“Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation Act”

Act No. 121 of August 17, 2001, as amended

(Contains amendments incorporated by:
Act No. 205 of August 28, 2002
Act No. 2 of January 4, 2010)

(Amendments non-incorporated:
Act No. 27 of March 4, 2011)

To create the "Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation”; establish the objectives, constitution, and duties of the Board of Directors; amend Section 2084 of Act No. 120 of October 31, 1994, known as the “Puerto Rico Internal Revenue Code of 1994,” in order to direct funds generated by taxes levied and collected on public performances to the “Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation Fund,” created by virtue of this measure; amend Section 5 of Act No. 362 of December 24, 1999, as amended, known as the “Act for the Development of the Film Industry in Puerto Rico”; repeal Act No. 27 of August 22, 1974, as amended known as the "Corporation for the Development of the Film Industry in Puerto Rico Act”; repeal Act No. 112 of December 7, 1993, as amended; transfer the existing balance of the Special Fund for the Development of the Film Industry to the new fund to be created herein; fix penalties for violations of this Act; and for other purposes.

STATEMENT OF MOTIVES

Since its invention and development by the end of the 19th century, the moving picture has become one of the most influential forms of artistic expression in the history of humanity, one where the arts and the sciences unite in every step of its making. Due to a steadily increasing global interest in the study of art applied to the moving picture, scientific and technological advances and the intervention of government and private interests in investment, infrastructure and marketing, the moving picture has become a very forceful industry, with a considerable impact on the economy concerning investment, job opportunities and revenues. Most significantly, the motion picture industry is a very effective way of promoting the cultural and national identity of any given country.

According to industry experts, the motion picture industry is a booming economic enterprise, throughout North America (Canada, the United States and Mexico), in most parts of Europe and Asia, and recently in Australia. Such is the importance of this industry that the United States government ordered its Department of Commerce to conduct an urgent investigation on the migration of U.S. productions to other countries. According to the report entitled "The Migration of U.S. Film and Television Production", the U.S. economy lost $10 billion dollars during the 1990-98 period because of this trend. The countries preferred by investors for motion picture production in 1999 were Canada, England, Australia and Ireland, in that order. It is estimated that the direct economic activity generated by this industry in the United States exceeds $20 billion annually, generating approximately 270,000 jobs.

Puerto Rico has participated, in various ways and under different circumstances, in the expansion and development of the so called "Seventh Art", whether as a location for filming local or international productions, as the birthplace of many film makers and stars, and as an important market for United States and international motion pictures. Our latest reward was the selection of Puerto Rican actor Benicio del Toro as Oscar winner for Best Supporting Actor for his role in the film "Traffic". His achievement is added to the contributions of other Puerto Rican stars and film makers such as José Ferrer, Rita Moreno, Luis Molina Casanova, Jacobo Morales, Pedro Muñiz, Marcos Zurinaga and, of course, our immortal Raúl Julía, just to mention a few.

However, and in spite of our potential for success and of the fact that during the last decade the Government has tried to promote the film industry, there are several factors that have prevented the development of the motion picture industry in Puerto Rico as expected in order to foster the performing, human and financial potential of the Island. Nevertheless, the efforts for promoting the industry have been rather sporadic and isolated, and made at great personal sacrifice. Even worse, they have been made without a clear-cut and effective public policy regarding the economic and planning efforts they deserve. However, there is a private financial sector that although timidly, does support these projects.

The Corporation for the Development of the Film Industry in Puerto Rico was created by virtue of Act No. 55 of August 31, 1992 as amended. Said Corporation is attached to the Department of Economic Development and Commerce, pursuant to Reorganization Plan No. 4 of June 22, 1994. The primary duty and responsibility of this public body is to promote activities related to the film industry in Puerto Rico, with special attention to local productions. Furthermore, Section 12 of said statute provides for the creation of a special fund to be known as the "Fund of the Corporation for the Development of the Film Industry in Puerto Rico", which would receive funds from legislative appropriations, income from services, and contributions from private and government corporations of the United States of America.

