

***“Martín Peña Canal Special Planning District Integrated Development Act”***

Act No. 489 of September 24, 2004, as amended

(Contains amendments incorporated by:  
Act No. 32 of September 24, 2009)

(Amendments non-incorporated:  
Act No. 70 of May 8, 2011)

To adopt the “Martín Peña Canal Special Planning District Integrated Development Act;” to create the Martín Peña Canal ENLACE Project Corporation and the Office of the Project, as well as a Land Trust; to provide for its existence, administration and financing; to appropriate funds and for other related purposes.

**STATEMENT OF MOTIVES**

The Legislature, on the basis of the public policy of the Commonwealth of Puerto Rico, which states that community development, should be spearheaded by the members of the communities proper, hereby establishes a mechanism whose purpose is to articulate the implementation of the Martín Peña Canal ENLACE Project efficiently, providing for the effective participation of the community based organizations that represent the residents of the communities involved in all instances of the decision-making process.

The rehabilitation of Martín Peña Canal and the communities settled along its banks is one of the most transcendental projects to be undertaken by the Government of Puerto Rico at the onset of the 21st Century. This body of water, which flows east to west through the heart of San Juan, is a vital component of the San Juan Bay Estuary, one of the Metropolitan Area’s most important natural resources.

In mid-20th Century, the Canal and the wetlands related thereto were the recipients of the wave of migrant workers displaced from the rural areas of the Island who settled along its banks in search of better living conditions. The spontaneous occupation of these lands, which constitute such an important mangrove swamp system, was made possible through the deposit of landfill consisting of debris and solid residue, over which thousands of structures were built. As a consequence, this unplanned urbanization process of the sector has produced the environmental degradation of the Martín Peña Canal and the San Juan Bay Estuary, causing the reduction of the canal and increasing the risk of floods.

Due to the impact on some portions of the land formerly occupied by the mangrove swamp, restoration to its natural state is considered to be technically irreversible. Approximately 30,000 persons reside in these lands in the communities of Barrio Obrero, Barrio Obrero-Marina, Buena Vista-Santurce, Stop 27, Las Monjas, Buena Vista-Hato Rey, Israel-Bitumul and the Cantera Peninsula, which constitute communities of irreplaceable importance for the city. They

are significant sources of skilled labor for the city’s construction and services sectors. Their buying power supports many of the city’s small businesses, which in turn are an important source of employment therein. Above all, they are centers of recognized importance to the Island’s social and cultural creative process and endeavor. In spite of the fact that their labor participation rate as well as their levels of employment are higher than those of the rest of Puerto Rico, the income of these families is below poverty level in a larger proportion than that of the residents of San Juan and the rest of the Island. For more than 40 years, there have been innumerable proposals directed toward displacing these communities from their strategic location.

In addition, for several decades, the Government of Puerto Rico and the Municipal Government of San Juan conducted various processes for granting and recognizing the ownership titles of many residents who occupied land-filled areas in the Martín Peña Canal. Some of these residents are uncertain about the validity of these titles, since the procedures the government conducted did not meet all of the requirements of law for their recognition and formal registration by means of deeds in the Property Registry. The legal standing of these procedures for granting ownership titles must be clarified and resolved in a definite and firm manner for the peace of mind and well-being of the families of the District, and also to provide alternatives to prevent the long term involuntary displacement of the communities.

The Government of Puerto Rico, together with the United States Army Corps of Engineers, is promoting a Martín Peña Canal dredging and canalization project, which shall allow the restoration of the flow and reflow capacity of the Canal’s waters, reestablishing the connection of the San José Lagoon and San Juan Bay. The development of this project shall require the relocation of a substantial number of families that currently live under precarious conditions. The environment is polluted due to the lack of infrastructure, which negatively affects the health of the population. For these reasons, the rehabilitation of the Martín Peña Canal and its neighboring communities is one of the priority Strategic Projects to be developed by the Government of Puerto Rico, which has been designated as the Martín Peña Canal ENLACE Project.

The Government of Puerto Rico intends to rehabilitate and revitalize this district, protecting the permanence of these communities that constitute a vital thread in the cultural, social and economic fabric of San Juan and of the entire Island, while creating the conditions for integrating them into the urban fabric of the city, offering its residents a dignified life and the appropriate environmental conditions for fostering the rehabilitation of the San Juan Bay Estuary.

The Martín Peña Canal ENLACE Project has been under the direction of the Department of Transportation and Public Works and the Highways and Transportation Authority since late 2001. On May 17, 2002, by means of a Resolution, the Planning Board designated the Special Planning District of the Martín Peña Canal, which consists of the communities of Barrio Obrero, Barrio Obrero-Marina, Buena Vista-Santurce, Stop 27, Las Monjas, Buena Vista-Hato Rey, and Israel-Bitumul, delegating to the Highways and Transportation Authority the development of a Special Land Use Plan. Previously, in 1992, legislation was approved to create the Company for the Integrated Development of the Cantera Peninsula with the responsibility of leading the integrated development of this community by means of a pioneer model based upon self-management and community empowerment. Both initiatives are complementary and necessary for handling the situation of environmental degradation of the Canal.

The Government of Puerto Rico has already invested resources for contracting studies to comply with the applicable environmental legislation for the project to dredge to the Canal, in the preparation of the Land Use Plan, and in the development of an Integrated Development Plan. Both plans have been fashioned as corrective action plans against the situation of environmental degradation and pollution, the vulnerability to natural and anthropogenic hazards, and the limitations of the social and economic structure that perpetuate poverty. It has also invested in the development of infrastructure projects, the creation of programs to make citizen participation feasible, and the development of related activities, such as the superficial cleanup of the Canal, among others. It is equally necessary to protect the experience of more than two years of work and citizen participation that constitute a self-management and empowerment effort of the seven communities that constitute the Special Planning District of the Martín Peña Canal, in close coordination and participation with the Cantera Peninsula. These communities have an Office of Citizen Participation for the ENLACE Project within the District that fosters their active presence in the planning and rehabilitation processes of the area. The community-based organizations in these communities have joined forces and constituted the Grupo de las Ocho Comunidades (the G-8), Inc., in order to participate in these procedures in a more effective manner, and attend to the challenges and opportunities they share.

To guarantee the effective administration of the several initiatives and projects within the Special Planning District of the Martín Peña Canal, an entity must be created, whose mission shall be to implement the public policy of the Government regarding the development of the Martín Peña Canal ENLACE Project and the neighboring communities. It is also necessary to provide said entity with a clear mandate that allows the latter to carry out fully its task of promoting selfmanagement and socio-economic development in an agile, transparent manner free from political-partisan interference.

The Legislature hereby creates the Martín Peña Canal ENLACE Project Corporation as the entity legally responsible for the coordination and implementation of all stages of the Martín Peña Canal ENLACE Project, which include the implementation of the Integrated Development Plan and the Land Use Plan for the Special District of the Martín Peña Canal in the housing, urban development, infrastructure and socio-economic development areas, and all projects related to the dredging and canalization of said body of water, as well as the development of community initiatives that promote social, economic and cultural development.

This corporation shall be responsible for the coordination of Government efforts and citizen participation in order to train, promote, grant incentives and create the necessary mechanisms to give continuity to the ENLACE Project and achieve its goals. This Act establishes the public policy to direct the procedures for the relocation of families and attending to the prevailing lack of ownership titles in the area, as well as the mechanisms that shall allow for the minimization of the involuntary displacement of the communities. This Act also creates the necessary mechanisms for the short and long term financing of the projects and programs that are included in the Integrated Development Plan and the Land Use Plan, and gives the new entity the authority to carry these out thus fostering the principle of community self-management and empowerment that makes the residents the central hub of the planning, renewal and development activities within their community. The Legislature also intends to promote alliances among the communities, the public sector, and the private entrepreneurial and nonprofit sectors that make the socio-economic development of the target sector of the Project possible in such a manner that

it becomes a model of integrated action that incorporates the capability and will of the communities to work on the solution of their problems.

Even more importantly, through the approval of this bill, the Legislature creates a mechanism to strengthen citizen participation so that the community may see its capabilities and aspirations channeled in order to achieve unity and consensus over the protection of its rights. These rights entail the corresponding duties and responsibilities as individuals and communities to collaborate toward the common good which shall result in a better quality of life. With this motivation in mind, this measure provides that the Corporation shall be directed by a Board of Directors with active representation of the residents of the Special Planning District of the Martín Peña Canal.

To guarantee the effective implementation of the public policy stated herein, this measure grants to the Corporation the appropriate financial capability to achieve its purposes. The Corporation is hereby authorized to appropriate recurring funds from other agencies, municipalities, the Federal Government, public corporations and instrumentalities of the Government of the Commonwealth of Puerto Rico, and persons and entities from the private sector in order to defray part of its financial operations. Furthermore, in agreement with its own juridical personality, the Corporation is hereby endowed with the authority to acquire personal and real property and to dispose thereof in agreement with the general purposes of this Act. Likewise, the Secretary of the Treasury is hereby authorized to receive donations for the Corporation from the taxpayers, a task which he/she shall notify to the taxpayers through the media that he/she deems appropriate.

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

**Section 1. — Short Title.** (23 L.P.R.A. § 5031 note)

This Act shall be known by the Short Title “Martín Peña Canal Special Planning District Integrated Development Act.”

