

(H. B. 259)

(No. 90)

(Approved August 26, 2005)

AN ACT

To create the Special Permanent Fund for Former-boxers attached to the Boxers' Trust for the administration of personal and real property belonging to or designated to become part of said Fund, as a nonprofit, irrevocable and permanent public trust fund, for the continuous benefit of professional boxers who have ended their career of not less than five (5) years in the practice of said profession and need orientation and training to effectively face financial, legal and health problems that may adversely affect them, and to establish the manner in which the trust shall be capitalized and administered.

STATEMENT OF MOTIVES

Puerto Rico appears in a prominent position in the professional world boxing scene thanks to the excellence of Puerto Rican boxers who have achieved the highest standing in the various professional world boxing divisions. Puerto Rico has had the great satisfaction of having world champions in all divisions since valuable boxers such as Pedro Montañez, Joe Basora and our first bantam weight world champion, Sixto Escobar, proved their quality as boxers to the whole world.

It should be mentioned that our boxers have played a very important role in Puerto Rican society by contributing to its economy, setting an example for the young who are to follow in this profession, exalting the image of this small Island in sports by making its name be well-known everywhere around the world. However, after ending their boxing careers, some of our

world famous boxers have suffered the pain and anguish caused by the sudden descent from a comfortable financial situation to a situation whereby the lack of financial resources is the rule rather than the exception.

In view of the above, it is necessary to create a legal mechanism for the collection and disposition of funds to be used for the orientation and training of these professionals retired from lucrative boxing, who after having performed practically exclusively in this sport for five (5) years or more, need the most suitable orientation and training to face daily modern world problems —a different kind of adversary that they can neither hurt nor evade.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- A nonprofit, irrevocable and permanent public trust fund, is hereby created for the continuous benefit of professional boxers who have ended their careers after not less than five (5) years in the practice of said profession and need orientation and training to effectively face financial and legal problems, as well as disability problems as defined in local and federal statutes that protect the rights of disabled persons, which may affect them adversely. It shall be designated as the “Special Permanent Fund for Former-boxers” and shall be known as the “Boxers’ Trust,” which shall be capitalized and administered pursuant to the provisions of this Act. No part of the trust herein created shall result in benefits to any private person who is not a former professional boxer eligible thereto. The trust shall have all the rights and powers necessary and appropriate to accomplish its purposes and functions according to the provisions established in this Act, including, but not limited to, the following powers:

- a. To approve, amend and repeal the necessary and pertinent regulations for carrying out its duties and responsibilities, as

well as for the administration of the matters pertaining to the Permanent Special Fund and all matters pertaining to professional former-boxers' orientation and training programs.

- b. To adopt an official seal and to alter it as necessary and convenient.
- c. To sue and be sued in its own name and to complain and be the object of complaints.
- d. To receive, administer and comply with the conditions and requirements related to any royalties, concessions or donations of any personal or real property, or monies, including, without it being understood as a limitation, to those originating from the government of Puerto Rico, municipal governments, the United States government, private sources or any government agency or instrumentality. Provided, that all real property accepted by the trust shall be immediately registered with the office of the corresponding officer or registrar corresponding to the location of said real property.
- e. To carry out its fiduciary powers over any personal or real property, securities, or any property donated by public or private foreign entities, for a benefit of eligible former-boxers, and to comply with any other duties entrusted thereto which are not prohibited by the laws of Puerto Rico, and which are in accordance with the provisions of this Act.
- f. To negotiate and execute contracts and any other instruments and agreements with any natural or juridical persons as may be necessary and convenient to fulfill its functions and exercise its faculties and powers conferred by this Act.

- g. To file any legal action to protect or enforce any right conferred by any law, contract or agreement, notwithstanding any provision of law to the contrary, and to exercise any action provided for when there is any breach under any contract or agreement, pursuant to the provisions of such a contract or agreement.
- h. To accept and comply with the conditions of a designation issued by any court with competent jurisdiction to carry out fiduciary duties, such as tutor, judicial administrator or person in charge of the estates of former-boxers who have lost control of their mental faculties. To such effects, it shall not be required for the trust to deposit any bond or guarantee, unless otherwise ordered by the court or demanded by the officer that makes such designation.

Section 2.- Unless otherwise understood or clearly shown from the context, the following terms shall have the meaning indicated below:

- a. Legislature - the legislative government body known as such.
- b. Eligible Boxers - professional boxers who have resided in Puerto Rico for the last five (5) years prior to their petition, having ended their career after not less than five (5) years in the practice of said profession, and who need orientation and training to effectively face financial and legal problems, as well as disability problems as defined in local and federal statutes that protect the rights of disabled persons, which may affect them adversely.
- c. Puerto Rico Professional Boxing Commission - the government entity that governs professional boxing in Puerto Rico, attached

to the Sports and Recreation Department, the agency that delegates administrative and quasi-judicative powers.