However, as requested by this Legislature and as stated through notice of the Department of the Treasury, which is the agency in charge by law to create and receive the moneys for said fund, there is no evidence whatsoever indicating that the Department of Economic Development and Commerce had requested the creation of said fund, even when said corporation was created ten (10) years ago. There is only one account in the books of the Department of the Treasury, under the name of "Special Fund for the Development of the Film Industry", created by virtue of Act No. 362 of December 24, 1999, which only held the sum of $11,613.77 as of March 26, 2001. This fund is nourished by moneys proceeding from the license fees paid by film companies when requesting tax incentives from the Government. This Legislature definitely believes that this body, because of its administrative and financial situation at this time, lacks the necessary tools or resources to promote film production efforts in Puerto Rico, starting with the specific support which the employees of the film industry require.

One of the programmed priorities of the current administration of the Commonwealth of Puerto Rico concerning the cultural endeavor is to support the “development of Puerto Rican film production, by designing new financing alternatives…with emphasis on the Puerto Rican film makers projects…”. It is time for the Government to provide the people of Puerto Rico with a versatile, dynamic and vigorous instrument with…the truly necessary human resources and financial capability that would substantially contribute to the development of the “seventh art” on our Island.

Be it enacted by the Legislature of Puerto Rico :

CHAPTER I. — GENERAL PROVISIONS

Section 1.01. — Title. — (23 L.P.R.A. § 592 note)

This Act shall be known as the "Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation Act”.

Section 1.02. — Public Policy. — (23 L.P.R.A. § 592 note)

The Government of the Commonwealth of Puerto Rico, in creating the Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation proposes the establishment of an instrument that is adequate, versatile, efficient and responsive to the need for developing the motion picture industry in Puerto Rico. The Corporation shall promote the production of quality films at the level of best world cinema, aimed at both local and international markets. The Corporation created herein shall provide, in a concrete and realistic manner, the incentives necessary to foster the development and increase the number of motion picture productions on our Island. This legislative measure seeks to do justice to the work of those individuals and organizations that through the years have brought to the forefront the name of Puerto Rico through the conception, production and promotion of high quality motion pictures. These Puerto Rican men and women have devoted their efforts and talent to exalt the name of Puerto Rico in spite of the many difficulties that the production of a motion picture entails and, in many cases, of the lack of financial support and resources from the public sector. Likewise, the people of Puerto Rico shall also be able to rely on a dynamic entity for achieving the goals and objectives of Act No. 362 of December 24, 1999, known as “Act for the Development of the Film Industry in Puerto Rico” *[Note: Repealed, Act No. 27 of March 4, 2011]*.

Section 1.03. — Definitions. — (23 L.P.R.A. § 592)

The following phrases and terms shall have the meaning set forth below, unless otherwise inferred from the text:
(a) Legislature. — Means the House of Representatives and the Senate of Puerto Rico, acting jointly or separately.
(b) Governor. — Means the Governor of the Commonwealth of Puerto Rico.

(c) Motion Picture Arts, Sciences and Industries. — Means every artistic and technological activity in connection with the production of feature films for theatrical distribution.
(d) Corporation. — Means the Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation.
(e) Fund. — Means the Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation Fund.
(f) Film. — Means celluloid film, photos, stills, slides, filmstrips, photographic exhibitions and other related forms of visual representation.
(g) Government body. — Means every department, agency, division, public corporation, political subdivision or any other instrumentality of the Government of the Commonwealth of Puerto Rico.

