

(H. B. 3774)

**(No. 115)**

(Approved August 31, 2007)

**AN ACT**

To amend subsections (a) and (b) of Section 2 and Section 5 of Act No. 74 of July 23, 2007, in order to correct and attune certain technical aspects of the Act.

**STATEMENT OF MOTIVES**

Act No. 74 of July 23, 2007, authorized the issue of bonds of the Commonwealth of Puerto Rico in a principal amount which shall not exceed five hundred million (500,000,000) dollars, and the issue of notes in advance of bonds to cover the cost of necessary public improvements and the cost of the sale of such bonds; and for other purposes. The language of the measure contained several instances in which it should have referred to the internal administrative process of authorization or “Bond Resolutions” that is traditionally adopted by the Secretary of the Treasury and approved by the Governor. However, the language used in the measure points to the traditional legislative process which is not applicable in this case. It is for this reason that there is a need for the technical clarification set forth in this Act.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Subsection (a) of Section 2 of Act No. 74 of July 23, 2007, is hereby amended to read as follows:

“Section 2(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 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 Commonwealth of Puerto Rico for the Year 2007.’”

Section 2.- Subsection (b) of Section 2 of Act No. 74 of July 23, 2007, is hereby amended to read as follows:

“Section 2(b):

The bonds authorized to be issued under the provisions of 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), 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 the Commonwealth of Puerto Rico, and shall contain such other terms and conditions as provided by the authorizing Resolution or Resolutions.”

Section 3.- Section 5 of Act No. 74 of July 23, 2007, is hereby amended to read as follows:

“Section 5.- The Secretary of the Treasury...

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 4.- Effectiveness

This Act shall take effect immediately after its approval.

**CERTIFICATION**

I hereby certify to the Secretary of State that the following Act No. 115 (H.B. 3774) of the 6<sup>th</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend subsections (a) and (b) of Section 2 and Section 5 of Act No. 74 of July 23, 2007, in order to correct and attune certain technical aspects of the Act,

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

In San Juan, Puerto Rico, today 10<sup>th</sup> of September of 2007.

Francisco J. Domenech  
Director