

***“Municipal Revenues Collection Center Act”***

Act No. 80 of August 30, 1991, as amended

(Contains amendments incorporated by:

Act No. 42 of July 31, 1992  
Act No. 182 of August. 12, 1995  
Act No. 5 of February 15, 1996  
Act No. 9 of February 15, 1996  
Act No. 64 of July 3, 1996  
Act No. 157 of July 19, 1998  
Act No. 95 of June 24, 1998  
Act No. 207 of August. 8, 1998  
Act No. 234 of August. 12, 1998  
Act No. 190 of July 30, 1999  
Act No. 238 of August 15, 1999  
Act No. 42 of January 26, 2000  
Act No. 294 of September 1, 2000  
Act No. 99 of August 10, 2001  
Act No. 104 of August 15, 2001  
Act No. 147 of June 14, 2004  
Act No. 445 of September 23, 2004  
Act No. 159 of August 4, 2008  
Act No. 7 of March 9, 2009, Sec. 32  
Act No. 37 of July 10, 2009, Sec. 24)

To create the Municipal Revenues Collection Center; determine its organization and composition; define its powers and duties; establish the appropriation of funds and public revenues that shall correspond to the municipalities and which shall be subject to collection, control and distribution by the Center; establish a Municipal Revenues Matching Fund; identify the monies that shall be covered into said Fund and the norms for their distribution among the municipalities; provide for the budgetary appropriation of the Center; fix penalties, transfer to the Center the functions and duties of the Department of the Treasury regarding the appraisal, notice of imposition, determination and collection of property taxes, personnel and equipment of the Bureau of Property, Inheritance and Donations Taxes of said Department; and repeal Act No. 139 of June 30, 1966, as amended, known as "Municipal Subsidy Act".

*Be it enacted by the Legislature of Puerto Rico:*

**Section 1. — Title of the Act.** (21 L.P.R.A. § 5801 note)

This Act shall be known as "Municipal Revenues Collection Center Act".

**Section 2. — Definitions.** (21 L.P.R.A. § 5801)

The following terms and phrases shall have the meaning set forth hereinbelow:

- (a) Public agency — Shall mean any public department, program, bureau, office, board, commission, company, administration, authority, institute, body, service, dependency and corporation and a subsidiary thereof and an instrumentality of the Commonwealth Government.
- (b) Base year — Shall mean any fiscal year immediately previous to the current fiscal year.
- (c) Fiscal year — Shall mean the period of twelve (12) consecutive months that begins July 1, of any calendar year and ends June 30 of the next calendar year.
- (d) Government Bank — Shall mean the Government Development Bank for Puerto Rico, created by Act No. 17 of September 23, 1948 as amended [7 L.P.R.A. §§ 551 et seq.].
- (e) Center — Shall mean the public entity created to render fiscal services to the municipalities and which is called "Municipal Revenues Collection Center".
- (f) Commissioner — Shall mean the Commissioner of the Office of Municipal Affairs, created by the Autonomous Municipalities Act of the Commonwealth of Puerto Rico of 1991, [21 L.P.R.A. §§ 4001].
- (g) Executive Director — Shall mean the highest-ranked executive official responsible for the administrative direction and daily operation of the Center.
- (h) Fund — Shall mean the "Municipal Revenues Matching Fund", which shall nourish from the monies transferred to the municipalities pursuant to this Act.
- (i) General Fund — Shall mean the general fund of the Commonwealth of Puerto Rico.
- (j) Commonwealth Government — Shall mean the Government of the Commonwealth of Puerto Rico and its public agencies, including the Legislative and Judiciary Branches, as well as their attached dependencies and offices.
- (k) Board — Shall mean the Governing Board of the Center, duly constituted in the manner provided in this Act.
- (l) Municipality or Municipal Government — Shall mean the political and juridical entity of the local government, composed by a Legislative Branch and an Executive Branch.
- (m) Person — Shall mean any natural or juridical entity, including private corporations, partnerships, associations, credit unions, successions, group of persons, entities and institutions.
- (n) Net internal revenues — Shall mean the total amount of revenues of the General Fund that result after deducting the revenues that arise from external sources, non-recurrent revenues and revenues from which special accounts and funds nourish.
- (o) Secretary — Shall mean the Secretary of the Department of the Treasury.
- (p) Additional Lottery System — Shall mean the game system created by Act No. 10 of May 24, 1989, as amended [15 L.P.R.A. §§ 801 et seq.].

**Section 3. — Creation and Purposes of the Center.** (21 L.P.R.A. § 5802)

A municipal entity, independent and separate from any other agency or instrumentality of the Government of the Commonwealth of Puerto Rico named "Municipal Revenues Collection Center" is hereby created. The Center is the fiscal services entity whose primary responsibility shall be to collect, receive and allocate the public funds arising from the

sources indicated in this Act and which correspond to the municipalities. The Center shall be subject to the provisions of Act No. 170 of August 12, 1988, as amended [3 L.P.R.A. §§ 2101 et seq.].

**Section 4. — General powers and Duties of the Center.** (21 L.P.R.A. § 5803)

The Center shall have the following general powers and duties:

(a) Enforce the provisions of the Municipal Property Tax Act of 1991 [21 L.P.R.A. §§ 5001 et seq.] and the regulations adopted by virtue thereof, carry out the necessary and appropriate efforts that lead to a better administration of said sections, including keeping up to date and updating the official record of real estate of each municipality, and improving and rendering more efficient the billing and collection systems of said taxes.

(b) Collect the property taxes established in Section 2.01 and 2.02 of Act No. 83 of August 30, 1991, as amended, corresponding to each municipality, according to the tax rates that each of these provides through a municipal ordinance to such effects, including the surtax for the amortization and redemption of general obligation of the Commonwealth of Puerto Rico.

(c) Establish a trust with the Government Bank to receive all revenues collected from property taxes, as provided in subsection (b) of this section, and those resulting from the Additional Lottery System, and the percent of the net internal revenues that correspond to the municipalities, and from any other funds provided by law for them.

(d) Carry out all efforts needed to collect the property taxes accounts that are transferred by the Secretary in accordance with this Act.

(e) Enter into covenants or agreements, chargeable to their operating funds, with public agencies, financial institutions and savings and credit unions to collect municipal property taxes.

(f) Develop and carry out programs together with the municipalities, to expedite the appraisal of newly-constructed properties and existing properties that have not been previously appraised, subject to the provisions of this Act. In every improvement whose cost exceeds two thousand five hundred dollars (\$2,500), the calculation of the property tax shall be retroactive to three (3) years or to the date that the improvement was made, whichever is less.

