(3) In the event the person or entity so notified fails to appear, or having appeared, fails to show compliance with the requirements of the Act, or refuses to pay a reduced fine, the Contributions or Expenditures Auditor, as the case may be, shall inform the Election Comptroller: (A) the detected violation; (B) the basis for such conclusion; (C) the evidence obtained to support it; (D) a recommendation as to how to proceed.

Section 11.002.- Complaints.-

The general public, including elected and non-elected officials, may file a complaint with the Office of the Election Comptroller for alleged violations of this Act and the regulations promulgated thereunder. These complaints shall be sworn. Such complaints shall be filed along with any document that in the judgment of the complainant supports the allegations of the complaint, if any. Once these requirements are met, the Election Comptroller shall remit for evaluation a copy of the complaint and any other attachment to the corresponding Assistant Comptroller, who, should he/she detect any irregularity or violation of this Act or any regulation promulgated thereunder, shall issue and remit a notification of apparent violation with an order to show cause stating the reasons not to proceed with: a referral of the case to the Secretary of Justice or any other agency, the imposition of an administrative fine, the issuance of a stop payment order, or the initiation of a judicial action to address and stop the infraction, or any other action deemed pertinent. Furthermore, the notification shall provide the term within which the respondent shall answer or submit a brief stating his/her position on the complaint. Once this requirement has been met, the procedure stated in Section 11.001 of this Act shall be followed.

Section 11.003.- Receipt of Recommendations.-

The Election Comptroller shall evaluate the recommendations received from the Contributions or Expenditures Auditor, as the case may be, and may:

(1) Refer the matter to the Secretary of Justice for violations of this Act that are deemed to be a crime;

(2) Refer the matter to any agency with jurisdiction on any aspect related thereto, such as the Office of the Comptroller and the Office of Government Ethics;

(3) Impose administrative fines;

(4) Issue orders to suspend disbursements to political parties; and/or

(5) In the case of electioneering communications financed without meeting the requirements of this Act, to institute an action in the Court of First Instance, San Juan Part, to stop detected violations and prevent future violations, such as stopping disbursements from the Special Fund or electioneering communications in the form of campaign advertisements, among other remedies. Instituting any action shall not impair any referrals to the Secretary of Justice or any other agency, or the imposition of administrative fines in accordance with this Chapter. Likewise, the Election Comptroller may resort to the Court in the event that fines imposed are not paid or a disbursement suspension order is not complied with.

Section 11.004.- Judicial Procedure to Request Injunction.-

If, in the cases in which a complaint is filed seeking to stop a media campaign for violations of this Act or any of the regulations adopted thereunder, or to suspend disbursements to political parties, the Election Comptroller would have been recommended to file a request for injunction with the Court of First Instance, and the Election Comptroller fails to take action with respect to such recommendation within five (5) days after it is made, the complainant may resort to the Court of First Instance, San Juan Part, to request such injunction, and remit a copy of the request for injunction to the Office of the Election Comptroller and to any party that may be affected by the order so requested. Once this requirement is met, the Court of First Instance shall order the parties to appear at a hearing which

shall be held within a term not to exceed five (5) days after the notification requirement has been met. The Court of First Instance shall pronounce judgment within five (5) days after the hearing. In case there are thirty (30) days left before the holding of an election event, the Court shall have a term of five (5) days to pronounce judgment. Any request for injunction filed within five (5) days before the holding of an election must be resolved the business day following the filing thereof, that is, four (4) days before the eve of the election. Those requests for injunction filed at any time on the eve of an election must be resolved not later than six (6) hours following the filing thereof. However, should the request for injunction be filed on the same day of the election, the Court shall resolve it within one (1) hour of the filing thereof.

Section 11.005.- Designation of Judges in Election-related Actions.-

All actions and judicial proceedings, whether civil or criminal, provided and regulated under this Act shall be heard by the judges of the Court of First Instance designated pursuant to [sic] in the corresponding judicial region that addresses such actions.