**Section 2. — Definitions.** (23 L.P.R.A. § 5031)

The following words and terms, when used or referred to in this Act shall have the meaning stated hereinbelow, unless another meaning clearly arises from the context:

- (a) “Public Agency” is any department, board, commission, division, office, bureau, administration, public corporation or subsidiary thereof, municipality, municipal corporation, or consortium, or instrumentality of the Commonwealth of Puerto Rico, including any of its officers, employees or members who act or appear to act in the discharge of their official duties.
- (b) “Social Capital” is the set of rules of trust, values, attitudes and networks between persons and institutions in a community that define the degree of interrelations between the different social actors and facilitate collective and cooperative activities.
- (c) “Community Economic Development” is a process through which the conditions that allow the empowerment of community residents are created so that the latter may develop the material and social mechanisms to permanently promote their economic and social well-being.

- (d) “District” is the “Martín Peña Canal Special Planning District” as designated by the Planning Board Resolution of May 17, 2002. The District includes the following seven (7) communities: (1) Barrio Obrero (West and San Ciprián), (2) Barrio Obrero-Marina, (3) Buena Vista-Santurce, (4) Stop 27, (5) Las Monjas, (6) Buena Vista-Hato Rey and (7) Israel-Bitumul, as delimited by Planning Board Resolution. The Planning Board may modify the referred Resolution by means of an amendment adopted pursuant to its Organic Act and the Uniform Administrative Procedures Act, and after holding public hearings, but the exclusion of any of the aforementioned communities shall require legislative authorization by means of an amendment to this Act. The community of Cantera is not part of the District, but it shall participate and benefit from this Act pursuant to its specific provisions included hereinafter, including representation in the G-8.
- (e) “Joint Venture” is an enterprise or entrepreneurial activity in which residents of the District and the Cantera Peninsula and external entrepreneurs or investors participate. The alliances may be of partnerships in a single business, alliances between preexisting businesses, or alliances created to attend to particular needs. Said ventures shall have self-management, empowerment and community development among their principles, and therefore, control thereof shall eventually be in the hands of the residents themselves.
- (f) “Community Enterprise” is an enterprise whose owners are bona fide residents of the District and the Cantera Peninsula, or which is under the control of the bona fide residents of the District and the Cantera Peninsula. In the case of joint ventures or enterprises, those in which the community partners, whether natural or juridical persons, have control over the venture or enterprise are considered to be community enterprises. In case that the community partners temporarily transfer said control in exchange for other concessions and advantages, said transfer of control shall never exceed twice the time it takes the enterprise to recover the investment of the external partners; said term shall never exceed ten (10) years.
- (g) “Private Entity” means any association, organization, institute or natural or juridical person that lends, offers or renders any service or activity, or that manages any program that tends to the needs of the community.
- (h) “Land Trust” means the “Martín Peña Canal Land Trust,” which is created by this Act.
- (i) “Conservation Strip” means the wetlands conservation and mitigation strip which shall be created along both banks of the Martín Peña Canal.
- (j) “The G-8” is “Grupo de las Ocho Comunidades” [Group of the Eight Communities], an entity that groups the community-based leadership of the communities that constitute the District and the Cantera Peninsula, as this organization has been incorporated in the Department of State.
- (k) “The Corporation” is the Martín Peña Canal ENLACE Project Corporation created by virtue of this Act.
- (l) “The Board” is the Board of Directors and the body that governs the Martín Peña Canal ENLACE Project Corporation created by virtue of this Act.
- (m) “ENLACE Project” is the “Martín Peña Canal ENLACE Project,” as designated by the Department of Transportation and Public Works with respect to the rehabilitation of the Martín Peña Canal.
- (n) “Register of Bidders” is the “Register of Enterprises and Bidders of the Martín Peña Canal,” created by virtue of this Act.

(o) “Register of Residents and Businesses” is the “Register of Residents, Businesses and Nonprofit Organizations of the “Martín Peña Canal Special Planning District ” created by virtue of this Act.

(p) “Peripheral thoroughfare” is the vehicular, pedestrian and cyclist transportation corridor parallel to the conservation strip, separating the construction space of the communities from the natural space.

**Section 3. — Public Policy.** (23 L.P.R.A. § 5032)

It shall be the public policy of the Commonwealth of Puerto Rico to give priority attention to the environmental restoration of the Martín Peña Canal and to rehabilitate and revitalize the communities along its north and south banks in order to promote a healthy relationship between the natural environment and its surrounding city and communities, with a vision of integrated development based on community empowerment. The vision set forth by the communities surrounding the Martín Peña Canal of having "a united, safe and prosperous community, a model of self-managerial coexistence in the heart of San Juan" is hereby adopted.

This project designated as the Martín Peña Canal ENLACE Project has the following purposes:

*Environmental.* To enable the rehabilitation of the San Juan Bay Estuary, improve the quality of its waters and the habitat of its fauna and wildlife by broadening and dredging of the Martín Peña Canal and a conservation strip along both banks thereof.

*Socio-economic.* To improve the living conditions of the approximately thirty thousand (30,000) residents of the eight communities located along both sides of the Canal in the areas of public sanitation, housing, ordinance and quality of the urban spaces and the infrastructure. To achieve a healthy and enriching relationship between the communities of the sector and their urban surroundings, the recovery of the potential for tourism, recreation and education of the Canal, and the participation of the current residents in the new employment opportunities, development of businesses, and the increase in land value that shall be created through the rehabilitation and reform of the area.

*Institutional.* To promote civic and democratic development through the active participation of the residents in the planning and rehabilitation processes of the area.

It shall be the public policy of the Commonwealth of Puerto Rico to promote the on-site rehabilitation and revitalization of the eight communities that constitute the District and the Cantera Peninsula and to foster an integrated community development spearheaded by the members of the communities themselves. It shall also be the policy of the Government to harmonize the components of the ENLACE Project through the full participation of all the residents of the District in coordination with the G-8.

The intervention model fostered by this Government is based on the following principles:

- (1) Community self-management and empowerment whereby the resident is the core of the planning, renewal and development activities.
- (2) The alliance between the communities, the public and private nonprofit sectors, and the private entrepreneurial sector assuming the various responsibilities in order to foster development.
- (3) An integrated approach directed toward the poverty problem which fosters the processes for community economic development and the development of the community social capital

needed to forge a better quality of life, along with the processes for physical and environmental rehabilitation.

(4) To watch over and promote a culture of conservation, sensitivity and respect toward the Martín Peña Canal ecological resource, as a component of a highly important natural resource, to wit, the San Juan Bay Estuary.

(5) To maximize the possibilities of relocating within the District itself those residents who must be relocated and who wish to remain in the District, as a result of the implementation of the ENLACE Project. This includes, but is not limited to, the identification and protection by the residents and the Government of all available land and space in order to make possible the relocation of residents affected by the dredging of the Canal and the works of infrastructure within the communities themselves.

(6) To ensure that the economic opportunities generated by the public investments in the District lead to more community empowerment and the improvement of the economic situation and quality of life of the residents therein.

(7) To make certain that the interventions of the Corporation, public agencies and private businesses are directed toward maintaining and strengthening community cohesion and that they do not propitiate, directly or indirectly, the elimination of the communities that constitute the District.

(8) To foster the development of the community's social capital wherewithal, including the provision for continued training of community leaders and the establishment of collaboration and union ties among the communities that constitute the District and the Cantera Peninsula through community organization.

(9) To capitalize on the potential of the investment of public funds for the creation of job sources and entrepreneurial activities among District residents.

(10) The long term minimization of involuntary community displacement.

(11) To provide for resident participation in the economic development and the increase in land value that shall arise from public and private investments in the District.

(12) To promote the integration of the communities into the urban, economic and social development of the San Juan Metropolitan Area.

With the application of these principles to the intervention processes, we shall achieve, in a joint effort, the rehabilitation of the Martín Peña Canal and the revitalization of its surrounding communities, social justice and economic development for the residents of these communities and society in general and the achievement of the Martín Peña Canal ENLACE Project's fundamental and interrelated goals.

**Section 4. — Creation of the Martín Peña Canal ENLACE Project Corporation. (23 L.P.R.A. § 5033)**

The Martín Peña Canal ENLACE Project Corporation, hereinafter, “the Corporation,” is hereby created as a juridical entity independent and separate from its officers and from any other public agency or government instrumentality, and from the Municipality of San Juan. This public corporation shall exist for a term of twenty (20) years, which may be extended for five (5) additional years by means of an Executive Order of the Governor; at the end of which it shall cease to exist. Once this term ends, the Legislature shall determine the procedures for the liquidation of the assets of the Corporation. Notwithstanding the above, as holder of the debt, the

Corporation shall enjoy all the necessary powers to honor the same and to maintain its to here existence until its debt, of whatever type, is totally settled. The Corporation shall have the financial and operational capabilities indeed to implement the public policy established in this Act and shall be governed by a Board of Directors in order to comply with the goals, duties, functions and prerogatives entrusted thereto, all of which shall operate on behalf of the public interest and benefit. In the discharge of its duties and functions, the Corporation shall serve the interests of society in general, ensuring that the present and future interests of the communities that constitute the District are taken care of adequately. Thus, the expression of public interest arising from the decisions of the Commonwealth and the Corporation in particular, shall legitimately represent the general interest. The Corporation shall be excluded from the application of Act No. 5 of October 14, 1975, as amended, the Puerto Rico Public Service Personnel Act, and Act No. 164 of June 23, 1974, as amended, known as the “General Services Administration Act.” The Corporation’s Personnel Regulations shall guarantee the effectiveness of the principle of merit in the Corporation’s personnel system.