Develop together with the municipalities, administrative processes to expedite the collection of the property tax, through the promulgation of regulations to such effects.

(g) Receive and distribute matching funds and other funds that through the provisions of this Act and Act No. 81 of August 30, 1991, as amended, known as the "Commonwealth of Puerto Rico Autonomous Municipalities Act", are assigned to the municipalities.

(h) Collect and allocate the public funds that are entrusted to it by legal provision or municipal ordinance to such effects.

(i) Grant monthly funds advances to the municipalities in the manner provided hereinbelow.

(j) Make loans and authorize the issuing of notes through resolutions to such effects in advance of the collection of pending taxes and estimated revenues, with the sole purpose of advancing funds to the municipalities subject to the provisions Section 14 of this Act, as well as to borrow money and incur debts for its operations under those terms and conditions that the Center shall determine from time to time, with or without collateral. If the Center is required to post a collateral, it may borrow money secured by the collection of the basic

municipal tax. If necessary, only the surplus, if any, shall be used, of the sum destined to meet the payment of municipal bonds (C.A.E., Spanish acronym), to secure loans.

The Center may dispose of its obligations evidenced by said loans, to make, grant and deliver trust instruments and other covenants with regard to any of said loans, contracting of debts, bond issues, notes, mortgage obligations or other obligations, under those redemption terms with or without premiums, and sell the same in public or private sale for the price or prices, as determined therefor by the Board of Directors.

(k) Adopt and alter an official seal, which shall be affixed to all official documents of the Center.

(l) Sue and be sued.

(m) Establish its own administrative structure.

(n) Control and administrate its operating funds and decide the nature and need of all its expenses and the manner in which they shall be incurred and authorized.

(n) Adopt, amend and repeal regulations to govern its affairs, and prescribe rules, regulations and norms related to the compliance of its functions and duties and the execution of the acts whose administration is delegated upon it.

(o) Receive and accept funds and contributions from any public agency of the Government of Puerto Rico, the Government of the United States of America, the municipalities and non-profit entities, in order to attain the purposes of this Act and comply with the conditions and requirements with respect to any funds or contributions it receives.

(p) Take steps and obtain the technical and financial aid from public agencies that it deems necessary, regardless of its nature, in order to comply with the functions of the Center and the municipalities.

(q) Acquire through purchase, lease, donation or any other legal manner, that equipment and property necessary to comply with the purposes of this Act.

(r) Enter into and execute covenants, leases, contracts and any other documents needed and pertinent to exercise the functions granted to it by law.

(s) Carry out by itself or in coordination with the municipalities and public agencies, the studies and research needed on those matters that affect the collection of municipal property taxes.

(t) Compile, construe and publish information and statistical data relative to municipal property taxes, revenues from the Additional Lottery System, net internal revenues, legislative appropriations, yield of investments and any other funds entrusted to the Center, as well as any other information of its interest.

(u) Attach and execute, on behalf and in representation of the corresponding municipality, any properties and assets of those taxpayers who owe property taxes, after complying with the applicable legal procedures.

(v) Send every taxpayer a notice about the collection of taxes on real property to include an accounts statement containing the following information: an itemized balance of the debt, if any, to include the principal, interest, penalties and payments made as well as a statement of the debts and payments made during the past five (5) years. It shall also include a warning as to the action the Center shall take in the case of noncompliance with the payment of the tax debt, if any, within the term established to make the same and the procedure the taxpayer may follow to clarify or correct the information furnished by the Center.

Any notice sent by the Center shall not be deemed to be a collection notice for any pertinent legal purposes, if any of the above indicated information is missing.

(w) To receive and distribute the funds from the appropriations that must be appropriated annually by the Legislature starting in fiscal year 1993-94, from federal contributions and others that nourish "Citizen Participation Program for Municipal Development" established by Act No. 81 of August 30, 1991, as amended, known as the "Commonwealth of Puerto Rico Autonomous Municipalities Act" The funds to be appropriated annually by the Legislature shall be consigned in the Public Improvements Fund of the Commonwealth of Puerto Rico.

Provided, That until the Center is constituted, the funds corresponding to this Program shall be appropriated and distributed to the municipalities by the Office of the Municipal Affairs Commissioner. The Commissioner shall promulgate the regulations that are necessary for the distribution of said funds during the stated fiscal year.

The following criteria shall apply in distributing the funds proceeding from the "Citizens Participation program for Municipal Development":

(A) Contribution from the Commonwealth Government as of fiscal year 1993-94.

(1) Fifty percent (50%) of the total amount of the available Commonwealth funds for the "Citizens Participation Program for Municipal Development" during one (1) year shall be divided equally among all the municipalities.

(2) The remaining fifty percent (50%) shall be distributed, based on a formula which provides for the investment of the same amount of funds for each low-income family in each municipality. To such effects, low-income families in each municipality are those who receive less than two thousand dollars (\$2,000) a year. The sum of the amounts corresponding to each municipality as provided in paragraphs (1) and (2) of this clause shall represent the Commonwealth contribution of funds, for each municipality.

(B) Funds from the Federal Government.

The contributions made by the Government of the United States to the "Citizens Participation Program for the Municipal Development" shall be distributed in direct proportion to the number of families earning less than two thousand dollars (\$2,000) a year in Puerto Rico, except as otherwise provided by federal legislation or regulation.

(x) Inform the municipalities on the amount of money reserved for each one of them during the first month of each fiscal year, once the amount of funds available for the "Citizen Participation Program for the Municipal Development" is known, and pursuant to the criteria of subsection (w) of this section.

(y) Inform the Office of the Municipal Affairs Commissioner, during the first month of each fiscal year on the amounts of the "Citizens Participation Program for Municipal Development" that shall be available for each municipality, for purposes of the central statistics system by municipality system which said office must keep. The Center shall also inform the changes that occur in said amounts as they arise during the fiscal year.

(z) Determine and periodically review the relative and absolute contribution of the federal or State Government to the "Citizens Participation Program for Municipal Development" for each municipality, based on the most recent statistical data compiled for each municipality regarding population and households with incomes of less than two thousand dollars (\$2,000) a year. The Center shall also prepare an annual report compiling the appropriation of funds

for said program by municipalities, including goals or aspects requiring review in order to achieve the objectives of the program. For such purposes, additional indicators such as social and economic aid, social security and nutritional assistance payments, among others, shall be used.

(aa) Impose, serve and collect any imposts for benefits or profits required by any law.

(bb) Exercise any other powers and duties and conduct activities and programs and execute agreements assigned thereto or that are inherent or necessary to fulfill the purposes of this Act.

