

(H. B. 1279)

(No. 47-2013)

(Approved June 30, 2013)

AN ACT

To authorize the issue of bonds of the Government of the Commonwealth of Puerto Rico and the issue of bond anticipation notes in a principal amount that shall not exceed one hundred million dollars (\$100,000,000) to cover the costs of necessary public improvements and the cost of the sale of such bonds and notes; provide for the payment of the principal and interest on such bonds and notes; authorize the Secretary of the Treasury to make provisional advances from the General Fund of the Commonwealth Treasury to be applied to the payment of the costs of said improvements and said sale of bonds and notes; empower the agencies and instrumentalities of the Commonwealth of Puerto Rico to acquire the necessary real and personal property and to exercise the power of eminent domain; and exempt said bonds and notes and interest thereon from taxes; and for other purposes.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- The Secretary of the Treasury is hereby authorized to issue and sell, all at once or from time to time, bonds of the Commonwealth of Puerto Rico in a principal amount which shall not exceed one hundred million dollars (\$100,000,000), in order to cover the costs of the necessary public improvements itemized below, including the acquisition of the necessary land or rights thereon, and equipment therefor, to draw up plans and specifications, the administration and management of public works and improvements, the cost of the sale of the bonds and bond anticipation notes, and any other necessary expense in connection with the acquisition or construction of such works and improvements, and the costs related to the public financing program of the Commonwealth of Puerto Rico.

Works and improvements financed by this bond issue shall have a useful life of five (5) or more years. Operating expenses shall not be included in the costs to be financed through this bond issue.

The public works and improvements and the cost of the sale of the bonds to be financed under this Act, and the estimated amounts of the proceeds of the bonds to be applied to each of such works and improvements, and costs by major expense items, are the following:

- I. Transportation Facilities
- II. Project Pay up
- III. Special Projects
- V.[sic] Capital Works and Improvements
- VI. Necessary Costs of the 2013 Bond Issue
- VII. Reserve for the payment of interest on the bonds to be financed

With regard to the acquisition and construction of the public works and improvements, the Secretary of the Treasury is hereby authorized to pay any cost incurred in connection with the issue of bonds and notes authorized by this Act, including costs related to insurance, letters of credit or other instruments used to reduce financing costs. Any discount, commitment or syndication fee, or any similar charge payable for the issue of bonds and notes, shall be included in the computation of the price or prices for which said bonds and notes may be sold, pursuant to the provisions of this Act.

Section 2.- Bonds.-

(a) The bonds to be issued from time to time under the provisions of this Act, as well as any other detail related thereto, shall be authorized through a resolution or resolutions to be adopted by the Secretary of the Treasury and approved by the Governor. Said bonds shall be designated as “Public Improvement

Bonds of the Government of the Commonwealth of Puerto Rico for the Year 2013.”

(b) The bonds whose issue is authorized under this Act shall be dated, and shall mature on a date or dates that shall not exceed thirty (30) years from their date or dates (except for bonds related to public housing, which shall mature not later than forty (40) years from their date or dates), and shall accrue interest at a rate or rates that shall not exceed those legally authorized at the time the bonds are issued. At the option of the Secretary of the Treasury, they may be redeemable before maturity, may be sold with or without premium, shall be of such denomination and in such form, with interest coupons or registered, or both, shall have such registration and conversion privileges, shall be executed in such a form, shall be payable in such places within or without Puerto Rico, and shall contain such other terms and conditions as provided by the authorizing resolution or resolutions.

(c) The bonds authorized by this Act may be sold all at once or from time to time, in public or private sale, and for such price or prices not lower than the price legally established at the time they are issued, as determined by the Secretary of the Treasury with the approval of the Governor to be most convenient to the best interests of the Commonwealth of Puerto Rico.

(d) When any official whose signature or facsimile thereof appears on any bond or coupon authorized under this Act ceases to hold office before the delivery of said bonds, said signature or facsimile shall, nevertheless, be valid and sufficient, it being deemed for all purposes as if such official had remained in office until such delivery. Furthermore, any bond or coupon may bear the signature or facsimile of those persons who, at the time said bond is executed, are the proper officials to sign it, but who, on the date of the bond, were not holding such office.

(e) The bonds issued pursuant to the provisions of this Act shall be deemed to be negotiable instruments under the laws of Puerto Rico.

(f) The bonds authorized by this Act may be issued as coupons or in registered form, or both, as determined in the authorizing resolution or resolutions, and may provide for the registration of any bonds or coupons as to principal only, as well as to principal and interest, and for the reconversion of any registered bonds into coupon bonds, as to principal and interest.

Section 3.- The Secretary of the Treasury is authorized, with the approval of the Governor, to negotiate and enter into, with any bank, investment institution or any other financial institution, such loan agreements, purchase agreements or other financing agreements needed for the sale of the bonds authorized under this Act or of the bond anticipation notes whose issue is authorized in Section 5 of this Act, under such terms and conditions as the Secretary of the Treasury determines to be most convenient for the best interests of the Commonwealth of Puerto Rico.

Section 4.- The good faith, credit and taxing power of the Commonwealth of Puerto Rico are irrevocably pledged for the prompt payment of the principal and interest on the bonds issued under the provisions of this Act. The Secretary of the Treasury is hereby authorized and directed to pay the principal and interest on such bonds as they mature, from any funds available for such purposes in the Treasury of the Commonwealth of Puerto Rico in the fiscal year in which such payment is required, and the provisions of this Act concerning the payment of the principal and interest on such bonds shall be deemed to be a continuing appropriation for the Secretary of the Treasury to make such payments even if no specific appropriations are made for such purpose. Said payments shall be made pursuant to the provisions of the laws of the Commonwealth of Puerto Rico which regulate the disbursement of public funds.

