

(H. B. 3936)

(No. 133-2012)

(Approved July 2, 2012)

AN ACT

To amend Sections 2 and 6 of Act No. 91-2006, as amended, known as the “Dedicated Sales Tax Fund Act,” in order to add that the moneys received from bond issues or through other financing mechanisms may be used to defray or finance the operating expenses of the Government of Puerto Rico corresponding to Fiscal Year 2012-2013; provide that the Puerto Rico Economic Stimulus Fund, also known as the Stabilization Fund, may be funded with the proceeds of the bond issues of the Puerto Rico Sales Tax Financing Corporation and any other funds deposited therein; provide that the funds deposited in the Puerto Rico Economic Stimulus Fund may be used for all the purposes listed in Section 2 of Act No. 91-2006, as amended; and for other purposes.

STATEMENT OF MOTIVES

During this Administration, the Government of Puerto Rico has implemented urgent measures to obtain additional resources and reduce operating expenses to address the worst fiscal crisis of its history. Said measures allowed the Government of Puerto Rico to face and reduce the approximately \$3.3 billion budget deficit inherited from the past administration. Although the measures taken by the Government of Puerto Rico to face this fiscal crisis have produced positive outcomes, the fiscal situation of Puerto Rico requires the adoption of new measures to cover additional funds into the General Fund and provide additional time for the implemented measures to produce results.

In order to meet said purpose, this measure establishes an additional use for the funds allocated by the Puerto Rico Sales Tax Financing Corporation (COFINA, Spanish acronym). Thus, this measure provides that COFINA may use the funds it

receives from bond issues and other financing mechanisms to defray or finance the operating expenses of the Government of Puerto Rico corresponding to Fiscal Year 2012-2013. Furthermore, in order to provide more flexibility to the Government in its efforts to deal with the fiscal crisis and reduce the inherited budget deficit, this bill extends the source of funds that may be deposited in the Puerto Rico Economic Stimulus Fund, also known as the Stabilization Fund, and the uses authorized for such funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Section 2 of Act No. 91-2006, as amended, is hereby amended to read as follows:

“Section 2.—Creation of the Public Corporation.—

(a) ...

(b) COFINA is created for the purpose of issuing bonds and using other financing mechanisms for the following ends: (i) to directly or indirectly pay or refinance all or part of the outstanding extra constitutional debt of the Government of Puerto Rico as of June 30, 2006, and the interest accrued thereon, (ii) to pay all or part of the \$1 billion debt of the Secretary of the Treasury with the Government Development Bank for Puerto Rico, which was used to finance the budget deficit of fiscal year 2008-2009, (iii) to pay all or part of the financings granted to the Secretary of the Treasury by the Government Development Bank for Puerto Rico up to December 31, 2008, payable from future general obligation bond issues of the Government of Puerto Rico, as well as any debt with no repayment source or which is payable from budget appropriations of the Government of Puerto Rico, existing on December 31, 2008, (iv) to pay all or part of the accounts payable to suppliers of the Government of Puerto Rico, (v) to pay or finance operating expenses of the Government of Puerto Rico corresponding to fiscal years 2008-2009, 2009-2010, and 2010-2011, (vi) to pay or finance operating expenses

of the Government of Puerto Rico corresponding to fiscal year 2011-2012, which shall be included in the annual budget of the Government of Puerto Rico, (vii) to generate funds for the Puerto Rico Economic Stimulus Fund established under Section 6 of this Act, and (viii) to cover funds into the Emergency Fund of the Commonwealth of Puerto Rico in order to meet expenses arising from catastrophic events, such as hurricanes or floods, and (x) to generate funds for the Economic Cooperation and Public Employee Options Fund.

- (c) ...
- (d) ...
- (e) ...
- (f) ...”

Section 2.- Section 6 of Act No. 91-2006, as amended, is hereby amended to read as follows:

“Section 6.—Puerto Rico Economic Stimulus Fund.—The Government Development Bank for Puerto Rico is hereby authorized to establish a fund under its control and custody, to be called the ‘Puerto Rico Economic Stimulus Fund,’ and be funded with the proceeds of the bond issues or other financing mechanisms employed and assigned by COFINA. The funds deposited into the Puerto Rico Economic Stimulus Fund may only be used for the following purposes: taxpayer relief, boosting businesses and trades, training programs, assistance for displaced employees, and any other purposes as provided through legislation. The Puerto Rico Economic Stimulus Fund, also known as the Stabilization Fund, may also be funded with the proceeds of the bond issues or other financing mechanisms used by COFINA, from any other funds deposited therein; and all funds deposited therein, may be used for the purposes listed in this Section and in Section 2 of this Act.”

Section 3.- If any provision of this Act or the application thereof were held to be invalid, such holding shall not affect the remaining provisions of this Act or the application thereof that may be in effect without the provisions held invalid. To such end, the provisions of this Act shall be severable.

Section 4.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 133-2012 (H. B. 3936)** of the **7th Session of the 16th Legislature** of Puerto Rico:

AN ACT to amend Sections 2 and 6 of Act No. 91-2006, as amended, known as the “Dedicated Sales Tax Fund Act,” in order to add that the moneys received from bond issues or through other financing mechanisms may be used to defray or finance the operating expenses of the Government of Puerto Rico corresponding to Fiscal Year 2012-2013; provide that the Puerto Rico Economic Stimulus Fund, also known as the Stabilization Fund, may be funded with the proceeds of the bond issues of the Puerto Rico Sales Tax Financing Corporation and any other funds deposited therein; provide that the funds deposited in the Puerto Rico Economic Stimulus Fund may be used for all the purposes listed in Section 2 of Act No. 91-2006, as amended; and for other purposes.

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

In San Juan, Puerto Rico, on the 6th day of May, 2013.

Juan Luis Martínez Martínez
Acting Director