**Section 5. — Governing Board.** (21 L.P.R.A. § 5804)

The Center shall be governed by a Governing Board composed of nine (9) members, seven (7) of which shall be mayors representing all the municipalities of Puerto Rico and the remaining two (2) members shall be the President of the Government Development Bank and the Commissioner of Municipal Affairs.

(a) Election of the Mayors Members of the Board —

Mayors members of the Board shall be elected, through secret vote, by all incumbent mayors as of election date in a duly convened assembly for those purposes by the Secretary of State. Four (4) of the mayors members of the Board must belong to the party winning the greatest number of municipalities in the general elections immediately preceding. The remaining three (3) members shall be selected from among the other mayors who have won municipalities in said general election, except that in the event that they are not sufficient to cover said three (3) positions, the party winning the greater number of municipalities shall elect the remaining members to complete the total of members of the Board.

(b) Election Assembly —

The assembly to elect the mayors members of the Board must be held no later than thirty (30) days following the second Monday of the month of January following each general election.

Two-thirds (2/3) of the total of incumbent mayors shall constitute quorum as of the date the same is held, and the affirmative vote of the majority of those present in the assembly shall be required to declare the mayors members of the Board as elected.

The Secretary of State shall adopt the rules and procedures to appoint and elect the mayors members of the Board after consulting with the entities or organizations that represent the municipalities.

(c) Duration of the Appointment —

The mayors elected as members of the Board shall hold office for a term of four (4) years and shall continue in office until their successors have been appointed and qualify. The mayors elected to the Board shall initially continue in office until their successors are appointed, pursuant to that which is provided in subsection (b) of this section. No mayor may be a member of the Board for more than two (2) consecutive terms.

(d) Vacancies —

Any vacancy occurring among the mayors members of the Board shall be filled within thirty (30) days following the effective date thereof. The new member shall hold office for the unexpired term of the substituted member. In order to fill said vacancy, only those mayors who belong to the same political party of the member who caused the vacancy shall

be summoned and considered. Two-thirds (2/3) of the total incumbent mayors belonging to the same political party shall constitute quorum, and the affirmative vote of the majority of those present in the assembly shall be required to declare the mayor member of the Board as elected. When a mayor who is a member of the Board ceases in this office as mayor for any cause, the office filled in the Board shall automatically be rendered vacant.

**Section 6. — Internal organization of the Board.** (21 L.P.R.A. § 5805)

The Board shall elect the President from among its mayors members, through the affirmative vote of the majority of the total of members of the Board.

The Board shall meet in regular session at least once a month and may hold all those special meetings that are needed to tend to the matters of the Center, after a summons from its President, or upon petition of at least two-thirds (2/3) of its members. Any summons for a special session must be made in writing and all members shall be notified with no less than forty-eight (48) hours prior to the date of the meeting in question.

Five (5) members of the Board shall constitute a quorum. Except in those cases provided in this chapter, the agreements of the Board shall be taken by a majority of its members. When there is no affirmative vote of the majority of the members of the Board, the matter, proposition, resolution or proposal in question shall be understood as being defeated. The agreements on tax determinations shall require the unanimous approval of all mayors, members of the Board. The Board shall adopt bylaws for its internal operation.

The members of the Board shall receive no remuneration or compensation whatsoever for performing their duties.

**Section 7. — Faculties and Duties of the Board.** (21 L.P.R.A. § 5806)

The Board shall have the following faculties and duties besides the others provided in §§ 5801-5820 and in any other applicable law:

- (a) Establish the public, administrative and operating policy of the Center.
- (b) Ensure that the Center effectively complies with the duties and responsibilities delegated to it by this Act.
- (c) Approve the internal organization, the annual budget of income and expenses, the transference between items, the accounting, personnel, purchase and supplies systems of the Center, as well as all rules and regulations for its operation, including all administrative, operating and fiscal aspects of this Act.
- (d) Appoint the Executive Director of the Center and the Secretary of the Board, and adopt a classification and retribution plan for the officials, agents and employees that are needed to adequately comply with the provisions of this Act.
- (e) Approve the work plans to update and keep up to date the general registry of real estate.
- (f) Establish through regulations the requirements, conditions and procedures that shall govern the covenants or agreements for services with public agencies, financial institutions and savings and credit unions so as to receive the property tax payment.
- (g) Fix, with the unanimous vote of the mayors, members of the Board, the rates that the municipalities may impose and collect for the collection of solid waste in urban and rural residential areas.

(h) Submit to the Governor of Puerto Rico, the Legislative Assembly and the Municipal Legislature an annual report on all the activities, operations and achievements of the Center, enclosed with the annual financial reports submitted by the Executive Director of the Center, no later than January 30 of each year.

(i) Establish through regulations, the requirements, conditions and procedures to authorize the declaration of uncollectible accounts, to cancel and liquidate any existing property tax debt in behalf of the municipalities, including the surcharges, interest, and penalties. Said regulation to be governed by the following criteria among others:

- (1) Time of maturity of the debt, which in no case shall be less than ten (10) years.
- (2) Insolvency or impossibility of the debtor or his/her heirs to pay said debt and the reasonable possibility to collect the same.
- (3) Efforts made by the debtor to pay the debt.

For the declaration of the debt as a uncollectible in which there is a portion that affects the General Fund or the State Redemption Fund, the Secretary of the Treasury must give his/her consent.

(j) Notwithstanding the provisions of subsection (i) of this Section, the Board may authorize the Center to execute final agreements and payment commitments in writing, as provided by Sections 3.49 and 3.50 of Act No. 80 of August 30, 1991, as amended.

(k) Approve the contracting of external auditing services for the annual certified financial reports that must include, besides the audited financial statements of the Center, the analysis, audit and certification of the annual liquidations of the remittances of the Center to the municipalities. Said contracting shall require that the external auditor(s) remit to the Board the letter to the management when the results of the audits indicate faults, irregularities or departures from the fiscal control measures in effect.

**Section 8. — Executive Director.** (21 L.P.R.A. § 5807)

The Center shall be directed by an Executive Director appointed by the Board. The Director shall be the executive head of the Center, shall exercise those duties and powers provided in this Act or in any other act under the administration of the Center, as well as those delegated by the Board or its President. The Board shall fix the salary or remuneration of the Executive Director according to the customary standards for positions of equal or similar nature and to the level of responsibility in the public service sector.

The Executive Director shall hold office at the Board's volition and must hold a bachelor's degree of an institution of higher education recognized by the Council on Higher Education, not to have filled the position of mayor during the four (4) years prior to the date of his appointment and be a person of renown administrative capacity and moral probity. The Executive Director may avail himself to the benefits of Act No 447 of May 15, 1951, as amended, known as the "Employees Retirement System Act of the Government of Puerto Rico and its Instrumentalities".