CHAPTER II. — CREATION OF THE CORPORATION; GENERAL DUTIES

Section 2.01. — Creation. — (23 L.P.R.A. § 593)

The Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation is hereby created. Said Corporation shall have perpetual existence, independent juridical standing, and shall be attached to the Department of Economic Development and Commerce. It shall likewise have the capability of suing and being sued. It is hereby established that the resources and facilities to be administered by said Corporation shall be used for the purposes established herein and not for private purposes, nor shall it be primarily intended for political-partisan, or sectarian propaganda. The establishment of the Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation shall not be deemed in any way as an institutionalized form of censorship or bias against any particular trend within said form of art.

Section 2.02. — General Duties of the Corporation. — (23 L.P.R.A. § 593a)

The Corporation shall have the following duties and responsibilities:
(a) To promote the diffusion of all phases of the motion picture arts, sciences and industry, as well as of the audiovisual arts in Puerto Rico.
(b) To support the development of Puerto Rican film productions through the design of new financing alternatives, with special attention to projects conceived and developed by Puerto Rican film makers.
(c) To enter into agreements with the Puerto Rican Industries Program of the Puerto Rico Industrial Development Company (PRIDCO) and with the Puerto Rico Tourism Company, in order to coordinate the promotion, marketing and distribution of Puerto Rican film productions.
(d) To offer guidance to government entities in relation to the informative efforts made through Puerto Rican cinematography.
(e) To promote and offer incentives to as many film productions as possible in the area of fine world cinema.
(f) To offer any other incentive to foster the development and diffusion of film productions.

(g) To integrate experimental techniques and the application of film theories into those films promoted by this Corporation, in pursuit of original artistic styles and craftsmanship.
(h) To explore and broaden the possibilities for the diffusion (promotion, distribution and exhibition) of every motion picture genre, in order to enrich the cinematographic tradition and transform the same into an efficient instrument for social evolution.
(i) To coordinate the functions of government entities in the production of theatrical motion pictures.
(j) To conduct research in the arts, sciences and audiovisual techniques and to disclose the results.
(k) To coordinate with universities in Puerto Rico for the active participation of cinematography students, in order to include in their curriculum courses in the diverse fields of cinematography. To furthermore foster the participation of said students in film productions as workshops.
(l) To facilitate the production of community educational films to be shown in movie theaters.
(m) To inform and advise the Governor and the Legislature on the status, development and quality of film productions in Puerto Rico.
(n) To promote the hiring of Puerto Rican artistic talent in film productions financed by the Corporation.
(o) To promote the contracting of locally and internationally renowned actors, technicians and other professionals connected to the production of motion pictures in order to produce high quality films and at the same time offer our professionals in the motion picture industry the opportunity
of gaining experience by working with other professionals of high repute and experience.
(p) To enter into agreements with representatives of the various components of the cinematographic activity in Puerto Rico (actor and technician unions, producer associations, among others).
(q) To offer logistical support to any other film projects (catalogs, commercials, among others).

Section 2.03. — Personnel System. — (23 L.P.R.A. § 593b)

The Corporation shall have an autonomous personnel system, based on the merit principle, but shall be exempt from the application of Act No. 5 of October 14, 1975, as amended, known as the "Puerto Rico Public Service Personnel Act". This system shall include two (2) employee categories: (1) career employees and (2) those known as confidential employees, who are subject to discretionary appointment and removal. Furthermore, other classifications may be created in order to hire personnel in emergency situations or on a short-term basis.

The Executive Director shall implement and administer the personnel system through regulations to be submitted for the approval of the Board of the Corporation, with the prior recommendation of the Central Labor Advisory and Human Resources Administration Office of Puerto Rico (OCALARH, Spanish acronym).

CHAPTER III. — BOARD OF DIRECTORS

Section 3.01. — Board of Directors; components; term. — (23 L.P.R.A. § 594)

The powers, authorities and duties, as well as the operating and administrative policies of the "Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation", shall be exercised by a Board of Directors.