The Secretary of the Treasury is hereby authorized and directed to include in the authorizing resolution or resolutions the commitment that the Commonwealth of Puerto Rico is herein making and to state on such bonds that the good faith, credit, and taxing power of the Commonwealth of Puerto Rico is thus pledged.

Section 5.- The Secretary of the Treasury, through resolution approved by the Governor, is hereby authorized to borrow money and issue bond anticipation notes of the Commonwealth of Puerto Rico, at any time, or from time to time, payable solely from the proceeds of said bonds. Said notes shall be designated as "Commonwealth of Puerto Rico Bond Anticipation Notes," and shall state that they are issued in advance of such bond issue.

Said notes, including any renewals or extensions thereof, shall be dated, may be issued from time to time with a maturity that shall not exceed five (5) years from the first date of issue, shall bear interest at such rate that shall not exceed that which is legally authorized at the time they are issued, and may be redeemable before their maturity at the option of the Secretary of the Treasury, and shall be executed in such form and manner, and may be sold at public or private sale at such price or prices that are not less than the price established by law at the time they are issued, and shall contain such other terms and conditions as provided in the authorizing resolution or resolutions adopted by the Secretary of the Treasury and approved by the Governor.

Section 6.- The good faith, credit, and taxing power of the Commonwealth of Puerto Rico are irrevocably pledged for the prompt payment of the interest on any note issued pursuant to the provisions of this Act. The Secretary of the Treasury is hereby authorized and directed to pay interest on said notes as they become due, from any funds available in the Treasury of the Commonwealth of Puerto Rico for such purpose during the fiscal year in which said payment is

required. The provisions contained in this Act with regard to the payment of interest on the bond anticipation notes shall be deemed to be a continuing appropriation for the Secretary of the Treasury to make said payments even if no specific appropriations are made for such purposes.

Pursuant to the provisions of this Act, the Secretary of the Treasury shall issue bonds sufficiently in advance and in the amount needed to provide the funds required to pay the principal of the notes as they mature and become payable, and shall apply the proceeds of the bond issue to the payment of said notes.

Any payments made with respect to the bond anticipation notes shall be made according to the provisions of the laws of the Puerto Rico that regulate the disbursement of public funds.

Section 7.- The Secretary of the Treasury is hereby authorized to make provisional advances from any funds available in the public Treasury of Puerto Rico, to be applied to defray the costs of the public works authorized to be financed with the proceeds of the sale of the bonds issued under the provisions of this Act. The Secretary of the Treasury shall reimburse any provisional advance made, out of the first moneys available in the Public Improvement Fund for 2013.

Section 8.- The Secretary of the Treasury, in accordance with the determinations of the Director of the Office of Management and Budget, and with the approval of the Governor, is hereby authorized to use any money appropriated under this Act, and subsequently not needed for the purposes stated herein, to carry out any other public works or improvements that the Legislative Assembly may approve through legislation therefor.

Section 9.- The acquisition and construction of the public improvements authorized to be financed with the proceeds of the sale of bonds issued under the provisions of this Act shall be carried out in accordance with the plans approved by the Planning Board pursuant to the provisions of Act No. 75 of June 24, 1975,

as amended, known as the “Puerto Rico Planning Board Organic Act,” and subject to subsequent approval by the Commonwealth of Puerto Rico.

Section 10.- The agencies and instrumentalities of the Commonwealth of Puerto Rico in charge of the programs to which the proceeds from the sale of the bonds issued pursuant to the provisions of this Act shall be applied, are hereby authorized and empowered to acquire on behalf of the Commonwealth of Puerto Rico or on behalf of said agency or instrumentality, as the case may be, by gift, purchase, or by exercising the power of eminent domain pursuant to the laws of Puerto Rico, any land or rights and participation thereon and to acquire personal property or equipment deemed necessary to carry out the public improvements listed in Section 1 of this Act.

Section 11.- Any reserve surplus necessary for the payment of interest, is hereby appropriated from the proceeds of the sale of the bonds issued pursuant to the provisions of this Act, to be applied to the payment of the costs incurred in connection with the bond issue and sale, including any costs related to insurance, letters of credit or other instruments used to reduce financing costs.

Section 12.- All bonds and notes issued under the provisions of this Act, as well as any interest thereon, shall be exempted from the payment of any tax imposed by the Commonwealth of Puerto Rico and its instrumentalities.

Section 13.- The matching of the appropriated funds with individual, state, municipal or Federal funds is hereby authorized.

Section 14.- This Act shall not be deemed to be repealing or amending any other preceding law of the Legislative Assembly of Puerto Rico authorizing the issue of bonds of the Commonwealth of Puerto Rico. The bonds authorized under this Act are in addition to any other previously authorized bonds of Puerto Rico.

Section 15.- This Act shall take effect immediately after its approval

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 47-2013 (H. B. 1279)** of the **1st Session of the 17th Legislature** of Puerto Rico:

AN ACT to authorize the issue of bonds of the Government of the Commonwealth of Puerto Rico and the issue of bond anticipation notes in a principal amount that shall not exceed one hundred million dollars (\$100,000,000) to cover the costs of necessary public improvements and the cost of the sale of such bonds and notes; provide for the payment of the principal and interest on such bonds and notes; authorize the Secretary of the Treasury to make provisional advances from the General Fund of the Commonwealth Treasury to be applied to the payment of the costs of said improvements and said sale of bonds and notes; empower the agencies and instrumentalities of the Commonwealth of Puerto Rico to acquire the necessary real and personal property and to exercise the power of eminent domain; and exempt said bonds and notes and interest thereon from taxes; and for other purposes.

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

In San Juan, Puerto Rico, on this 1st day of November, 2013.

Juan Luis Martínez Martínez
Acting Director