The Executive Director shall appoint an Acting Director who shall substitute him provisionally in each case of temporary absence. When for any cause the position of Executive Director is vacant, the Acting Director shall assume all the functions, duties and faculties of the position, until the successor of the Director is appointed and qualifies. The



Acting Director must meet the same requirements that are provided in this section for the Executive Director and shall exercise his position at the later's volition.

**Section 9. — Faculties and Duties of the Executive Director .** (21 L.P.R.A. § 5808)

The Executive Director shall have the following faculties and duties, among others:

- (a) Determine, after the approval of the Board, the internal organization of the Center and establish the systems that are necessary for its adequate functioning and operation, as well as to carry out the administrative and management actions needed to enforce this Act and any other acts, regulations or programs under the responsibility of the Center.
- (b) Appoint the personnel that is needed to carry out the goals and purposes of the Center, according to the classification and retribution plan adopted by the Board.
- (c) Contract the professional and technical services that are needed to comply with the functions of the Center and the Board. When the fees, compensation or remuneration exceed thirty-six thousand dollars (\$36,000) per year, the Executive Director must obtain the approval of the Board.
- (d) Delegate on officials and employees of the Center any of his functions, duties and responsibilities, except making appointments, entering into contracts and authorizing advances of funds to the municipalities.
- (e) Appoint examining officials to officiate administrative hearings, who shall exercise their functions pursuant to the norms and procedures established by the Board through regulations.
- (f) Request and obtain cooperation from any other public agency or municipality with regard to the use of office space, equipment, supplies, personnel and others.
- (g) Acquire the supplies, goods and equipment needed for the Center's operation and functioning, subject to that which is provided in this Act.
- (h) Prepare and administrate the budget of income and expenses of the Center according to the regulations adopted by the Board. To that respect, he shall annually submit to the Board a report of the expenses incurred and of remainders, if any, during the corresponding fiscal year, and a budget proposal for the following fiscal year.
- (i) Establish the accounting systems needed for the registry and control of all revenues and disbursements made by the Center and for the adequate control of all its fiscal operations, after the approval by the Board. The Comptroller of Puerto Rico shall supervise all revenues, accounts and disbursements of the Center.
- (j) Adopt regulations for the use, control, preservation and disposal of the Center's property, with the approval of the Board.
- (k) Formalize agreements and enter into covenants or contracts to carry out and comply with the purposes of this Act or any other act whose implementation and execution is delegated to the Center, subject to the norms and regulations approved by the Board.
- (l) Authorize and grant funds advances to the municipalities for future taxes, pursuant to the norms provided by the Board.
- (m) Present any legal remedies that are needed to enforce this Act and any other acts, regulations or programs under the responsibility of the Center.
- (n) Inspect every type of files and documents related to his functions and duties, provided that no information of confidential nature that is entrusted to him be disclosed, unless it is expressly authorized by the person who offered it or is required by a competent authority.

- (o) Take oaths and certify statements, returns or other documents.
- (p) Maintain a data bank or system on the properties of each municipality.
- (q) Mandatory obligation to provide the municipalities at least once a year with all the data and reports with respect to its municipality that would allow evaluating their correctness and that foster efficient municipal administration.
- (r) Submit to the Board at each meeting a report on the administrative and management matters considered and taken care of by him since the last meeting and on the result of the tasks ordered by the Board.
- (s) Submit annual financial reports certified by an authorized public accountant no later than six (6) months following the end of each fiscal year, and an annual report describing all the activities, achievements and plans of the Center.
- (t) Preserve and custody all files, registers, records and other documents under his power, pursuant to the provisions of Act No. 5 of December 8, 1955, known as "Public Documents Preservation Act".
- (u) Carry out all the tasks, efforts and functions delegated to him by the Board or that are provided by law, and carry out all those actions necessary and pertinent for the efficient achievement of his task.
- (v) Submit annually to the municipalities copies of the audited financial statements together with the results of the analysis, audit and certification of the annual liquidations of the respective remittances of the Center to the municipality in question conducted by the contracted external auditor(s) .

**Section 10. — Personnel of the Center.** (21 L.P.R.A. § 5809)

The Center shall be an "individual administrator", as the term is defined in Act No. 5 of October 14, 1975, as amended known as "Public Service Personnel Act", and shall adopt the rules and regulations that are necessary for the administration of its personnel system, upon approval by the Board. Said rules shall guarantee that any person who had previously been a career employee in any other agency or municipality prior to his/her services as a confidential employee of the Center shall have the right to be reinstated in a position of equal or similar nature and category to the one he/she held as a career servant at the moment that he/she was promoted to a confidential position. To those effects, the regulatory mechanisms available to guarantee a retribution in accordance to his/her competence and specialized knowledge may be used.

No person who has a tax obligation or any other kind of debt with a municipality may hold any office in the Center, unless a payment plan has been agreed upon for the liquidation of said debt, and he/she is up to date in the installments. The officials and employees of the Center shall be subject to Act No 12 of July 24, 1985, as amended, known as the "Ethics in Government Act of the Commonwealth of Puerto Rico".

The officials and employees of the Center shall be entitled to the benefits of Act No. 447 of May 15, 1951 [3 L.P.R.A. §§ 761 et seq.] known as "Employees Retirement System Act of the Government of Puerto Rico and its Instrumentalities".

Every official, employee and examiner of the Center shall pledge faithful compliance with the functions of his office and shall not disclose any of the information obtained in the course of his/her official efforts.

**Section 11. — Bond to officials and employees.** (21 L.P.R.A. § 5810)

The officials and employees of the Center, who in any way intervene or have money, securities or any other public property under their custody, shall be covered by a fidelity bond that shall guarantee faithful compliance with their functions and duties. The Board, after consulting with the Secretary of his authorized representative, shall decide through regulation those officials and employees who shall be covered by said bond and the amount thereof for each one of them.

The Secretary shall represent the Center in every aspect related to the contracting of the bond, the risks to be covered and processing of all claims that may arise under the terms of the policy, in the manner he deems best for the public interest. To those effects, the Executive Director of the Center shall annually submit to the Secretary, on the date he determines, a list of the names of the officials and employees that according to the applicable regulations should be covered by said bond.