The Board shall be constituted by the Secretary of the Department of Economic Development and Commerce, who shall preside over the Board, the Chairperson of the Board of Directors of the Puerto Rico Public Broadcasting Corporation, the Secretary of the Treasury, the Executive Director of the Institute of Puerto Rican Culture, and the Executive Director of the Tourism Company or the persons whom the aforementioned officials may designate as their representatives. The Board shall also be made up of two (2) citizens from the private sector representing the public interest, to be appointed by the Governor with the advice and consent of the Senate, and at least one (1) of whom shall have renowned interest, knowledge and experience in the motion picture arts, sciences and industry (actors, screenwriters, producers, etc.).

The appointments of the public interest members of the board shall be made for a term of (4) years; Provided, That the first appointments under this chapter shall be made in a staggered manner, to wit: one member for the term of four (4) years; one for the term of five (5) years, and one for the term of six (6) years.

Every public interest member of the board of directors shall be paid a per diem in the amount of fifty (50) dollars for each day of work as an active member of the board; Provided, That if the person appointed is an official or employee of the Government of Puerto Rico, he/she shall not be paid any per diem whatsoever.

The board shall meet at least twice during the year, and for purposes of deliberations and determinations, quorum shall be constituted by a simple majority of its members.

Section 3.02. — General powers and duties. — (23 L.P.R.A. § 594a)

The Board shall of Directors shall have the following powers in order to comply with the duties and responsibilities defined in this Act:

(a) To adopt, alter and use a corporate seal.

(b) To adopt, amend and repeal regulations governing its affairs and activities, and to prescribe rules, regulations and norms necessary to comply with its functions and duties, pursuant to Act No. 170 of August 12, 1988, as amended, known as the “Commonwealth of Puerto Rico Uniform Administrative Procedures Act”.

(c) To see to that the moneys appropriated to the Fund be used for the purposes provided in this Act. To such effects, the Board shall prepare and promulgate the regulations necessary for administering and granting said resources, provided also that the Board of Directors may not use or encumber the resources of the Funds for administrative expenses.

(d) [Repealed. Act Aug. 28, 2002, No. 205, § 2]

(e) To create an advisory body through regulations in order to expedite the duties of the Board.

(f) To act as the governing body of the Fund, with exclusive powers to authorize financing and other repayable benefits to be granted by the Board itself; to adopt by-laws for its administration and operation, as well as the standards to be observed for the administration of the Fund and for granting such appropriations and other repayable benefits. The Board of Directors shall also fix through regulations all matters pertaining to the mechanisms for recovering all items disbursed from the Fund.

CHAPTER IV. — EXECUTIVE DIRECTOR

Section 4.01. — Executive Director: appointment; term. — (23 L.P.R.A. § 595)

The Secretary of the Department of Economic Development and Commerce shall recommend to the Board the candidate to hold the position of Executive Director of the Corporation and the Board shall confirm the appointment of said Executive Director

Section 4.02. — General powers and responsibilities of the Executive Director. — (23 L.P.R.A. § 595a)

In order to comply with the duties and responsibilities defined in this Act, the Executive Director shall have the following powers and responsibilities.

(a) To acquire by legal means any personal and real property, tangible and intangible, or any right or interest thereon; to retain, preserve, use or operate the same and to sell, lease or otherwise dispose of said property.

(b) To receive and administer any gift, grant or donation of any real or personal property, or any financial resources exclusively allotted to achieve his or her purposes.

(c) To enter into and execute agreements, lease contracts and any other instruments necessary or pertinent in the exercise of his or her powers and functions.

(d) To acquire any property or interest thereon by any legal means, including but not limited to, the acquisition through purchase, lease, bequest, gift or donation and to own, preserve, use and operate such property or interest thereon.

(e) To maintain business premises or offices in a location to be determined.

(f) To contract and appoint those employees needed for the proper operation of the Corporation.

(g) To take all steps necessary or convenient to exercise the powers conferred by this Act and any others entrusted by the Board of Directors.

(h) To be a member of the Board of Directors of the Corporation with the right to voice but without vote.