The Corporation shall have the following objectives, among others:

1. To be the entity responsible for coordinating the implementation of all aspects of the ENLACE Project; including, without being limited to, housing development, infrastructure, the dredging and canalization of the Canal, as well as urban and socio-economic development. It may implement related projects and programs, contract third parties to develop them and coordinate with the public agencies for projects and programs within the District.
2. To guarantee mechanisms for citizen participation in the planning and execution of the ENLACE Project and promote community empowerment, leadership training and strengthening of the communitybased organizations. To provide technical support when necessary, and keep the residents and merchants informed about the development of the ENLACE Project and the participation mechanisms.
3. To promote the creation of strategic alliances with the private entrepreneurial sector and with bona fide nonprofit organizations.
4. To promote the greatest participation of the private sector in the development of the ENLACE Project, for which it shall stimulate investments, industrial and commercial development, individual and the collective citizen and business initiatives of the District and the Puerto Rican community in general.
5. To promote and make possible and empower the creation, improvement and strengthening of District and Cantera Peninsula resident enterprises and businesses located therein. To promote the contracting and subcontracting of community-based organizations, including community enterprises that meet the requirements and are able to execute programs and projects related to the ENLACE Project.
6. To guarantee the continuing participation of the citizens in the decisionmaking process and the planning and execution of the ENLACE Project to allow the long term permanence of the communities that constitute the District, as well as fair and equal treatment in the family relocation processes needed to implement the project.
7. To carry out its duties as it achieves its full development, with trained personnel and a reduced structure, so that it does not lose its nature as an agile and efficient coordinating entity and does not become a heavy bureaucratic apparatus.
8. To seek innovative and assertive means for financing the development of the ENLACE Project, combining public and private resources toward such purposes.



9. To coordinate the appropriate attention toward the land ownership rights situation, according to the provisions set forth in this Act.

**Section 5. — Board of Directors.** (23 L.P.R.A. § 5034)

(1) The Board of Directors of the Corporation shall consist of a minimum of eleven (11) persons of proven capability and leadership, of which six (6) shall be appointed by the Governor and five (5) by the Mayor of the City of San Juan. Two (2) of the members appointed by the Governor and one (1) of the members appointed by the Mayor shall be appointed for four [(4)] years; two (2) of the members appointed by the Governor and two (2) of the members appointed by the Mayor shall be appointed for five (5) years and two (2) of the members appointed by the Governor and two (2) of the members appointed by the Mayor shall be appointed for six (6) years; their successors and all additional members shall be appointed for six (6) years. By recommendation of the Board, the members may be increased up to fifteen (15), in which case the participation of community representatives shall be, as a minimum, forty-five percent (45%) of the membership. One half of the new appointments shall be made by the Governor and the other half by the Mayor of San Juan. The members shall remain in office until their successors are appointed and take office. In case of a vacancy, prior to the expiration of the term of the incumbent, a successor shall be appointed for the remainder of said term. The initial members of the Board of Directors shall be appointed within a term of not more than forty-five (45) days after this act is approved.

(2) The Board of Directors shall elect a Chairperson from among its members and appoint a Secretary of Records from among the personnel of the Corporation. No person shall remain in office as Executive Director of the Corporation or as Chairperson of the Board of Directors for a consecutive term of more than ten (10) years. The quorum for holding meetings and voting shall be the absolute majority of the existing positions.

(3) Members of the Board of Directors shall not receive compensation. The expenses they incur in the discharge of their duties shall be reimbursed pursuant to the regulations adopted by the Board of Directors. Members of the Board of Directors shall be governed by the Ethics in Government Act of the Commonwealth of Puerto Rico, but shall not be compelled to render the financial reports required by said Act, with the exception of public officers that are appointed to the Board, who are already required to render such reports, in which case they shall continue to be required to render them.

(4) Five (5) members of the Board of Directors (two (2) of the members appointed by the Governor and three (3) of the members appointed by the mayor), shall be residents of the communities that constitute the District or the Cantera Peninsula, and shall originate from three candidates that shall be nominated by the G-8 for each position. The community representatives must have been bona fide residents of the District or the Cantera Peninsula for a term of not less than [three] (3) years prior to their appointment and shall not have held or sought to hold any elective public office for an equal term. While members of the Board, they shall not hold or seek any elective public office, and shall remain residents of the District or the Cantera Peninsula.

(5) Three (3) members of the Board of Directors (two (2) of the members appointed by the Governor and one (1) appointed by the mayor), shall represent the private sector, at least one of them preferably from the private nonprofit sector. Private sector representatives may not hold or seek any elective public office during the years in which they are members of the Board, nor

have any conflict of interests with the ENLACE Project. They shall have, among other things, social recognition for their past performance in the execution of programs and projects tangential to the goals of the ENLACE Project, knowledge of, or familiarity with, the ENLACE Project and its implications, and demonstrate [sensitivity] toward community development processes.

(6) Three (3) members of the Board of Directors (two (2) appointed by the Governor and one (1) appointed by the mayor), shall represent the public sector, and may delegate their participation, with voice and vote, to capable representatives, who shall answer directly to the members for whom they stand in. Those representing the public sector shall have the following characteristics:

- (a) Knowledge of, or familiarity with, the ENLACE Project and its implications.
- (b) To be in a position, and have the authority, to make decisions and establish commitments on behalf of the central Government or the municipality, whichever may apply.
- (c) To be able to coordinate with the corresponding public agencies of the Central Government or the municipality those actions that require the intervention thereof.
- (d) To be knowledgeable about governmental structure and institutional processes.
- (e) Must not be a candidate to any public elective office during the years of membership.
- (f) Must be [sensitive] with respect to community development processes.
- (g) Must have academic studies or experience in one (1) or more of the following areas as relevant to the implementation of the ENLACE Project: socio-economic development, urban development, environmental management and conservation, housing development, and planning.

(7) The members of the Board of Directors may be removed by the Governor or by the Mayor of San Juan, as the case may be, according to the source of their appointment, for just cause after charges preferred and the opportunity to be heard.

(8) The Board of Directors shall have the following responsibilities:

- (a) To be responsible for the achievement of the objectives of the Corporation.
- (b) To supervise the proper operations of the Corporation.
- (c) To approve and adopt bylaws to govern the work, deliberations and execution of its functions in accordance with the provisions of this Act.
- (d) To appoint an Executive Director of the Corporation and to appoint or authorize the appointment of its other officers and employees.
- (e) To ensure through creative operating procedures that the primary responsibility for the success of the Martín Peña Canal development project considered in this chapter falls upon the private sector, jointly with the public sector, and the communities that constitute the District.
- (f) To manage the Fund for the Development of the Martín Peña Canal ENLACE Project, created in Section 26 of this Act.

#### **Section 6. — Powers.** (23 L.P.R.A. § 5035)

The Corporation shall have all the rights, powers and prerogatives provided by this Act or by the laws or programs whose administration or implementation is delegated in order to comply adequately with the public policy established herein, including, without limitation:

- (a) To adopt its corporate seal;
- (b) To sue and be sued;

- (c) To execute any kinds of acts and contracts and agreements, including those related to goods and services;
- (ch) To acquire and transfer property to any title;
- (d) To acquire, build, improve, operate and maintain projects within the Special Planning District of the Martín Peña Canal, as well as any property related to such projects;
- (e) To have officers and employees;
- (f) To establish regulations for its organization and operations;
- (g) To receive the services of the employees of public agencies, with the consent of said public agencies, to carry out any study, investigation or activity of the Corporation that is necessary or convenient for compliance with the purposes of this Act;
- (h) To receive and accept funds and donations from any public agency of the Government of Puerto Rico, the Government of the United States of America, municipalities and nonprofit entities in order to achieve the purposes of this chapter and comply with the terms and requirements with respect to any funds or donations received;
- (i) To procure and obtain from the public agencies any technical and financial assistance of any nature that it deems necessary in order to fulfill the functions of the Corporation;
- (j) To have exclusive control over its property and activities and to decide the nature of and need for all its expenditures, and the manner in which they shall be incurred, authorized and paid;
- (k) To establish the fees and charges to be collected for the use of the property it owns;
- (l) To create by resolution the subsidiaries it deems convenient to carry out any of its functions, in the manner provided below;
- (m) To lend or donate money to its subsidiaries and to purchase and sell or exchange stock, bonds or other obligations thereof;
- (n) To lend money, with a secured mortgage, under the terms it deems convenient, to any developer that is organized to carry out developments in the District;
- (o) To borrow money for any of its corporate goals, including, without limitation, the purpose to consolidate, reconsolidate, purchase, pay or cancel any outstanding bonds or other obligations issued or assumed by it, whose principal and interest are payable in whole or in part from the revenues of the corporate entity;
- (p) To provide financial assistance of any kind, including incentives and subsidies or technical assistance to carry out developments in the District;
- (q) To sell or discount, in public or private transactions, mortgages or other valuable titles under its control;
- (r) To manage any of its projects in the manner to be determined by regulations, including, without it being understood as a limitation, the rental of housing or businesses units, placing them under a trust, and lending them for use under any title;
- (s) To participate jointly with the public agencies and the residents of the District in the coordination of initiatives in the District;
- (t) To participate jointly with the public agencies and the residents of the District in planning the integrated development of the lands that constitute the District, in accordance with the provisions of the laws and regulations in effect;
- (u) To enter, with prior permission of its owners, holders or representatives, any lands, bodies of water or property in order to carry out measuring, surveys or studies for the purposes of this Act, and if the owners, holders or representatives, refuse to grant their permission to enter the lands, bodies of water or property for the aforementioned purposes, any judge of the Court of First

Instance shall issue an order to authorize this, upon presentation of a sworn statement declaring the Corporation’s intention of entering the lands, bodies of water or property described in the sworn statement, for the purposes stated in this provision and in the case that no known owners, holders or representatives appear, the Corporation, through its officers or employees, may enter without any permission;

(v) To carry out all actions or do all things necessary or convenient to execute the powers conferred upon the Corporation by this Act or by any other law of the Puerto Rico Legislature, exercising its public and essential government functions with respect to the integrated development of the ENLACE Project and in joint participation with other public agencies in the coordination of efforts made with respect to such development, for which the execution of the powers and faculties conferred thereto by this Act shall at no time have the effect of vesting the Corporation with the characteristics of a private entity;

(w) To participate in the planning, design and construction of the buildings, works, structures, infrastructure and others necessary for the integrated development of the ENLACE Project;

(x) To solicit, accept and obtain any funds, donations, usufruct, trusts or technical or economic assistance from the federal government, the government of the Commonwealth, including its instrumentalities and political subdivisions, or from private sources, in order to carry out the purposes of the Corporation and the purposes provided in this Act; to sponsor projects initiated under federal laws or programs; to act as a delegating or delegatory agency; and to supervise the use of the funds thus obtained;

(y) To issue and sell participating bonds as a method for raising funds for the Corporation, which shall be sold among the communities and private enterprises, and the returns of which, in interest, shall be exempted from the payment of income tax and all types of taxation.