**Section 12. — Purchasing and supplies.** (21 L.P.R.A. § 5811)

The Center shall be exempted from Act No. 196 of August 4, 1979, as amended, known as "General Services Administration Act". All purchases for goods and services shall be made according to the rules and regulations adopted by the Board. Such norms and regulations shall provide that every purchase and contract for supplies or services, excluding those by professionals, which exceeds the amount of thirty thousand dollars (\$30,000), shall require a formal bid. When the total amount of said purchase or contract is less than said amount, a procedure to request for proposals from at least three (3) bidders or suppliers, shall be provided through regulations.

In case of emergencies requiring immediate delivery of materials, goods and equipment or the rendering of specific services, or in case of agreements or contracts with public agencies, financial institutions and tax collecting savings and credit unions no call for bids shall be necessary.

The Center shall be subject to compliance with Act No. 42 of August 5, 1989, [3 L.P.R.A. §§ 914a et seq.] known as "Preference Procurement Policy Act of the Government of Puerto Rico."

**Section 13. — Appraisals Agreements, Collection Procedures and Revenues.** (21 L.P.R.A. § 5812)

The Center may develop programs, together with any municipality, in order for the latter to directly carry out works related to the appraisal of real property located within its territorial limits. The agreement shall specify the requirements and norms to be met by municipal employees and the contract personnel used by the municipality to carry out said work, pursuant to Act No. 83 of August 30, 1991, as amended, known as the "Municipal Property Tax Act of 1991, and its regulations, as well as with the norms and procedures provided by the Board through regulations. The Center shall have the absolute responsibility of appraising the properties and making the appraisal corrections to impose the property tax.

Likewise, the Center shall enter into agreements with the municipalities to carry out the property tax collection procedures. Said agreements shall adjust to the provisions of Act No. 83 of August 30, 1991, as amended, known as the "Municipal Property Tax Act of 1991," as well as to the requirements, procedures and norms provided by the Board through regulations to such effect. The agreements shall include a clause which clearly states that the power of the municipality shall be limited to taking steps, in accordance with the applicable laws and regulations, to make the taxpayer pay any amount of said tax owed at the place that the Center determines through regulations or through any public agency, financial institution or credit or savings union contracted as collector.

As a means to enable the development of the working agreements between the Center and the municipalities, the Government Development Bank is hereby authorized to provide the resources needed to finance the same, by granting loans secured with the Municipal C.A.E. or through the withholding of the municipality's monthly remittance.

The Center may withhold up to five percent (5%) of the total of the debts collected as a result of implementing the working agreements. The same shall be used for operating expenses related to the implementation of the projects.

Upon notification by the Center, the Bank may reimburse to the municipality the funds corresponding to them for collection and elimination of delinquent debts that result from the projects under the agreements, without applying the criteria for the distribution of funds established in Section 18 of this Act.

The Center may enter into contracts and agreements with public agencies, financial institutions and credit unions to render services to collect municipal property taxes. Said contract or agreement shall be executed pursuant to the norms and procedures provided by the Board through regulations. In the case of financial institutions and credit unions, it shall only execute agreements with those whose deposits are secured and qualify as depositories of public funds pursuant to applicable local and federal laws.

The Center shall give training on the procedures, systems and norms related to the appraisal of properties, the property tax collection measures, and the collection thereof.

**Section 14. — Loans and obligations for advances of funds to the municipalities. (21 L.P.R.A. § 5813)**

For the purposes provided in subsection (j) of Section 4 of this Act, and upon approval of the Board, the Center may make loans and issue notes in advance of the collection of estimated taxes and revenues to be received during the current fiscal year period to pay budgeted expenses to be incurred during said fiscal period and pay the expenses related to the sale and issuing of said notes. The outstanding principal of the outstanding notes in any fiscal period shall not exceed eighty percent (80%) of the estimated taxes and revenues for the current fiscal period or the maximum estimate of cash deficiency from the date of issuance of the notes, until the closing of said fiscal period, whichever of two is less. The Center shall authorize the issuance of notes through a resolution adopted by the Board, under the terms and conditions that the Center, with the advise of the Government Bank, deems shall be the most convenient to the municipalities. The notes issued by the Center by virtue of this section, shall not constitute a debt of the Commonwealth of Puerto Rico, the municipalities

or any other political subdivision of the Government of Puerto Rico. The provisions of Act No. 272 of May 15, 1945 [7 L.P.R.A. §§ 581 et seq.] shall be applicable to the Center.

**Section 15. — Municipal Matching Revenues Fund.** (21 L.P.R.A. § 5814)

A special fund is hereby established in the Government Bank named "Municipal Matching Fund" which shall be kept separate from any funds of the Central Government or the municipalities. The total of the funds transferred to the municipalities in Section 16 shall be covered into said Fund, pursuant to that which is provided in the trust contract that the Center is bound to subscribe with said Bank.

The funds set forth in subsection (a) of Section 16 shall be received by the Government Bank, according to the collection covenants or agreements entered into with the Center. The funds from the sources indicated in subsections (b) and (c) of said Section shall be transferred directly to said Bank by the Secretary through the procedures and norms applicable to such transfers.

**Section 16. — Transfer of Funds to the Municipalities.** (21 L.P.R.A. § 5815)

The funds set forth below are hereby transferred to the municipalities during fiscal year 1991-92 and in each subsequent fiscal year:

(a) The total amount of funds from the basic tax levied by the Commonwealth Government and by the municipalities as of the date of approval of this act, plus any additional basic tax subsequently levied by the municipalities up to the limits established by Section 2.01 of Act No. 83 of August 30, 1991, as amended, known as the "Municipal Property Tax Act of 1991, on the appraised value of all real and personal property in Puerto Rico, non-exempted or exempted from the payment of taxes. Furthermore, the funds from the obligations imposed on the Secretary of the Treasury by Sections 2.06, 2.09 and 5.39 of the above Act 83.

(b) Twenty-five percent (25%) in fiscal year 1991-92 and thirty percent (30%) in fiscal year 1992-93 and thirty-five percent (35%) in fiscal year 1993-94 and in each subsequent year of the annual net revenues derived from the operation of the Additional Lottery System.

(c) An amount equal to two and two hundredths percent (2.02%) computed on the basis of the net internal revenues of the General Fund until fiscal year 1999--2000; two and one tenth percent (2.1%) for fiscal year 2000--2001; two point two percent (2.2%) for fiscal year 2001—2002; two point three percent (2.3%) for fiscal year 2002—2003; two point four percent (2.4%) for fiscal year 2003—2004; and two point five percent (2.5%) for subsequent fiscal years, provided that for fiscal years beginning after June 30, 2009:

(1) The amount of net revenues of the General Fund for purposes of this computation shall not include those revenues, collections or incomes received through the implementation of the Special Act Declaring a State of Fiscal Emergency and Establishing a Comprehensive Fiscal Stabilization Plan to Salvage the Credit of Puerto Rico.