(i) To compile a data bank on the existing talent in Puerto Rico with regard to the arts and production of motion pictures, which shall be available to any individual or organization recognized locally and internationally with an interest in developing a motion picture project in Puerto Rico or abroad, using Puerto Rican human resources.

CHAPTER V. — SPECIFIC DUTIES

Section 5.01. — Annual Reports. — (23 L.P.R.A. § 596)

It shall be the duty of the Corporation to submit, within ninety (90) days after the close of each fiscal year, an annual report that shall include:
(a) The total available funds, detailing their source, including those proceeding from donations received and from the interest accrued on account of the investment of the moneys of the Fund allowed by this Act.
(b) The financial support, tax credits, incentives, donations, financing and other incentives authorized and granted during the term comprised by the report, stating the natural persons, non-profit organizations, partnerships, associations or groups to which the same have been granted.
(c) A breakdown of the total investments made by the Fund during the term comprised by said report.
(d) The balance of the available moneys in the Fund for the term following report.
(e) The number of production proposals approved and those currently under consideration and evaluation for the corresponding term of the report.
(f) A detailed list of all the transactions conducted, including contracts, disbursements and financial commitments assumed by the Corporation during the preceding fiscal year.
(g) Financial statements audited by an authorized public accounting firm, prepared according to the generally accepted accounting principles for government entities.
(h) A status and progress report of all its activities since the creation of the Corporation or since the date of the last annual report.
(i) A report detailing the total number of requests submitted, those that were evaluated, those that were granted financing or other type of financial incentive. Said report shall include the total amount of financing requested, the name of the individual or entity submitting the request, and the amount of financing granted, as well as the status of the income received as payments for reimbursement to the Fund on account of the films produced.

Section 5.02. — Accounting System. — (23 L.P.R.A. § 596a)

The Corporation, upon consultation with the Secretary of the Treasury, shall establish the accounting system required for the proper control and statistical registration of all income and expenses of, and administered or controlled by the Corporation. Its accounts will be kept in such a manner as to allow for their segregation according to the various types of activities carried out.

The Comptroller of Puerto Rico or its representative shall examine all the accounts and books of the Corporation and shall inform the result of such inspection to the Board of Directors, the Governor and the Legislature.

CHAPTER VI. — ADMINISTRATIVE RESPONSIBILITIES

Section 6.01. — Administrative Budget. — (23 L.P.R.A. § 597)

The Corporation shall submit its budget annually to the Legislature of Puerto Rico, through the Office of Management and Budget, pursuant to the provisions of Act No. 110 of August 3, 1995, as amended, known as the “Office of Management and Budget Organic Act”.

All administrative funds of the Corporation shall be deposited in recognized banking entities located in the Commonwealth of Puerto Rico. The accounts shall be opened in the name of the Corporation, and the disbursements shall be made pursuant to the standards and regulations adopted to such effects by the Board of Directors.

All documents that involve or include obligations or disbursements chargeable to the funds appropriated to the Corporation shall bear the signature of the Executive Director.

Section 6.02. — Liability for Debts. — (23 L.P.R.A. § 597a)

The debts and other obligations incurred by the Corporation shall not be deemed debts or obligations of the Government of the Commonwealth of Puerto Rico nor of any of its agencies, public corporations, municipalities or other political subdivisions, and none of said bodies shall be in any way liable regarding the same, it being understood that said debts shall not be payable from any funds other than those of the Corporation.

Section 6.03. — Acquisition through transfer of property. — (23 L.P.R.A. § 597b)

The Governor may, through executive order, transfer to the Corporation any real and personal property deemed to be necessary and convenient for the development of any of the Corporation’s activities pursuant to this Act. Should the Commonwealth of Puerto Rico transfer any specific real property to the Corporation, said transfer shall be conducted by virtue of a certification issued by the Secretary of Transportation and Public Works, on behalf and in representation of the Commonwealth of Puerto Rico, which shall include a description of the real property and a note of its registration in the Property Registry. The Property Registrars shall take note of said certification for purposes of the title registration in favor of the transferee.