Notwithstanding the aforementioned in this Section, the actions carried out by the Corporation, or any other office or instrumentality created pursuant to this Act, may not be in contravention to the public policy of the Government of the Commonwealth of Puerto Rico, its offices, public agencies, instrumentalities or public corporations, as provided by law.

**Section 7. — Exemptions.** (23 L.P.R.A. § 5036)

The Corporation or any of its subsidiaries, shall be exempted from all types of taxes, duties, imposts, excise taxes or fees, including those levied or to be levied on permits, by the Commonwealth of Puerto Rico or any political subdivision thereof, including all its operations, personal or real property, and its capital, income and surplus.

The Corporation and its subsidiaries shall also be exempted from the payment of all types of duties or imposts required by law for the prosecution of legal proceedings, the issue of certifications in the offices and dependencies of the Government of the Commonwealth of Puerto Rico and its political subdivisions and for executing public documents and their registration in any public register in Puerto Rico.

Furthermore, private sector juridical or natural persons whose main activity is the development, management or operation of projects that further the goals established in the Land Use Plan and the Martín Peña Canal Special Planning District Integrated Development Plan, as specified by the Corporation, shall be exempted from all types of taxes, duties, imposts, excise taxes or fees, including those levied or to be levied on permits, by the Commonwealth of Puerto Rico or any political subdivision thereof, on all its operations, personal or real property, and its

capital, income and surplus, as provided in the dispensation executed to such effects by the Secretary of the Treasury of the Commonwealth of Puerto Rico. It is clearly established herein that such projects shall be exclusively of a social nature in order to promote the rehabilitation of the District. The Board of Directors of the Corporation shall issue an official certification identifying the project as eligible for exemption by virtue of this provision. The exemption provided in this paragraph shall be limited to the property, capital, income or surplus generated by or used in the project identified in the Corporation’s certification. Juridical or natural persons who benefit from the exemption provided herein may only claim the portion of the exemption corresponding to their participation in the project. The Secretary of the Treasury shall establish by means of regulations, the procedure to request the certification pursuant to this paragraph, as well as the criteria to be considered to determine whether an applicant qualifies for the benefits established in this paragraph. Said regulations shall be approved within not more than one hundred (100) days after the appointment of the initial members of the Board of Directors. The exemptions provided in this Section shall be reviewed every three (3) years in terms of their cost-effectiveness. The Department of the Treasury shall perform the evaluation, in consultation with the Corporation, and with the collaboration of the Office of Management and Budget, the Municipality of San Juan, the Municipal Revenues Collection Center and all other public agencies involved.

**Section 8. — Funds, Disbursements.** (23 L.P.R.A. § 5037)

All the monies of the Corporation shall be entrusted to recognized depositaries of the funds of the Government of the Commonwealth of Puerto Rico. The accounts shall be registered in the name of the Corporation. Disbursements shall be made according to the norms and regulations of the Corporation.

**Section 9. — Accounting System.** (23 L.P.R.A. § 5038)

The Corporation shall establish an accounting system that includes internal and external audits for the adequate control and register of all its operations. The Corporation’s accounts shall be kept in such a manner that they may be itemized by activity.

**Section 10. — Debts and Obligations** (23 L.P.R.A. § 5039)

The debts and obligations of the Corporation shall not be debts and obligations of the Commonwealth of Puerto Rico or its political subdivisions, except that the Commonwealth Government may assume, endorse, reinforce, guarantee or otherwise assume responsibility or answer for debts of the Corporation arising from lines of credit granted or awarded by the Government Development Bank or any other public or private entity.

To maintain a sound administration and for the Government Development Bank to maintain its supervision of loan margins and fiscal health, the Corporation is hereby compelled to remit annual financial statements to the Government Development Bank, as well as any other document that the Government Development Bank deems necessary.

**Section 11. — Immunity, Limitations of Civil Liability.** (23 L.P.R.A. § 5040)

Neither the Corporation nor its members as individuals shall incur financial liability for any action taken in the discharge of their powers, provided that their actions have not been intentional, illegal, for self-benefit or knowingly damaging.

**Section 12. — Support from the Commonwealth Public Agencies.** (23 L.P.R.A. § 5041)

The public agencies of the Commonwealth of Puerto Rico are hereby directed to offer support and cooperation to the Corporation, including the special assignment of personnel and the transfer of resources and property deemed pertinent. The Corporation may hire personnel regularly employed in any public agency, department, instrumentality, public or municipal corporation, municipality, municipal consortium, or political or administrative subdivision of Puerto Rico, subject to the consent of the corresponding appointing authority, to render services outside of their workday, without being subject to what is otherwise provided in the Political Code of Puerto Rico.

All public agencies of the Commonwealth of Puerto Rico shall contribute to the development of their corresponding projects and programs identified in the Integrated Development Plan and the Land Use Plan of the District to make viable the implementation of the ENLACE Project, and shall collaborate with and support the activities, initiatives and projects furthered by the Corporation, according to their responsibilities, functions and capabilities, and in close coordination with the Corporation. In the preparation of their Capital Improvements Program, the public agencies shall include their corresponding projects and programs out of those identified in the Integrated Development Plan and the Land Use Plan of the District, whose development is directed through this Act, according to their possibilities and the priorities to be established in coordination with the Corporation.

The public agencies of the Commonwealth of Puerto Rico shall favor, facilitate and empower the creation, improvement and strengthening of enterprises and businesses of residents of the District and the Cantera Peninsula, that are located therein. They shall also encourage consultants and contractors in charge of the development of programs and projects to employ residents of the District and the Cantera Peninsula and/or to subcontract community enterprises to perform the work for which they are qualified, using mechanisms such as adjusting the execution of programs and projects to a scale that favors the participation of these enterprises. To achieve the self-management, empowerment and community development goals stated in the statement of public policy of this Act, the public agencies that develop projects and programs in the District and the Cantera Peninsula shall resort, as a first option, to the Registry of Bidders which shall be kept by the Corporation, as provided by this Act. Whenever possible, the execution of the programs and projects shall be adjusted to a scale that furthers the participation of community enterprises through contracts or subcontracts. In case the project cannot be divided or its scale adjusted, then it shall be required to include provisions to ensure that the resources and enterprises in the Register of Bidders are considered by the contracted firms as a first option for the works or services to be subcontracted in the contracts that are to be awarded for works and services to be provided in the District and the Cantera Peninsula.

The Company for the Integrated Development of the Cantera Peninsula shall be covered by the provisions in this Section.

**Section 13. — Support from the Municipality of San Juan.** (23 L.P.R.A. § 5042)

The Municipality of San Juan shall give support and cooperation to the Corporation, including the special assignment of personnel and the transfer of equipment, funds and property. It shall promote the contracting of communitybased organizations, including community enterprises that meet the requirements established in this Act, and the applicable regulations or laws, and which are capable of executing the programs and projects related to the ENLACE Project, among others. It shall also encourage consultants and contractors in charge of the development of programs and projects to employ residents of the District and the Cantera Peninsula and/or to subcontract community enterprises to perform the work for which they are prepared, using mechanisms such as adjusting the execution of programs and projects to a scale that favors the participation of these enterprises. In the development of projects and programs in the District and the Cantera Peninsula, the Municipality shall resort, as a first option, to the Registry of Bidders which shall be kept by the Corporation, as provided by this Act. Whenever possible, the execution of the programs and projects shall adjust to a scale that furthers the participation of community enterprises through contracts or subcontracts. In case the project cannot be divided or its scale adjusted, then it shall be required to include provisions to ensure that the resources and enterprises in the Register of Bidders are considered by the contracted firms as a first option for the works or services to be subcontracted in the contracts that are to be awarded for works and services to be provided in the District and the Cantera Peninsula.

Any municipal officials or employees transferred or appointed to a position in the Corporation shall maintain the status and rights they had at the time of joining the service of the Corporation pursuant to the personnel laws in effect and shall also maintain any right to which they are entitled in any retirement system or pension fund prescribed by law for officers and employees holding similar positions in the Municipal Government.