**CHAPTER XII
JUDICIAL REVIEW**

Section 12.000.- Judicial Review.-

The final determinations of the Election Comptroller, except for determinations made regarding the filing of writs with the Court of First Instance, shall be reviewed by the Court of Appeals by appeal within thirty (30) days counted as of the date of entry of a copy of the determination to be appealed. During the ninety (90) days before the date of an election, this term shall be reduced to fifteen (15) days. During the sixty (60) days before the date of the election event, this term shall be reduced to ten (10) days. During the thirty (30) days before an election, the term shall be reduced to five (5) days. The terms set

forth in this Section shall be jurisdictional in nature. In case of injunctions related to the suspension of disbursements to political parties and media campaigns, the term to file an appeal shall be five (5) days as of the date of entry of a copy of the notice of judgment.

Section 12.001.- Court of Appeals.-

The Court of Appeals shall give priority in its schedule to injunctive reliefs under this Chapter, and shall state the grounds for its decision. Once judgment is pronounced, a motion for reconsideration may be filed during the jurisdictional term of ten (10) days as of the date of entry of a copy of the notice of judgment.

Section 12.002.- Certiorari.-

A judgment pronounced by the Court of Appeals may be appealed before the Supreme Court through a writ of certiorari within the same jurisdictional terms set forth for the Court of Appeals. In case of a timely filing of a motion for reconsideration with the Court of Appeals, the term to file the writ of certiorari shall start to count on the date of entry of the copy of the notice of resolution of the Court of Appeals in which the motion for reconsideration is resolved. The Supreme Court shall state the grounds for its judgment. A motion for reconsideration may be filed with the Supreme Court during the jurisdictional term of ten (10) days as of the date of entry of a copy of the notice of judgment.

Section 12.003.- Review Criterion.-

The determinations of the Office of the Comptroller shall be upheld if there is substantial evidence in the administrative record. The determinations of law shall be reviewable in all aspects, with the due deference in the interpretation made by the Office of the Election Comptroller when administering and implementing this Act and the regulations promulgated thereunder.

CHAPTER XIII

GENERAL AND TRANSITORY PROVISIONS

Section 13.000.- Cases Pending Consideration by the Commonwealth Election Commission and the General Court of Justice.-

Any pending administrative proceeding, case, claim, or accusation regarding violations to laws or parts thereof, or regulations repealed or affected by this Act that occur prior to the date of effectiveness of this Act shall be transferred to the Office of the Election Comptroller to continue their process under the law effective at the time of the violation. This power shall include any preliminary investigation that is in-transit at the Commonwealth Election Commission. Any civil action filed with respect to the structuring of any of the laws or parts thereof, which have been repealed or affected by this Act and are in-transit before the effective date of this Act, shall not be affected by any repeal or modification set forth in this Act.

Section 13.001.- Administrative Orders, Circular Letters, Memoranda.-

Any administrative order, circular letter, memorandum, or interpretative document of the Commonwealth Election Commission regarding any matter covered by this Act shall be evaluated and amended, as it may apply, within the terms set forth for the approval and adoption of the regulations created by virtue of this Act. Any other administrative order, circular letter, memorandum, or interpretative document that is inconsistent with the provisions of this Act or the regulations adopted thereunder, shall lack validity and effectiveness. This provision shall not limit the authority of the Election Comptroller to issue administrative orders, circular letters, memoranda, or interpretative documents when he/she deems it necessary to comply with the purposes of this Act.

Section 13.002.- Data Collection and Data Base Creation.-

Upon petition of the Election Comptroller, the Commonwealth Election Commission shall obtain, collect, and provide to the Office of the Election Comptroller any information or documentation on paper, digital format, or any other type that is necessary to comply with the powers and duties assigned to the Office of the Election Comptroller under this Act.

Section 13.003.- Cooperation and Access to Information and Data Bases.-

The Commonwealth Election Commission has the continuous duty to provide the Office of the Election Comptroller with any information and documentation on paper, digital format, or any other type that is necessary to comply with the powers and duties assigned to the Office of the Election Comptroller under this Act.

Section 13.004.- Exemption from the Uniform Administrative Procedures Act.-

The Uniform Administrative Procedures Act, Act No. 170 of August 12, 1988, as amended, shall not apply to the Office of the Election Comptroller.

Section 13.005.- General Regulation Review.-

Within one hundred and eighty (180) days counted as of the effectiveness of this Act, the Office of the Election Comptroller shall adopt Regulations as deemed necessary to carry out the endeavor commissioned under this Act and, thirty (30) days after that period has elapsed, it shall submit a report to the Governor and the Legislative Assembly of Puerto Rico that shall include a copy of the Regulations adopted and the work performed during such period.