CHAPTER VII. — CREATION, ADMINISTRATION OF THE SPECIAL FUND

Section 7.01. — Corporation Fund. — (23 L.P.R.A. § 598)

A fund is hereby created in the books of the Department of the Treasury of Puerto Rico, to be known as the “Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation Fund” attached to the Corporation and without a specific economic year. The moneys covered into the Fund shall be accounted separately from any other funds under the custody of the Secretary of the Treasury. Provided, that the income of said Fund shall not be taken into account when determining the total annual income of the General Fund of the

Government of the Commonwealth of Puerto Rico. Furthermore provided that, any unused funds by the Fund in a given Fiscal Year shall not revert to the General Fund.

Section 7.02. — Administration of the Fund. — (23 L.P.R.A. § 598a)

The Fund created by virtue of this Act shall be administered by the Executive Director for the sole purpose of financing and promoting the production of motion pictures pursuant to the regulations adopted for such a purpose by the Board of Directors.

Section 7.03. — Financial Appropriations. — (23 L.P.R.A. § 598b)

The Fund shall be nourished from the following financial appropriations:
(a) The annual appropriations made by the Legislature through joint resolutions or donations specifically for the Fund for the
development and financing of all activities related to the production of feature films.
(b) Donations from companies, groups, non-profit institutions, partnerships and corporate entities from the private sector, from private citizens, as well as from federal, state and municipal government entities.
(c) The interest generated on account of the investments chargeable to the moneys of the Fund.
(d) Fifty (50) percent of the proceeds from taxes collected on public shows pursuant to the provisions of Section 2084 of Act No. 120 of October 31, 1994, as amended, known as “Puerto Rico Internal Revenue Code of 1994”.
(e) [Repealed. Act Aug. 28, 2002, No. 205, § 3]

Section 7.04. — Purposes of the Fund. — (23 L.P.R.A. § 598c)

The fund shall finance, promote, develop and support all activities related to the production of feature length films pursuant to the conditions established through regulations by the Board of Directors.

Subject to the regulations adopted, the Board of Directors may grant other reimbursable benefits set aside to support said activities to any natural or juridical person, non-profit institution, corporations, groups or partnerships provided they are not used for private purposes, nor primarily for the purpose of political or sectarian propaganda.

The Board of Directors, through the regulations to be adopted, shall provide financial support for the purposes established in this Act. The financing shall be granted for not more than the sum equal to eighty (80) percent of the proportional part of the cost of production, or up to a maximum of one million two hundred thousand (1,200,000) dollars, whichever is less.

Section 7.05. — Initial Appropriations to the Fund. — (23 L.P.R.A. § 598d)

The total amount of one million eight hundred thousand (1,800,000) dollars is hereby appropriated to the Puerto Rico Motion Picture Arts, Sciences and Industry Development Corporation Fund, from unencumbered funds in the Treasury of the Government of Puerto

Rico, which shall be disbursed at the rate of three hundred thousand (300,000) dollars in fiscal year 2001-2002, five hundred thousand (500,000) dollars in the following years, until fiscal year 2004-2005. Said contributions shall be deposited by the Secretary of the Treasury in the Fund for the development of any activity related to the production of feature films for movie theaters or television, in order to ensure the continuing production of motion pictures.

Section 7.06. — Donations. — (23 L.P.R.A. § 598e)

For purposes of this Act, it shall be deemed that a contributor, meaning an individual, corporation or entity, has made a donation to the Fund if said contribution is made on or before the last day established by law as the end of the taxable year.

Any donations made to the Fund may be claimed entirely as a deduction from the individual gross income or from the gross income of corporations or partnerships, as applicable, and without being subject to the provisions of paragraph (M) of clause (2) of subsection (aa) of Section 1023 of Act No. 120 of October 31, 1994, as amended, known as "Puerto Rico Internal Revenue Code of 1994". Every individual, corporation or partnership claiming this deduction must include with its income tax return a certification under the seal of the Corporation as evidence of the donation.