(2) The distribution among municipalities of the appropriation provided in this subsection (c), as determined under Section 18 of this Act, shall be adjusted so that those municipalities for which said appropriation has represented fifty (50) percent or more of its income for fiscal year 2007-2008, shall receive an amount not less than that received

for fiscal year 2007-2008. The total amount of the adjustments shall be distributed among the remaining municipalities on an inversely proportional basis to the percentage that the participation of each of said remaining municipalities in the appropriation provided in this subsection (a) for fiscal year 2007-2008 represented of its total revenues for said year.

(d) Two percent (2%) of the revenues obtained from the fines collected for violations of Act No. 22 of January 7, 2000 [9 L.P.R.A. §§ 5001 et seq.], as now or subsequently amended, during fiscal year 2005-2006 and subsequent fiscal years, to nourish the Municipal Public Works Fund, created by Section 16-A of this Act.

**Section 16-A. — Municipal Public Works Fund.** (21 L.P.R.A. § 5815a)

The Municipal Public Works Fund is hereby created to be nourished by two percent (2%) of the revenues obtained from the fines collected for violations of Act No. 22 of January 7, 2000 [9 L.P.R.A. §§ 5001 et seq.], as now or subsequently amended. The resources of said fund shall be used to create new capital works and make improvements to existing works in the various municipal jurisdictions. Provided, That when this act takes effect, the municipalities may choose to use the portion of the aforementioned funds corresponding to each, to increase their current revenues, and if possible, to create their borrowing capability so as to carry out capital improvements. At the end of each fiscal year the Secretary shall transfer the totality of the funds obtained to the Center to be equally distributed, pursuant to the procedure established in Section 18 of Act No. 80 of August 30, 1991, as amended.

**Section 17. — Distribution of Funds in trust.** (21 L.P.R.A. § 5816)

The funds in the general trust that the Center establishes with the Government Development bank for Puerto Rico, according to subsection (c) of Section 4 of this Act, shall be distributed by the Center in the following order of priority:

(a) The amount that corresponds to the surtax for the service and redemption of the general obligation of the Commonwealth of Puerto Rico, shall be deposited in the Commonwealth Debt Redemption Fund.

(b) Except as provided in the second paragraph of Section 2.02 of the "Municipal Property Tax of 1991" as amended, the amount corresponding to the surtax for the service and redemption of the general obligations of the municipalities and any other amount needed for such purposes shall be covered into the Municipal Public Debt Redemption Fund.

(c) The amount that corresponds to the provision for the payment of statutory obligations or debts of the municipalities shall be withheld and referred to the corresponding paying agent.

(d) The amount that corresponds to the provision for the operations and administration expenses of the Center shall be deposited in the account designated by the Center.

(e) The unencumbered remainder of the other property taxes, and other income shall be distributed to the municipalities according to the provisions of this Act.

**Section 18. — Allocation of Funds to the Municipalities.** (21 L.P.R.A. § 5817)

As of the date on which the Center receives the transfers established in subsection (f) of section 23 of this Act, and during each subsequent year, the Secretary shall transfer to the Government Development Bank one twelfth (1/12) part of the estimated pending revenues during the fiscal year in question from the amounts indicated in subsections (b) and (c) of Section 16, no later than the tenth (10th) day of each month.

The Government Development Bank shall remit to each municipality the amounts indicated hereinbelow no later than the fifteenth (15th) day of each month, pursuant to that which is provided in this Act, in the trust contract and in the preliminary allocation document prepared by the Center. The amount to be withheld to cover statutory or contracted debts of the municipalities with public agencies or other municipalities shall be specified in said allocation.

The computation of the total amount of the revenues to be allocated during fiscal year 1993-94 and in each following fiscal year that is generated on account of the sources described in Section 16, shall be made using the immediately preceding year as base year.

Said remittance shall be made using the following criteria:

- (a) One twelfth (1/12th) of the estimated annual revenues which shall correspond to each municipality for the amounts indicated in subsections (a), (b) and (c) of Section 16.
- (b) The basic municipal tax that was levied prior to the approval of this act, plus any additional basic tax levied by the municipalities, as well as the appropriations for the exempted property tax and the twenty hundredths of one percent of the basic tax levied and not collected which is reimbursed by the General Fund, shall be directly adjudicated to the corresponding municipality.

Through the matching mechanism, it is ensured that each municipality receives revenues from property taxes that previously corresponded to the General Fund, the lottery and the government subsidy, equal to those perceived as of the base year. If the property tax does not provide for said matching, it shall receive remittance from the lottery and subsidy until the same is reached. If these funds are not sufficient, the necessary recourses shall be taken to attain the matching of those municipalities whose property tax exceeds its matching requirements.

After the matching has been made, if there were a remainder of revenues from the property tax, it shall be distributed between the municipalities on the basis of the increment in the property tax of each municipality with regard to the total increase thereof.

- (c) If the matching is made without exhausting the revenues proceeding from the lottery and the subsidy, any resulting surplus shall be distributed by the Center among all the municipalities on the basis of the following criteria:

- (1) The total number of persons per capita benefitting from the Nutritional Assistance Program, pursuant to the certification issued by the Department of the Family to such effects, determined in the immediately preceding fiscal year or in the closest fiscal year for which there is information.
- (2) The functional per capita budget of each municipality, of the immediately preceding fiscal year or in the closest fiscal year for which there is information.

(3) The per capita appraised value of the taxable property located within the territorial limits of each municipality, corresponding to the immediately preceding fiscal year, or to the closest fiscal year for which there is information.

(4) The population of the municipality per square mile, according to the last ten-year census.

The above mentioned surplus shall be allocated in six equal parts, of which one-sixth (1/6) of such available funds shall correspond to each factor. The allocation approach shall be determined by the Board, with the participation of the Director of the Management and Budget Office. The application of said approach must benefit those municipalities that receive the lowest revenues from property taxes or other sources, as well as the municipalities with the greatest number of Nutritional Assistance Program dependents and greatest population density.

(d) As of fiscal year 1994-95 and in following years, if the total amount of the revenues provided in Section 16 is not sufficient to attain the matching of revenues of each municipality with the base year, the available funds shall be distributed in proportion to the allocation of revenues of each base year.