**Section 14. — Land Use Plan and Integrated Development Plan.** (23 L.P.R.A. § 5043)

The Highway and Transportation Authority shall draft a Special Land Use Plan and an Integrated Development Plan for the Special Planning District of the Martín Peña Canal, as designated by the Planning Board’s Resolution of May 17, 2002, taking into consideration the conservation easements and natural reserves established in the District. The plans shall be made by using a participative planning methodology, as provided in said Resolution, and shall include the environmental assessments required by the Environmental Public Policy Act. The Authority shall submit both plans (jointly or separately) through the Secretary of the Department of Transportation and Public Works for simultaneous evaluations by the Planning Board and the Environmental Quality Board. The Environmental Quality Board shall determine within not more than twenty (20) days (extendable with the consent of the Planning Board in consultation with the Department and the Authority) on each Plan’s compliance with the Environmental Public Policy Act and shall notify the Planning Board thereof within said term. Final approval by the Planning Board shall take place within not more than sixty (60) days after the corresponding determination is notified to the Environmental Quality Board, provided that this is a non-significant environmental impact, or any other favorable determination that applies pursuant to the Environmental Public Policy Act. The Boards shall carry out all the joint legal processes

possible to ensure a speedy evaluation of the Plans and their approval and effectiveness within not more than one hundred sixty (160) days after this Act takes effect.

Once the Planning Board adopts the Special Land Use Plan and the Integrated Development Plan, the Planning Board may exempt the Corporation from submitting particular consultations, pursuant to the provisions in said plans. The Land Use Plan shall be prepared in accordance with the Territorial Ordinance Plan of the Municipality of San Juan and shall become one of the Area Plans of said Territorial Ordinance Plan of the Municipality of San Juan. The Corporation shall take charge of the revisions to the Land Use Plan and the Integrated Development Plan that are made during their effectiveness, and shall submit the amendments to the Planning Board for its consideration and approval. When a conflict arises between any plan, regulation or norm, the governing policies and norms adopted in the Land Use Plan and the Integrated Development Plan shall prevail over any law, plan or regulation regarding the use of the land in the District, unless otherwise provided by the Planning Board for the general interest. In case any part of the Land Use Plan or the Integrated Development Plan approved by the Planning Board is contrary to any provision of the Territorial Ordinance Plan of the Municipality of San Juan, the Corporation shall notify the Planning Board thereof so that the latter, with prior consultation with the Municipality, may approve and indicate the modifications to said Ordinance Plan. The Board shall make said modifications in accordance with the provisions of its Organic Act, the Autonomous Municipalities Act and the Uniform Administrative Procedures Act, but the approval and effectiveness of the modifications to the Ordinance Plan shall not delay the effectiveness of the Plans for the District.

Any authorization, permit or endorsement (including any variations and exceptions to the norms) of the public agencies, especially of the Regulations and Permits Administration, the Municipality of San Juan (including, without limitation, its Territorial Ordinance and Permits Offices), the Departments of Transportation and Public Works and Natural and Environmental Resources, the Environmental Quality Board and the Planning Board (including, without limitation, site or location consultations) in the District shall only be granted when they are in accordance with the provisions of the Land Use and Integrated Development Plans of the District. The corresponding public agency shall consult the Corporation in writing on its position with respect to the proposed action, and whether or not the Corporation endorses the action and the conditions that the Corporation deems reasonable in order to proceed with the action. The Corporation shall have a term of twenty (20) days (extendable only with the consent of the corresponding public agency) to provide its comments in writing, and if no comments are provided, it shall be understood that the Corporation has no interest in stating its position.

**Section 15. — Company for the Development of the Cantera Peninsula.** (23 L.P.R.A. § 5044)

The Corporation and the Company for the Development of the Cantera Peninsula shall coordinate the works, in order to advance the common goal of achieving the dredging and canalization of the Martín Peña Canal.



**Section 16. — Transfer of Lands.** (23 L.P.R.A. § 5045)

The public agencies, as defined in this Act, that manage, have custody, have dominion over, lease or own lands in the District may transfer the respective title deed to the Corporation, insofar as such transfer does not contravene any legislation, regulations, programs, objectives, fiscal situation, and public policy considerations of the Public Agency in question. In the case of public domain or patrimonial lands, the ownership thereof shall be vested upon the Corporation, insofar as such ownership does not contravene any legislation, regulations, programs or objectives of the Public Agency having custody of said public domain lands, with the exceptions established below with respect to the Maritime-Terrestrial Zone.

Any property the title of which belongs to the Municipality of San Juan shall keep its title unaltered.

In the event that the Corporation or Trust created by virtue of this Act has attempted to register or has registered any Municipal property under its name, such registration shall be hereby revoked and rendered ineffective, and the title shall be reverted to the Municipality of San Juan immediately.

Any property that is not registered under the name of the Municipality of San Juan, but that is being used, maintained, operated and/or that contains buildings and/or structures of the Municipality of San Juan to render services of any kind such as sports, community, health, educational, and others, of which the title belongs to any instrumentality of the Executive Branch, Departments, Agencies, Corporations or Dependencies, shall transfer such titles to the Municipality of San Juan, provided, that the latter had been using them and that the same shall continue, as expressly directed by the law, to render the same services they presently render to the community and any other service that the Municipality of San Juan decides to render in them. The Municipality shall not dispose of the same without first offering the transfer of the title to the Government instrumentality which originally held the title thereof, except when having received a waiver from said agency to sell.

The properties of the Commonwealth of Puerto Rico shall be assessed and evaluated by the dependencies holding the titles thereof in order to determine whether these shall remain the property of such dependencies or whether, in their judgment and pursuant to the applicable laws and regulations, these shall be transferred by such agency; provided, that such action does not deprive citizens from essential services rendered therein.

Any of these properties that have been transferred to the Corporation or Trust shall be reverted to the Original Agency or title holder to continue with the abovementioned legal process.

Any private or individual title holder who holds the title at the time of the approval of this Act shall retain the same; however, he/she may assign, sell, transfer, or convey the same voluntarily.

Any person who by virtue of this Act may be entitled to receive a title and qualifies therefor, shall be evaluated and granted such title individually for the nominal value of one dollar. For such purposes, the Municipality of San Juan, in coordination with the department, agency, corporation or dependency of the Executive Branch holding the title of such property, shall carry out, at their own expense, any necessary study, evaluation and “as built” plan, so that, once the process is completed and the resident is qualified, the department, agency, corporation or dependency of the Executive Branch holding the title of such property shall execute the deed assigning the title individually to each one of them. The new title holder, by virtue of this process, may not transfer the property for ten (10) years.

In the event that a person who is granted the title of a property resolves to sell or otherwise transfer the same on or before ten (10) years of the execution of such title, such beneficiary shall reimburse the Municipality of San Juan or the Agency assigning such ownership title seventy-five (75) percent of the value of the lot at the time of the sale or transfer. The following shall be understood to be included in the term sale or transfer: Sale, Exchange, Liens, Mortgage, or Collateral Security. The 75% reimbursement shall be made at the time of the execution of the deed, as appropriate.

The beneficiary may be exempted from compliance with the restrictions set forth above, which shall require a certification by the Secretary of the Department of Housing. Said certification shall attest compliance with any of the following circumstances: 1) divorce, when one of the parties assigns his/her participation in the lot to the other party, who shall acquire the corresponding part of the lot under the same restrictions as the assigning spouse and shall be bound to comply with the same, as stipulated in their divorce, without any monetary compensation or goods in return; 2) inheritance, if the property is acquired by the owner of the probate estate, who bequeaths the same to his/her heirs and legatees, who shall acquire the lot under the same restrictions as the testator and shall be bound to comply with the same; 3) serious or terminal illness, as certified by a physician to such effect, insofar as due to such condition, the owner or his/her dependent living in the same lot, is compelled to sell or transfer the lot to obtain medical treatment; 4) obtain a mortgage loan to make improvements to the property without cash out; 5) these restrictions shall be extended to the legatees of the beneficiary.

In view of the fact that the property registry neither vests nor divests rights, any person who holds a valid title, whether or not such title is recorded, shall so remain upon the approval of this Act.

Any site or land that by virtue of Act No. 489 has been registered under the Corporation or Trust shall revert to the original ownership status until every study, measures or procedures are conducted pursuant to this Act.”

**Section 17. — Maritime-Terrestrial Zone.** (23 L.P.R.A. § 5046)

The Secretary of the Department of Natural and Environmental Resources, pursuant to Sections 5(h) and 6(c) of the Organic Act of the Department of Natural and Environmental Resources (Act No. 23 of June 20, 1972, as amended), shall carry out within or before ninety (90) days as of the date of approval of this Act, an official delimitation of all public domain lands related to the maritime-terrestrial zone of the District. In the graphic depiction of said delimitation, the Secretary of the Department of Natural and Environmental Resources shall show the alignment projected by the United States Army Corps of Engineers for the construction of the Martín Peña Canal, including the corresponding surveillance and salvage easements established by the corresponding provisions in effect of the “Ley de Puertos para la Isla de Puerto Rico de 1886” [Puerto Rico Ports Act of 1886], as well as the Conservation Strip determined in the Land Use Plan adopted by the Planning Board for this Project. The Conservation Strip shall take into account the natural reserves and conservation easements previously established in the District. Once this official delimitation and the graphics established in this Section are carried out, all the lands north and south of the delimitation line of the Conservation Strip shall be declared patrimony of the Commonwealth under the ownership rights of the Corporation. It shall be understood that as of one hundred sixty (160) days after this Act

takes effect, the lands over which the exercise of the granting of titles to the Corporation, whether registered or not, has not been performed, shall be transferred thereto. The Corporation shall create the Land Trust with these transferred lands, as provided by this Act, which it shall manage on behalf of the communities of the District, as provided in the Integrated Development Plan and the Land Use Plan of the District. The canal to be built, as well as the surveillance and salvage easements and conservation strip, shall be kept as public domain property under the custody and administration of the Secretary of the Department of Natural and Environmental Resources.