CHAPTER VIII. — AMENDMENT TO THE PUERTO RICO INTERNAL REVENUE CODE OF 1994

Section 8.01. — [Omitted]

CHAPTER IX. — AMENDMENTS TO THE ACT FOR THE DEVELOPMENT OF THE FILM INDUSTRY IN PUERTO RICO.

Section 9.01. — [Omitted]

Section 9.02. — [Omitted]

CHAPTER X. — ADDITIONAL PROVISIONS.

Section 10.01. — Repeal. — (23 L.P.R.A. § 592 note)

Act No. 27 of August 22, 1974, as amended, known as the "Corporation for the Development of the Film Industry in Puerto Rico Act", as amended, is hereby repealed.

Act No. 112 of December 7, 1993, as amended, which regulates the use of property of the Commonwealth of Puerto Rico by the motion picture industry is also repealed in its totality.

Section 10.02. — Transfer of Funds by the Secretary. — (23 L.P.R.A. § 592 note)

It is hereby provided that once this Act takes effect, the Secretary of the Treasury shall create the new Fund which by virtue of this Act is created and shall transfer to the same the total balance existing in the special fund known as the "Film Industry Development Fund".

Section 10.03. — Penalties. — (23 L.P.R.A. § 599)

(a) Any person who intentionally obtains or tries to obtain any benefit, ensuring or pretending to unduly influence in any manner the conduct of any official or employee who, in the exercise of his or her duties, is in charge of applying the provisions of this Act, shall incur a felony and if convicted shall be punished with the penalty of imprisonment for a fixed term of three (3) years; should there be any aggravating circumstances, the fixed penalty established may be increased for up to a maximum of six (6) years; should there be any extenuating circumstances, the same may be decreased to a minimum of one (1) year. The court may impose the penalty of restitution, in addition to the established penalty of imprisonment.
(b) Any official or employee in charge of applying the provisions of this Act who in order to obtain personal financial gain for his or her benefit or for that of a third party, intentionally or unlawfully uses any information or data obtained through the exercise of his or her duties or who carries out his or her duties, functions or tasks related to his or her position in an improper manner, shall incur a felony and if convicted, shall be punished with the penalty of imprisonment for a fixed term of three (3) years; should there be any aggravating circumstances, the fixed penalty established may be increased for up to a maximum of six (6) years; should there be any extenuating circumstances, the same may be decreased to a minimum of one (1) year. The court may impose the penalty of restitution, in addition to the established imprisonment penalty.

Section 10.04. — Use of Commonwealth property by the film industry. — (23 L.P.R.A. § 600)

The Government of the Commonwealth of Puerto Rico, its agencies, instrumentalities, and public corporations or of the municipal governments shall cede the use of their properties, at no cost, for the purposes of filming documentaries, advertisements, feature films and short films for commercial movies. To these ends, the Board of Directors shall establish by regulations the procedures through which said cessions shall be made, under reasonable terms and conditions. Provided, further that the regulations shall provide that in cases of historical monuments the Institute of Puerto Rican Culture shall be consulted. Upon authorization for using such properties, a public responsibility policy shall be required to cover any expenses for damages that may be caused to the property in which the filming is made.

Section 10.05. — Severability. — (23 L.P.R.A. § 592 note)

Should any clause, paragraph, article, section, title or part of this Act be declared unconstitutional by a court of competence, the judgment issued to such effects shall not affect, harm or invalidate the remainder of this Act. The effect of said decision shall be limited to the clause, paragraph, article, section, title or part thereof declared unconstitutional.

Section 10.06. — Effectiveness. — (23 L.P.R.A. § 592 note)

This Act shall take effect immediately after its approval.

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