Section 13.006.- Liability.-

The Office of the Election Comptroller and the officials, agents, or employees thereof shall not incur civil liability for any action taken in good faith in the performance of their duties and responsibilities pursuant to the provisions of

this Act, and shall be compensated for all costs incurred with respect to any claim for which they enjoy immunity according to the provisions set forth herein and under the laws of Puerto Rico and the United States of America.

CHAPTER XIV

ELECTION PROHIBITIONS AND CRIMES

Section 14.000.- Misuse of Funds.-

Any public employee or official who illegally uses public funds or disposes of public property to be used by a political party, aspirant, candidate, campaign committee, or political action committee, shall incur a fourth-degree felony and, upon conviction, shall be punished by imprisonment for a minimum term of one (1) year and a maximum term of three (3) years, or a fine that shall not be less than five thousand dollars (\$5,000) and shall not exceed ten thousand dollars (\$10,000), or both penalties, at the discretion of the Court. The Court may also impose a penalty of restitution.

The criminal action for this felony shall prescribe in five (5) years.

Section 14.001.- Prohibited Contributions by Juridical Persons.-

It shall be unlawful for a juridical person, either directly or indirectly, to make unlawful contributions of money, goods, services, or anything of value to a political party, aspirant, candidate, campaign committee, political action committee, or public official for any campaign or activity for the purpose of influencing their election. Any juridical person that violates the provisions of this Section shall be punished with a fifteen thousand dollar (\$15,000) fine. In cases of recidivism, it shall be punished with a fine that shall not exceed one hundred thousand dollars (\$100,000). The Election Comptroller may also request from the Secretary of State of Puerto Rico and obtain from him/her the cancellation of the certificate of incorporation, the dissolution, the suspension of activities, or the revocation of the license of the corporation, as the case may be.

The criminal action for this felony shall prescribe in five (5) years.

Section 14.002.- Juridical Persons' Executives.-

Any executive, director, manager, or managing partner of a juridical person, whether or not organized under the laws of Puerto Rico, or whether or not authorized to do business in Puerto Rico, who authorizes or consents to make a contribution or payment in violation of the provisions of this Act shall be punished by a fine equal to double the total amount that he/she has authorized or agreed to authorize, or ten thousand dollars (\$10,000), whichever is greater.

This action shall be deemed to be a fourth-degree felony and prescribe in five (5) years.

Section 14.003.- Prohibitions to Persons in the Process of being Granted Permits or Registration; or with Adjudicative Power in the Permit or Registration Granting Process.-

Any natural or juridical person:

1) in the process of being granted permits or registration, or adjudication, or awarding of one or more contracts of real property sales and purchase, services, or supplies, leasing contracts of lands, buildings, or equipment, contracts of public work construction with the Government of Puerto Rico, its agencies or municipalities, or that is subject to their regulations;

2) that offers, makes, receives, or solicits, directly or indirectly, for the duration of such adjudication or granting process, any contribution, whether of money or any other kind;

3) that for the purpose of obtaining, expediting, or benefiting from such permit, franchise, adjudication, award, service rendering;

4) that, in support of a political party, aspirant, candidate, independent candidate, campaign committee, political action committee, public official, or a person or persons that, acting independently, raise funds to such effect, incurring in

bribery as defined in Article 262 of Act No. 149 of June 18, 2004, as amended, known as the “Puerto Rico Penal Code,” or any other substitute law, shall be punished for a second-degree felony by imprisonment ranging from eight (8) years and one (1) day to fifteen (15) years and, for a third-degree felony, by imprisonment ranging from three (3) years and one (1) day to eight (8) years. If it is a juridical person, it shall be punished for a second-degree felony by a fine equal to eight percent (8%) of the annual income at the time when the felony was committed and, for a third-degree felony, by a fine equivalent to six percent (6%) of the annual income at the time when the felony was committed. The Election Comptroller may request from the Secretary of State, and obtain from him/her, the cancellation of the certificate of incorporation, the dissolution, suspension of activities, or the revocation of the license of the corporation, as the case may be.

The provisions of Act No. 458 of December 29, 2000, as amended, prohibiting the award of public biddings and government contracts to persons who have been convicted for certain offenses shall apply to natural or juridical persons convicted for violations of this Section.