**Section 18. — Ownership Rights.** (23 L.P.R.A. § 504)

The Department of Housing, with the advice of the Department of Natural and Environmental Resources, shall conduct the corresponding legal procedures to evaluate, recognize and, wherever necessary and convenient, to provide for the registration of the ownership rights of the residents of the communities of the District, not later than one year after this Act is approved. The Department of Housing shall conduct a study on the legal situation of the rights attributable to all District residents whose dwellings are located within the lands defined as public domain in accordance with the delimitation required in Sections 16 and 17 of this Act. This title search shall serve as the basis for establishing the procedures for the recognition of ownership rights of the families that shall be relocated as part of the implementation of the ENLACE Project, including the dredging and canalization project of the Canal and the implementation of the Land Use Plan and the Integrated Development Plan of the District.

**Section 19. — Martín Peña Canal Land Trust.** (23 L.P.R.A. § 5048)

The Martín Peña Canal Land Trust, hereinafter the “Land Trust,” is hereby created, which shall consist of all the lands transferred to the Corporation, in accordance with this Act, especially pursuant to Sections 16 and 17 herein, of which the Trust shall be the custodian. The Corporation shall prepare regulations to govern the operations of the Land Trust within one hundred (100) days after the appointment of the members of the Board of Directors of the Corporation. Said regulations shall specify the manner in which the lands of the Land Trust shall be used and the participation of the Corporation and all other public and private entities in the process of identification of the lands eligible to become a part of the Land Trust. It shall also specify the mechanisms for the appointment of the members of the Board of Trustees of the Land Trust.

The Board of Trustees of the Land Trust shall function as the fiduciary agent of the Trust. This shall not impede the transfer of the custody of the entrusted property to any Trust institution incorporated under the laws of the Commonwealth of Puerto Rico, which shall act as custodian of said property and its returns under terms that are compatible with the goals and provisions of this Act. The Board of Trustees shall have the faculties and powers expressly conferred to trustees in Sections 834 to 874, inclusive, of the Civil Code of Puerto Rico. The Land Trust is hereby created with independent juridical personality, and its Board of Directors shall have representation of the residents delegated by the G-8. The funds of the Land Trust shall be kept separately from other funds under the custody of the Corporation and maintained where the Board of Directors of the Trust so determines, pursuant to the faculties granted through this Act and the regulatory provisions adopted pursuant thereto. The Land Trust shall have the ownership

rights to the land, and may only sell or transfer the construction rights; or long term leases may be granted with inheritance rights. The owners of property on lands of the Trust may own the structure exclusively, but not the land on which it is built.

The residents of the lands owned by the Trust shall be the trustees.

(a) The Land Trust shall have the following goals:

- (1) To contribute toward the solution of the ownership rights problem of many District residents through collective land-holding.
- (2) To handle the physical or economic displacement of the low income residents that arises from the urban reconstruction projects with fairness, avoiding the disintegration and displacement of the community.
- (3) To guarantee affordable housing in the District.
- (4) To acquire and possess lands on behalf of the community, thus increasing local control over the land and avoiding absentee owner decision-making.
- (5) To make possible the participation of the residents and the strategic investment of the private sector, and redistribute with fairness the increase in land value through the participating bonds mechanism, diversifying the sources of income of the families and reinvesting in the District.
- (6) To make possible the reconstruction and valuation of the urban spaces, pursuant to the public policy established by this Act, and the development and use of land plans adopted by the Planning Board for the District.
- (7) To recover the investment of the Commonwealth in the urban reconstruction of the District to create a revolving fund that allows reinvestment in the District or in other locations with similar purposes.

(b) To comply with these goals, the Trust may:

- (1) Make the parceling convenient to the general interest in accordance with the Land Use Plan and the Integrated Development Plan, and impose restricting conditions when necessary.
- (2) Acquire empty lots and lands in order to build affordable housing, whether through the public nuisance process or through eminent domain.
- (3) Acquire ruined structures and debris to build affordable housing, whether through the public nuisance process or through eminent domain.
- (4) Acquire the public land in the District by means of ownership transfer from the public entity to the Land Trust for the purpose of carrying out the Integrated Development Plan.
- (5) Acquire the easement lands and all the remnants produced by urban improvements.
- (6) Acquire by means of ownership transfer the lands and lots of public origin determined by the study directed in Section 16 of this Act and to protect the patrimonial property of Puerto Rico in the District.
- (7) Ensure that all the lands of the Land Trust are registered or submitted to the corresponding Property Register, and prepare the necessary documents such as the registration blueprints.
- (8) Effectively manage the lands with fairness on behalf of the residents of the District.
- (9) Render annual reports and all the documents required by the Commonwealth for corporations.
- (10) Appraise the land at the time of its transfer or acquisition and authorize, subscribe and issue participation bonds on the land value to the Commonwealth, based upon the

public investment in the improvements; to the citizens by means of the exchange of their land by shares, in accordance to its weighted average value by equity criteria or its contribution to the planned development; and to other residents by means of payment plans to be compensated with the interest corresponding to the participation bonds issued. These shares shall be granted in accordance with their weighted average value by equity criteria. The Land Trust may also grant participation bonds to individual non-resident citizens and entrepreneurs for their investment and contribution to the planned development. Part of the returns on the public sector shares shall be reinvested in the District. Bonds issued in favor of the citizens shall receive a fixed interest established according to the market rates in effect and payable as shall be provided. The Land Trust shall have preferential rights to the reacquisition of shares. There may be a limit for the transfer or negotiation of the shares among third parties. Those who own shares may use them as collateral.

The Corporation shall prepare a public report on the activities of the Land Trust every one hundred eighty (180) days as of the creation thereof. It shall indicate, among others, the financial situation of the Trust, as well as any other matter that should be made public as determined by regulation.

**Section 20. — Relocation alternatives.** (23 L.P.R.A. § 5049)

In the process of obtaining the easements to carry out the works related to the ENLACE Project, the Corporation and/or public agency in charge of the process shall make sure it maintains the highest community cohesion, also providing for, as may be possible, the offering of relocation alternatives within the District and the Cantera Peninsula to those families, businesses and nonprofit organizations that wish to remain within the area, as established in the Land Use Plan and the Integrated Development Plan. The relocation alternatives shall be designed with the active and appropriate participation of the citizens. The affected families shall be advised of their rights and responsibilities sensibly and sufficiently in advance, ensuring full compliance with the laws that protect them.

**Section 21. — Compensation for moving and relocation for those affected by the projects in the District.** (23 L.P.R.A. § 5050)

In determining the benefits of relocation and moving, the Corporation or the public agency carrying out the process of property acquisition shall provide uniform treatment, so that all families, businesses and nonprofit organizations in the same situation receive similar benefits, notwithstanding the source from which the money for financing the relocation process originates. In those processes of acquisition and relocation financed with funds of the Commonwealth of Puerto Rico, within the District and the Cantera Peninsula, the occupants of the properties acquired shall be compensated pursuant to what is set forth in the “Uniform Relocation Assistance and Real Property Acquisition Policies Act” of 1970, as amended, P.L. 91-646; 42 U.S.C. 4601 et seq.

**Section 22. — Register of Residents, Businesses and Nonprofit Organizations of the Special Planning District of the Martín Peña Canal.** (23 L.P.R.A. § 5051)

In the first one hundred twenty (120) days after the appointment of the members of the Board of Directors, the Corporation shall update the register of residents and businesses that occupy buildings in the District made by the Authority as part of the Census conducted in 2002, also adding the nonprofit organizations that occupy buildings. The intention of updating this register and its purpose shall be published in newspapers of general circulation and announced through posters and fliers. Entitled to compensation for relocation and moving, in accordance with the provisions of this Act shall be all families, businesses and nonprofit organizations that have occupied the acquired dwelling for (a) not less than one hundred eighty (180) days immediately prior to the date on which the register of families, businesses and nonprofit organizations is closed, in the case of buildings located within the Canal dredging impact zone, the conservation strip, the peripheral thoroughfare or within the street blocks; or, (b) not less than one hundred eighty (180) days immediately prior to the date on which the Corporation and/or the public agency notify the offer of fair compensation for the acquisition of the property in writing for the other buildings. The Corporation shall have access to all the information held by the Department of Transportation and Public Works and the Highway and Transportation Authority that shall allow it to keep the Register updated.

**Section 23. — Community Development.** (23 L.P.R.A. § 5052)

The Corporation, in coordination with the Office for Socioeconomic Financing and Self-Management, shall perform functions directed to promoting the social and economic development of the District, so that community and physical developments advance concurrently, and in accordance with the following goals:

- (1) To systematically direct and use the economic activity to generate internal capacity and development in the District.
- (2) To maximize the internal circulation of the income generated within the District to increase its multiplier effect and to contribute toward the accumulation of internal capital through the creation of community financing mechanisms.
- (3) To provide continuing support to the integration and participation of residents in the economic activity, whether as potential entrepreneurs, operating entrepreneurs, employees or owners of capital assets.
- (4) To use all types of interventions from the public and private sectors in the District in order to develop the social capital and internal institutions of the community.