As of June 30, 1995, and in every subsequent year, the Center shall make a final liquidation of the funds allocated to the municipalities not later than December 31 of each year. Should there be a surplus, the Government Bank shall remit the corresponding amount to each municipality, using the factors established in subsection (c) of this Section. If amounts in excess of those which correspond to each municipality are remitted according to said final liquidation, the Center shall report said fact to the Government Bank so that it may withhold those amounts needed to recover the amounts remitted in excess from the remittances of the following fiscal year. In any case, the municipalities must make the needed adjustments against the cash surplus of the previous year so that the corresponding amounts may be accounted as part of the fiscal year to which they correspond. On the other hand, so that the municipalities may be able to comply with the provisions of Sections 3.010 (j) and 7. 011 of Act No. 81 of August 30, 1991, as amended, the Center shall have to issue a preliminary certification on or before September 30 of each year. Said preliminary certification shall be remitted to the municipalities not later than the third working day after said September 30.

(e) When the Center deems it pertinent, it may conduct a revision of the estimated revenues. If, when making said revision, an increase is determined, it may recommend a lump sum payment for the corresponding amount, to the municipality for the months prior to the revision. Any remainder of the increase shall be prorated in the remaining remittances until the end of the fiscal year, in which case the provisions of subsection (d) of this Section shall apply with regard to the final liquidation of the funds distributed to the municipalities.

(f) The Board of Directors of the Center is hereby empowered to establish a formula, according to the circumstances of each year, to distribute the funds of Section 16(b) and (c), to attain the matching of the base year, where the municipalities of less than fifty thousand (50,000) inhabitants are assured the same revenue received in the immediately preceding fiscal year.



**Section 19. — Rights exemption.** (21 L.P.R.A. § 5818)

The Center shall be exempt from payment of all right or tariff required to handle judicial proceedings. Likewise, it shall be exempt from payment and cancellation of seals, tariffs and others required by law in public documents. It shall also have a right to a gratuitous issuing of any certification, blueprint, photograph, report and document in any public agency.

**Section 20. — Immunity; civil actions.** (21 L.P.R.A. § 5819)

Neither the Center's Governing Board nor its individual members shall incur in economic liability for any action taken while performing their duties and powers, provided their actions have not been intentional or illegal, for their own benefit or knowing that they may cause damage.

The provisions of Act No. 104 of June 29, 1955, as amended, related to the maximum amounts in actions for damages and in causes of action based in violations of civil rights, shall be applicable, as appropriate, to claims filed against the Center, its Governing Board, its individual members or in their personal capacity or against officials or employees of the Center.

**Section 21. — Penalties.** (21 L.P.R.A. § 5820)

Any person who violates the provisions of this Act or the regulations approved by virtue thereof, except when the acts performed are punished by any other legal provision, shall incur a misdemeanor and upon conviction thereof, shall be punished with a fine not greater than five hundred (500) dollars, or with imprisonment for a term not greater than six (6) months, or both, at the discretion of the court.

**Section 22. — Appropriation of Funds to Operate the Center.** (21 L.P.R.A. § 5821)

The funds needed for the organization and operation of the Center during fiscal years 1991-92 and 1992-93, shall emanate from the item to implement the municipal reform to be consigned in the Joint Resolution of the General Expense Budget of the Government of the Commonwealth of Puerto Rico.

In fiscal year 1993-94, the funds needed to implement this Act shall be consigned in a separate item on behalf of the Municipal Revenues Collection Center, in the Joint Resolution of the General Expense Budget of the Government of the Commonwealth of Puerto Rico.

As of fiscal year 1994-95, the Center shall annually separate an amount to cover its operating expenses, up to a maximum of five percent (5%) from the total of the annual collections obtained from municipal property taxes in the fiscal year immediately preceding. The Government Development Bank shall remit said funds to the Center."

**Section 23. — Transitory Provisions.** (21 L.P.R.A. § 5801 note)

(a) *Revenues guarantee for fiscal years 1991-92 and 1992-93: —*

During fiscal years 1991-92 and 1992-93, the Secretary shall deposit the funds transferred in subsections (a), (b) and (c) of Section 16 in the trust created in the Government Bank, so that they be credited to the Matching Fund.

The Secretary shall deposit no later than the tenth day of each month, a twelfth (1/12) part of the estimated pending revenues in each one of said fiscal years on account of the funds transferred in Section 16. Said deposit shall be enclosed with their allocation for those fiscal years.

Notwithstanding that which has been previously provided, the amount advanced and granted to each municipality for fiscal year 1991-92 on account of property taxes, shall in no case exceed the total amount that would have corresponded to each under the legal provisions applicable prior to the approval of this Act.

As of June 30, 1992 and 1993, the Secretary shall give the municipalities a final liquidation of the funds allocated to them. Should the funds transferred to the municipalities, pursuant to Sections 16, are [be] less than the revenues they would have received under the provisions in effect prior to the approval of this Act, the Secretary shall advance the difference, chargeable to any other available funds in the General Fund. At the same time, he shall request the Government Budget and Management Office to take the measures needed to reimburse the funds thus advanced, chargeable to the resources of the central government of the following fiscal year. In the event that the transferred funds are greater, the excess shall be evenly percentage-wise allocated among all municipalities, using therefor the percentage that said excess represents from the total of revenues previously matched.

The Secretary may withhold any sum that is needed to cover statutory debts from the funds belonging to the municipalities, which have been transferred by this Act .

(b) *Guarantee of revenues for fiscal years 1993-94 and 1994-95.* — If during fiscal years 1993-94 and 1994-95, the resources transferred to the municipalities pursuant to Section 16 are less than those they would have received under the legal provisions that were applicable prior to the approval of this statute, the Secretary shall advance the difference, chargeable to any available funds in the Commonwealth Treasury, once the Secretary of the Treasury performs the totality of the transfers, he/she shall request that the Office of Management and Budget reimburse the funds thus advanced in the following fiscal year. The Secretary shall cover the difference, provided the collection for that part of the property taxes provided in subsection (a) of Section 16 corresponding to said fiscal year is equal to or greater than that of the immediately preceding fiscal year.

The funds advanced by the Secretary to the Center as guarantee of the municipal revenues, shall be appropriated by the Office of Management and Budget in seven (7) prorated annual installments beginning in fiscal year 1998-99 and ending in fiscal year 2004-05.

(c) *Municipalities Debts for Advances in Excess.* — No later than July 1, 1992, the Secretary shall review his records in order to determine the debt of each municipality with the General Fund for funds advanced in excess of property taxes, actually collected. Once the amount of said debt is established, the Secretary shall notify each municipality, as appropriate, and shall send a copy of said notice to the Executive Director. Any municipality that does not agree with the amount of the debt, may request that its account with the Department of Treasury be audited, within sixty (60) days after it received said notice. The Secretary, jointly with the Director of the Center, shall adopt the norms and procedures to conduct the corresponding examination or audit.