The criminal action for this felony shall prescribe in five (5) years.

Section 14.004.- Failure to File Reports.-

Any person or committee that is required under this Act to file a report on electioneering communications and knowingly fails to do so shall incur a misdemeanor.

The criminal action for this misdemeanor shall prescribe in five (5) years.

Section 14.005.- False Reports.-

Any person who deliberately, willingly, and knowingly files or signs a false report of received income and incurred expenditures with the specific intent to deceive, shall be guilty of a fourth-degree felony and, upon conviction, shall be imprisoned as provided in Articles 16 and 66 of the Puerto Rico Penal Code.

The criminal action for this felony shall prescribe in five (5) years.

Section 14.006.- Administrative Faults and Fines.-

Any violation of this Act not classified as an offense shall constitute an administrative fault and shall entail an administrative fine which shall be imposed by the Office of the Election Comptroller. Fines shall be established through regulations promulgated by the Election Comptroller. In the case of natural persons, aspirants, candidates, and their campaign committees, and authorized committees, such fines shall range between two thousand and five hundred dollars (\$2,500) for the first violation, and up to five thousand dollars (\$5,000) for subsequent violations. In the case of juridical persons and political action committees, the fines shall range from a maximum of fifteen thousand dollars (\$15,000) for the first violation, and up to thirty thousand dollars (\$30,000) for subsequent violations.

In both cases, each day that the violations persist shall be deemed to be an independent violation. The grounds for the imposition of fines shall be stated. The amount of the fines shall be delivered to the Secretary of the Treasury, who shall use it to finance the expenditures related to the Election Fund or the Special Fund for Election Campaign Financing.

Any person who knowingly makes contributions in excess of the amounts provided in this Act shall be subject to an administrative fine of three times the amount contributed in excess.

CHAPTER XV

EFFECTIVE DATE

Section 15.000.- Severability Clause.-

Should any Section, subsection, paragraph, clause, Chapter, provision, phrase, or part of this Act be ruled invalid or unconstitutional by a Court with competent jurisdiction, the ruling to such effect shall not affect, impair, or

invalidate the remainder of this Act, and the effect of such ruling shall remain limited to the Section, subsection, paragraph, clause, Chapter, provision, phrase, or part of this Act thus ruled invalid or unconstitutional.

Section 15.001.- Interpretation in the Case of Conflicting Laws and Regulations.-

The provisions of any other Act or regulation that directly or indirectly govern the assessment, recommendations or activities directly or indirectly related to the process of fundraising control and campaign expenditures in Puerto Rico, collection of service fees shall apply only in addition to this Act, insofar as its provisions are not in conflict with the provisions or purposes of this Act. Any law or regulation in which the Office of the Election Auditor is included or referred to shall be deemed to be amended for the purpose of substitution with the Office of the Election Comptroller, provided that its provisions are not in conflict with the provisions or purposes of this Act, in which case it shall be deemed to be repealed.

Section 15.002.- Effectiveness and Transition.-

All Sections of this Act shall take in effect immediately after its approval. However, there shall be a transition period of six (6) months counted as of the approval of this Act. Within thirty (30) days as of the approval of this Act, if Election Commissioners have not reached an agreement, the Governor shall designate the Election Comptroller pursuant to the provisions set forth in Section 3.001. The Election Auditor shall cease to exercise his/her duties once the Election Comptroller is sworn into office.

The Governor, or his/her delegate, shall have the power to adopt such transitory measures and make the necessary decisions to carry out the transfer directed by this Act without affecting the services or the regular course of the transferred duties.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 222-2011 (S. B. 2034) (Conference)** of the **6th Session of the 16th Legislature** of Puerto Rico:

AN ACT to create the “Puerto Rico Political Campaign Financing Oversight Act,” in order to establish the legal and administrative framework that shall govern the legality, scrutiny, and evaluation of election-related contributions and expenditures; to create the Office of the Election Comptroller, define its functions, powers, and obligations, and establish its organization; to provide for the judicial review of decisions made under the provisions of this Act; to establish a transitional process; to establish penalties; and for other purposes.

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

In San Juan, Puerto Rico, on the 30th day of April, 2012.

María del Mar Ortiz Rivera