To comply with these goals, the Corporation, in coordination with the Office for Socioeconomic Financing and Self-Management, shall:

- (1) Support residents in their economic endeavors, by providing, among others, services such as:
  - a. entrepreneurial training for the establishment of profit and nonprofit resident-owned enterprises and self-employment;
  - b. employment training;
  - c. referrals to jobs and employment opportunities;
  - d. revolving fund for financing;

- e. portfolio of contracts that provide business opportunities for resident-owned enterprises;
  - f. list of works, projects and programs that may be performed by community enterprises;
  - g. operational and administrative support for the District’s enterprises;
  - h. orientation for housing owners;
  - i. mechanisms to increase the amount of resident-owned capital goods;
  - j. mechanisms, procedures and guidelines to define, facilitate and supplement the establishment of joint ventures in the District.
- (2) Support the development of the community social capital assets providing, among others, services such as:
- a. support and coordination of efforts for consolidating and strengthening community-based organizations and the G-8, including leadership training and the creation of support networks;
  - b. the creation of formal and informal instances and spaces for the residents to share and interact;
  - c. the design and implementation of mechanisms to support the development of a culture of appreciation and attachment toward the community;
  - d. the creation of community support networks for individuals, families, and the elderly who are affected by the Project or who have special needs;
  - e. the design and implementation of a system of indicators to evaluate the public, environmental, economic and social health in the District.

**Section 24. — The Register of Businesses and Bidders of the Martín Peña Canal.** (23 L.P.R.A. § 5053)

The Corporation shall prepare the Register of Businesses and Bidders of the Martín Peña Canal in the first one hundred sixty (160) days after the appointment of the initial members of the Board of Directors. Said Register of Bidders shall include all the community enterprises operating under the provisions of the applicable laws and regulations. The Register of Bidders shall be updated at least once each year.

**Section 25. — Creation of the Office of the Martín Peña Canal ENLACE Project.** (23 L.P.R.A. § 5054)

It is hereby directed to create the Office of the Martín Peña Canal ENLACE Project in the Department of Transportation and Public Works and the Highway and Transportation Authority as the entity responsible for the coordination and implementation of all the stages of the ENLACE Project. The office of the ENLACE Project shall be in effect, operationally, until all the processes of transition, creation and operations of the Corporation are completed.

**Section 26. — Fund for the Development of the Martín Peña Canal ENLACE Project.** (23 L.P.R.A. § 5055)

A capital fund is hereby created for investments in and the development of the District, with no restrictions on the nature of the projects established by Act No. 3 of October 8, 1987. The fund shall receive appropriations from the Government of the Commonwealth, other public funds,

including, among others, capital improvements, other state, federal and municipal funds, public corporations, departments and other public instrumentalities appropriated or obtained thereto, and from contributions made thereto by private sector individuals and entities. This fund shall be administered by the Board of Directors of the Corporation, which may solicit, accept and receive capitalization contributions donated thereto and may also receive capitalization funds from any natural or juridical person, and any private or government entity, that are covered into the Fund. The Board of Directors shall render a report on the uses and projects carried out with said funds to the Governor and to both Legislative Chambers on or before March 31 of each year.

The Office of Management and Budget is hereby directed to transfer to the Fund the full amount of items budgeted for the development of the ENLACE Project appropriated to the public agencies (as defined in this Act, except for the municipalities. The Highway and Transportation Authority is hereby authorized to transfer to the Fund the budgeted items intended for the development of the ENLACE Project.

Annual recurring appropriations to be charged against the General Fund shall be appropriated to the Fund for the Development of the Martín Peña Canal ENLACE Project, which shall be made in accordance with the work plan and budget presented by the Corporation and to the extent that the Corporation justifies the use of the monies from year to year. Said appropriations shall be contemplated in the General Expense Budget of the Government.

The full amount of the monies covered into the Fund shall be used for the purposes provided by this Act.

**Section 27. — Tax Incentives.** (23 L.P.R.A. § 5056)

The following tax benefits shall be granted to the entities that contribute to the Corporation and the Fund for the Development of the Martín Peña Canal ENLACE Project:

- (a) All donations made to the Corporation shall be treated as donations made to educational entities, pursuant to Act No. 120 of October 31, 1994, as amended, for purposes of the limitations on donations;
- (b) Interest generated by the bonds issued by the Corporation shall be exempted from the income tax levied by Act No. 120 of October 31, 1994, as amended;
- (c) The accelerated depreciation method shall be allowed for the recovery of the cost of the investment;
- (d) Every business or industry established or to be established in the District shall be entitled to an additional deduction for the salaries paid for purposes of the calculation of the income tax equal to five (5) percent of the applicable minimum salary of each new job created after the approval of this Act. This deduction shall be in addition to any other granted by any law and shall extend for a term of five (5) years.

To be entitled to the deduction granted by this subsection, it shall be necessary that the newly created job:

- (1) does not eliminate or substitute any job that existed prior to the approval of this Act;
- (2) is a full-time job of not less than thirty-five (35) hours per week; and (3) is held by a District resident for a continuous term of not less than six (6) months within the taxable year, except for those businesses or industries that, due to their nature, are seasonal or temporary.

These tax incentives shall be evaluated every three (3) years as of the date of effectiveness of this Act in terms of cost-effectiveness. The evaluation shall be made by the Department of the



Treasury, in consultation with the Corporation and with the collaboration of the Office of Management and Budget, the Municipality of San Juan, the Municipal Revenues Collection Center and all other public agencies concerned.

**Section 28. — Bonds.** (23 L.P.R.A. § 5057)

In addition to the powers granted to the Corporation by this Act,

(a) The Corporation is hereby authorized to issue bonds from time to time for the amounts of principal that in the judgment of the Corporation are necessary to provide sufficient financial resources for the total or partial payment of the cost of any project or projects; for the payment of the interest on bonds of the Corporation for the period it determines; for the creation of reserves to guarantee said bonds, and for the payment of other expenses of the Corporation, including the costs of the project that are incidental, necessary or convenient to carry out its purposes or exert its corporate powers, with the exception of the regular operational expenses of the Corporation. Bonds issued by the Corporation may be payable from the total amount or a part of the gross or net income and other income derived by the Corporation under the clauses of a financing contract with regard to any project, all as provided in the Trust contract whereby the issue of bonds is authorized. The principal and interest on bonds issued by the Corporation may be guaranteed through the total lien or a part of any income of the Corporation and may be guaranteed by the assignment of any financing contract with regard to any project or part thereof. The resolution or resolutions authorizing the issuing of bonds or the Trust contract guaranteeing the same may contain provisions that shall be a part of the contract with the holders of the bonds issued under said resolution or resolutions, with regard to a guarantee and the creation of a tax on the income and assets of the Corporation; to the creation and maintenance of redemption and reserve funds; to the limitations with respect to the purposes for which the product of the bonds may be used; to limitations with respect to the issue of additional bonds; to limitations with respect to the introduction of amendments or supplements; to the resolution or resolutions or the contract of the trust; to the granting of rights, faculties and privileges and to the imposition of obligations and responsibilities upon the trustee under any trust contract; to the operation and maintenance of projects; to the fixing of fees, rent and other charges for the use and occupation of any project or its operation; to the rights, faculties, obligations and responsibilities that shall arise in the event of noncompliance with any obligation under said resolution or resolutions or the trust contract, or with respect to any rights, faculties and privileges conferred upon the holders of the bonds as guarantee thereof to increase the salability of the bonds.

(b) The bonds may be authorized by resolution or resolutions of the Corporation. They may be in one or more series, have a date or dates, become due within a term or terms that do not exceed fifty years as of their respective dates of issue, and earn interest at a rate or rates that do not exceed the maximum rate allowed by law at that time. The bonds may be payable at a place or places, whether within or outside of the Commonwealth of Puerto Rico, of a denomination or denominations and in a form, whether coupons or registered; have register or conversion privileges; be executed in such a manner, payable by means of payment and subject to redemption terms, with or without premium; provide for the replacement of mutilated, destroyed, stolen or lost bonds; authenticated in a manner and comply with those conditions and contain those terms and conditions as the resolution or resolutions may provide. The bonds may be sold in public or private sales for the price or prices determined by the Corporation; provided,

however, that the financing bonds may be sold or exchanged for outstanding Corporation bonds under the terms that, in the opinion of the Corporation, best serve its interests. Notwithstanding the form and according thereto, and in the absence of a stated disclaimer on the face of the bond to notify that it is not negotiable, all the bonds of the Corporation, including any coupons pertaining thereto, shall have at all times, and it shall be understood that they have, all the characteristics and incidents (including negotiability) of negotiable instruments under the laws of the Commonwealth of Puerto Rico.

(c) The proceeds of the sale of the bonds of each issue shall be used to defray the cost of the project or projects or a part or parts thereof, for which the aforementioned bonds have been issued, and shall be disbursed in the form and under the restrictions, if any, that the Corporation sets forth in the Trust Contract that guarantees said bonds. If the proceeds of the bonds of any issue turns out to be less than the cost, due to any increase in construction costs or to an error in the estimates or any other reason, additional bonds may be issued in the same form to cover the amount of said deficiency, and unless otherwise provided in the Trust Contract, it shall be considered that said bonds are of the same issue and shall be paid from the same funds without giving any preference or priority to the bonds issued originally.

(d) Bonds may be issued under the provisions of this Act without obtaining consent from any department, division, commission, board, body, bureau, or public agency of the Commonwealth of Puerto Rico, with the exception of the Government Development Bank for Puerto Rico (which shall intervene in cases in which the laws in effect expressly so provide, or at the request of the Corporation or the Trust), without any other procedure or any condition or matter other than the procedures, conditions and matters specifically required by this Act and the provisions of the resolution authorizing the issue of said bonds or the trust contract that guarantees them; Provided, however, that the provisions of Act No. 272 of May 15, 1945, as amended, shall apply.