The municipalities must settle the outstanding balance in a term not greater than fifteen (15) years within the annual growth rate, the revenues on account of municipal property taxes.

Notwithstanding the above, the Secretary of the Treasury may negotiate with the Municipal Governments other terms and conditions with respect to the payment of any outstanding balance, when said payment is onerous to the municipal finances.

(d) *Secretary's Debt in Favor of the Municipalities.* — The Secretary shall also review his records to determine the amounts he must remit to each municipality on account of municipal property taxes collected in excess of the amounts actually advanced to them in previous years, or those amounts collected but not remitted to the municipality, no later than July 1, 1992. The Secretary shall remit such funds to the municipalities in a term not greater than three (3) years.

(e) *Taxes Collection [Tax Collection].* — Within a term which shall not exceed the date in which the transfer provided in subsection (f) of this section is made, the Secretary shall review the registers of the property subject to taxes and shall apply or credit to the corresponding accounts the special deposits that are pending. It shall likewise apply or adjust to said accounts the payments made by mistake. After this has been done, the Secretary shall transfer the records of all taxes and accounts pending collection to the Center, as well as the complete files of all those transactions pending processing such as segregation, grouping and revisions, which, once processed, could have an impact on the accounts pending. The Center shall take all measures directed to concluding the processing of said pending transactions, in order to clarify the conditions of the accounts pending. The Secretary, in accordance with the available budget resources, shall provide to the Center the personnel, equipment and materials needed for the former to complete the updating of all transactions related to special deposits and payment by mistake that are not concluded by the date established in this subsection. This technical support shall be available to the Center as of said date and shall be extended until the accounts pending, special deposits and payments by mistake which were transferred by the Department of the Treasury to the Center for the specific purpose indicated above, are clarified or eliminated. The Center shall take all the necessary measures to collect the tax debts thus transferred.

The amounts on account of such taxes collected by the Center shall correspond to the General Fund and the municipalities in the proportion established in the legal provisions in effect at the time in which the payment of said taxes became due. The Center, in agreement with the Secretary, shall establish the fees that the Department of the Treasury shall pay for the efforts it made to collect the above indicated collectible taxes.

(f) *Transfers.* — All powers, duties and obligations granted by law or regulations to the Department of the Treasury, are hereby transferred to the Center with respect to the appraisal, notice of imposition, assessments and collection of property taxes, no later than June 30, 1993. To the effects of the above provided transfer, and in order to carry out the purposes of this Act, there is hereby transferred to the Center all the personnel of the Bureau of Property Taxes, Inheritance and Donations of the Department of the Treasury who is entitled to retention, in harmony with Act No. 5 of October 14, 1975 as amended, and the applicable Personnel Regulations, and who work in appraisal and imposition of property and real-estate taxes activities; also, that other personnel of the Department of the Treasury who is [are] needed to achieve the transfer to the Center of the functions and duties relative to the

appraisal, imposition and collection of personal and real estate property taxes. The transferred personnel shall keep the same rights and benefits they had at the time of their transfer, as well as the rights and obligations regarding any pension, or retirement system or savings and loan funds. Provided, that the classification and retribution of the positions shall be established in harmony with the classification and retribution plans applicable to the Center. The retribution shall never be less [than] that which the employee received at the time of the transfer. This transfer shall take effect July 1, 1992.

Likewise, the Department of the Treasury shall transfer to the Center the programs, funds, obligations, property, equipment, documents, files and any others, related to the appraisal, imposition, assessment and collection of property taxes duties that are needed to attain the purposes of this Act.

The transfers provided in subsection (f) shall be carried out without they being [sic] subject to the prohibitions for electoral years contained in any of the acts in effect.

(g) *Contracts, Ordinances and Regulations in Effect.* — No provision of this Act shall be understood that modifies, alters or invalidates any agreement, covenant, claim or contract that has been granted by the Department of the Treasury under the powers, prerogatives, functions and duties that it had as of the date of the transfers ordered by this Act and which are in effect at the date of the performance of this transfer.

All regulations adopted by virtue of Act No. 139 of June 30, 1966 as amended, shall continue in full effect until amended or repealed, provided they are not in conflict with this Act.

(h) *Actions Pending Final Resolution.* — Every action, proceeding or claim related to the appraisal, imposition and assessment of the personal and real-estate property tax pending before the Department of the Treasury or before any court as of the date of approval of this Act, and every claim that has been initiated under Act No. 139 of June 30, 1966 as amended, shall continue to be handled until a final determination is made according to the legal provisions and regulations in effect as of the date in which such proceedings, actions and claims are filed.

(i) *Transition Committee.* — The Governor of Puerto Rico shall appoint a Transition Committee with the responsibility of adopting the measures needed to transfer to the Center the duties of the Department of the Treasury related to the appraisal, imposition, assessment and collection of property taxes. This Committee shall take care of the adequate transfer to the Center of all matters under the administration and responsibility of the Bureau of Property Taxes, Inheritances and Donations with regard to property taxes, without interrupting the administrative processes, the rendering of services and the operation of said Bureau. This Committee shall cease its duties when the Board so determines it.

(j) *Evaluating Committee.* — An Evaluating Committee is hereby created composed of three private citizens appointed by the Governor, of whom no more than two shall belong to the same political party.

The members of the Committee shall receive a per diem of fifty (50) dollars for each official meeting they attend, chargeable to the operating funds of the Center.

The Committee shall conduct [in fiscal year 1994-1995] an exhaustive evaluation of the following aspects: (a) total fiscal plan created in this Act, including the effectiveness of the Matching Fund; (b) the effect of the uniform accounting plan of the finances of each municipality and its capacity for financing; (c) the effectiveness of the collection and billing

systems; (d) the impact of the transfers of Section 16 in the fiscal situation of the municipalities; (e) the mechanism of repayment created in this Act, as well as the mechanism of payment provided in Joint Resolution No. 3 of October 16, 1985, and any other deposits in special funds in the Department of the Treasury.

The Committee shall prepare a special report with its conclusions and recommendations, which shall be submitted to the Governor, the Legislature and the Board not later than March 31, 1995, in order to take the measures that are deemed to be necessary.

**Section 23. — Repeal.**

Act No. 139 of June 30, 1966 as amended, known as "Municipal Subsidy Act" is hereby repealed.

**Section 23. — Effectiveness.** (21 L.P.R.A. § 5801 note)

This Act shall take effect immediately after its approval, except for transfer provided in subsection (f) of Section 23, which shall take effect as the moves or transfers are being carried out, which shall not be later than June 30, 1993.

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