(e) The bonds of the Corporation that are signed by the officers of the Corporation in the exercise of their office on the date of the signing thereof shall constitute valid and unavoidable obligations, even when prior to the delivery and payment of such bonds any or all of the officers whose signatures or facsimiles of signatures appear thereon have ceased to be officers of the Corporation. The validity of the authorization and issue of the bonds shall not depend upon or be in any way affected by any procedure concerning the construction, acquisition, extension or improvement of the project for which the bonds are issued, or by any contract entered into with respect to said project. Any trust contract that guarantees the bonds may provide for any of said bonds to include an annotation stating that it was issued pursuant to the provisions of this Act and any bond that includes said annotation under the authority of such trust contract shall be considered to be final, valid and issued in accordance with the provisions of the Law. Neither the Corporation nor any person executing the bonds shall incur personal liability for such bonds, nor shall they be subject to any civil liability for the issue of said bonds. The Corporation is hereby authorized to purchase any outstanding bonds issued or assumed by it with any funds available for such purpose.

**Section 29. — Trust Contract.** (23 L.P.R.A. § 5058)

At the Corporation’s discretion, any bonds issued under the provisions of this Act may be guaranteed by a trust contract by and between the Corporation and a corporate trustee, which

may be a Trust Corporation (trust company) or a banking institution with the faculties of a Trust Corporation (trust company) within or outside of the Commonwealth of Puerto Rico.

It shall be legal for any banking institution or trust corporation incorporated under the laws of the Commonwealth of Puerto Rico, the United States of America or any state of the United States of America to act as depository of the proceeds of the bonds, income or other monies to execute indemnity bonds or to offer as guarantee the securities required by the Corporation. In addition to the above, the trust contract may contain all the provisions that the Corporation deems reasonable and appropriate for the security of the bondholders.

**Section 30. — Agreement of the Commonwealth of Puerto Rico with the Bondholders.** (23 L.P.R.A. § 5059)

The Commonwealth of Puerto Rico hereby agrees with the holders of any bonds issued under this Act and with the persons or entities that establish contracts with the Corporation in accordance with the provisions of this Act, that it shall not limit or alter the rights herein conferred onto the Corporation until said bonds and the interest thereon are totally paid off and said contracts are totally complied with and executed by the Corporation; provided, however, that none of the provisions herein shall affect or alter said limitation if adequate measures for the protection of said bondholders of the Corporation or those who have entered into such contracts with the Corporation are provided by law. The Corporation, as agent of the Commonwealth of Puerto Rico, is hereby authorized to include this agreement by the Commonwealth in the aforementioned bonds or contracts. However, nothing established in this Section shall have the effect of altering what is provided in Section 10, which sets forth that the debts and obligations of the Corporation shall not be debts or obligations of the Commonwealth of Puerto Rico nor of its political subdivisions, nor shall they have the effect of encumbering the loan margin of the Commonwealth of Puerto Rico.

**Section 31. — Income of the Corporation.** (23 L.P.R.A. § 5060)

The fees, rent, charges and all other income earned by the Corporation from the project related to the bonds of any issue, except for the part that may be necessary for paying the costs of the Corporation incurred in said project and to provide reserves, if any, that may be provided in the trust contract that guarantees said bonds, shall be deposited regularly in a reserve fund for the payment of the debt service, as provided in the trust contract, which is hereby offered to guarantee the payment of the principal and interest on said bonds as they become due and the call price or purchase price of bonds withdrawn due to redemption or purchase, as provided. The guarantee shall be valid and binding from the time in which it is constituted. The fees, rent, charges and other income and monies offered in guarantee and those received afterwards by the Corporation shall immediately be subject to lien without the need to physically deliver them or the need for any other act, and said lien shall be valid and binding and shall prevail against any third party that holds any kind of claim against the Corporation for damages or breach of contract or any other reason, regardless of whether or not said third party has been notified of this matter. Neither the trust contract nor the financing contract for which a collateralization agreement is formalized or for which the rights of the Corporation over any income are assigned, need to be filed or registered to finalize the lien over the same against any third party, except in the files of

the Corporation. The use and disposition of the monies to the credit of the redemption fund for the payment of the debt service shall be subject to the provisions of such a trust contract. The referred redemption fund for the payment of the debt service shall be a fund for such bonds without distinction or priority of one over the other, unless otherwise provided in the trust contract.

**Section 32. — Commonwealth of Puerto Rico and its Subdivisions Are Not Liable.** (23 L.P.R.A. § 5061)

Bonds issued by the Corporation shall not constitute a debt of the Commonwealth of Puerto Rico or any of its political subdivisions, nor shall the Commonwealth of Puerto Rico or any of its political subdivisions be liable therefor, and such bonds shall only be payable from funds that have been encumbered for their payment, unless the Commonwealth or any of its public agencies otherwise participate as guarantors.

**Section 33. — Transfer of Property from the Government to the Corporation.** (23 L.P.R.A. § 5062)

The Commonwealth of Puerto Rico, its public agencies, public corporations and political subdivisions, including the municipalities, are hereby authorized to assign and transfer to the Corporation, at its request and under reasonable terms and conditions, without the need for calling a public bid or other formalities of law in addition to the execution of the corresponding deed, any property or interest over the same (including property that is already dedicated to public use), that the Corporation deems necessary or convenient in order to carry out its purposes.

In accordance to the provisions in this section, the deed to any property of the Commonwealth of Puerto Rico, including the deed to any property that is subsequently acquired, may be transferred to the Corporation by the officer in charge of said property or who has it under its jurisdiction.

The Secretary of Transportation and Public Works shall transfer to the Corporation, free of any charge, those additional lands of the Commonwealth of Puerto Rico that, in the judgment of the Governor of Puerto Rico, said Corporation needs in order to achieve its goals and purposes.

These provisions shall not be construed in the sense of authorizing the assignment or transfer of property set aside for other purposes by express legislative provision.

The Secretary of Transportation and Public Works, the Secretary of Housing and the Mayor of San Juan shall submit to the Legislature in March of each year a listing of all the properties assigned and transferred to the Corporation by virtue of the authorization herein contained and the appraisal of each property.

**Section 34. — Transfer of Personnel.** (23 L.P.R.A. § 5063)

The Corporation herein created shall have the condition of excluded for purposes of Act No. 5 of October 14, 1975, as amended, the “Puerto Rico Public Service Personnel Act.”

Any Commonwealth officers or employees who are appointed to fill a position in the Corporation shall retain the status and rights they had at the time of joining the service of the

Corporation pursuant to the personnel legislation in effect and shall also retain any rights they held in any retirement system or pension fund prescribed by the law for officers and employees that hold similar positions in the Government of the Commonwealth.

**Section 35. — Transition Committee.** (23 L.P.R.A. § 5064)

The Secretary of the Department of Transportation and Public Works and the Board of the Corporation shall appoint a Transition Committee responsible for adopting the necessary measures for the transfer to the Corporation of the functions of the Department of Transportation and Public Works and the Highway and Transportation Authority with regard to the ENLACE Project.

This Committee shall supervise the adequate transfer to the Corporation of all matters under the administration and responsibility of the Department of Transportation and Public Works, without interrupting the administrative processes or the rendering of services and operations of said Department. This Committee shall cease operations when so determined by the Secretary of the Department of Transportation and Public Works and the Board.

**Section 36. — Transfers.** (23 L.P.R.A. § 5031 note)

Not later than sixty (60) days as of the appointment of the members of the Board of Directors, the Corporation shall submit to the Office of Management and Budget an application and a budget draft for the surplus of the current fiscal year at the time this Act takes effect. Once this budget is approved by the Office of Management and Budget and by the Board of Directors, the Department of Transportation and Public Works and the Highway and Transportation Authority shall transfer to the Corporation the programs, funds, obligations, property, equipment, records, files and any others related to the functions for the development of the District.

Not later than ninety (90) days as of the appointment of the members of the Board of Directors, all the powers, functions and obligations conferred by law or regulation onto the Department of Transportation and Public Works and the Highway and Transportation Authority with respect to the development of the District shall be transferred to the Corporation. The transfers provided in this subsection shall be carried out without being subject to the prohibitions for election years contained within any of the laws in effect.

**Section 37. — Injunction.** (23 L.P.R.A. § 5065)

No injunction shall be issued to hinder the application of this Act or any part thereof.

**Section 38. — Reports.** (23 L.P.R.A. § 5066)

The Corporation, through the Board of Directors, shall render an annual report on March 31 to the Governor, both Houses of the Legislature and the Mayor of San Juan with an account of the activities carried out by the Corporation during the previous fiscal year, its financial situation and the work plan for the three subsequent fiscal years. Said report shall also be submitted to the communities of the District through the representatives of the G-8.

**Section 39. — Appropriations.** (23 L.P.R.A. § 5031 note)

A recurring annual amount shall be appropriated to the Corporation to carry out the purposes of this Act. Said appropriations shall be contained in the General Expense Budget of the Government.

**Section 40. — Incompatibility, Separability and Interpretation.** (23 L.P.R.A. § 5031 note)

If any provision, word, sentence, subsection or section of this Act were challenged for any reason before the court and ruled unconstitutional or null, said ruling shall not affect, prejudice or invalidate the remaining provisions of this Act.

Any provision of law or regulation that is incompatible with the provisions of this Act is hereby repealed to the extent that such incompatibility may exist.

The Statement of Motives of this Act is hereby attached thereto and made a part thereof. The provisions of this Act shall be liberally construed with the purpose of furthering the development and implementation of the public policy established in its Statement of Motives and to carry out any other purposes set forth in this Act.

**Section 41. — Effectiveness.**

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.**