- d. Comptroller - the Comptroller of Puerto Rico.
- e. The Sports and Recreation Department of Puerto Rico - the executive agency in charge of promoting the public policy of the government in the areas of recreation and sports and which, pursuant to the provisions of this Act, presides the Board of Trustees of the Trust.
- f. Trust or Boxers' Trust - the Special Permanent Fund for Former-boxers.
- g. Trustee - a member of the Board of Trustees of the Boxers' Trust.
- h. Board or Board of Trustees - group of the members that constitute the Board of Trustees of the Boxers' Trust.

Section 3.- The initial capital of the Trust shall consist of the funds provided under Section 20 of this Act. The Permanent Special Fund shall also receive special appropriations from the central government, the Legislature, municipal governments or the United States government, as well as funds originating from promoters, managers, trainers, persons related to this sport or individuals, corporations and private partnerships, former-boxers and active boxers that contribute a percentage of the purse for each of their fights on Puerto Rican soil, pursuant to the rules of the Sports and Recreation Department itself, or through the Puerto Rico Professional Boxing Commission, pursuant to the provisions established in Section 20, and the funds and personal and real property donated by natural or juridical persons.

Section 4.- The contributions from the private sector to this Fund shall be

deductible from the income tax return of the donor, pursuant to the provisions of law. Any contribution or income received by the Trust shall be exempted from the payment of taxes.

Section 5.- The supervision of the public funds appropriated to the Trust, as well as the use thereof, shall be the duty of the Office of the Comptroller of Puerto Rico exclusively.

Section 6.- The Boxers' Trust shall be directed and administered by a Board of Trustees, whose members shall have the same rights, duties, powers and prerogatives. All powers of the Trust shall be exercised by the Board, which shall consist of seven (7) members, to wit: the Secretary of the Sports and Recreation Department, who shall preside the same; the Secretary of the Department of Education, the Secretary of the Department of Health, the President of the Puerto Rico Professional Boxing Commission and three (3) representatives of the citizens with recognized interest in professional boxing. The representatives of the citizens shall be designated by the Chair of the Board, according to the recommendation to such effects submitted by the President of the Professional Boxing Commission, for a term of four (4) years each, and until their successors are appointed and take office.

Section 7.- The Secretary of the Sports and Recreation shall provide the facilities and services necessary for the Board of Trustees to carry out its purposes and functions, as established in this Act. The members of the Board shall perform their duties "ad honorem," as a public service, including the evaluation and awarding or denial of petitions for assistance submitted by eligible former-boxers.

Section 8.- The Board shall establish by regulation the requirements to be met by all who claim any assistance, including, without it being understood as a limitation, the following situations:

- a. That the eligible former-boxer has mental conditions that require psychological or psychiatric treatment which is not covered by a private or Commonwealth health plan, and which the former-boxer is unable to defray.
- b. That the eligible former-boxer has financial problems of such a nature that he cannot make the necessary payments to maintain his residence and defray the cost of his most basic living needs.
- c. That the eligible former-boxer needs economic assistance for the litigation of warranted legal cases of a civil-contractual nature, as long as he qualifies due to not having the financial means to defray them.
- d. That the eligible former-boxer needs economic assistance for the litigation of warranted legal cases of a civil-contractual nature, as long as he qualifies due to not having the financial means to defray them.
- e. That the eligible boxer needs assistance for rehabilitation from habitual drug addiction or alcoholism, as long as he cannot pay for it due to his not having sufficient financial means.
- f. Other situations, the circumstances of which shall be evaluated to determine whether they are warranted.

Section 9.- The Board of Trustees shall meet as often as needed to consider assistance petitions from eligible former-boxers. Nevertheless, its first meeting shall be convened as a special meeting, within sixty (60) days following the approval of this Act, to elect by majority vote the trustee that shall act as secretary of said Board and for the Chair of the Board to designate, by recommendation of the President of the Professional Boxing Commission, the three (3) representatives of the citizens.

Section 10.- Should a vacancy arise among the trust members representing the citizens, it shall be filled by designation by the Chair of the Board, according to the recommendation to such effects submitted by the Professional Boxing Commission.

Section 11.- The Board of Trustees, with the majority vote of the Board, may remove any trustee from office for just cause. Said removal and the reasons therefor shall be entered into a public record. The following shall be understood as just cause:

- a. The violation of the provisions of this Act or its regulations with respect to the faithful discharge of fiduciary responsibilities.
- b. Acts or omissions contrary to the best interests of the Trust, the former-boxers eligible for the benefits thereof or the financial solvency of the Fund created by this Act.
- c. Gross negligence in the performance of duties.

Section 12.- Quorum for the meetings of the Board shall be constituted by four (4) members, of which at least two (2) shall be members representing the citizens. The decisions shall be made by the affirmative vote of three (3) members for the purpose of conducting matters, exercising the powers and carrying out the duties of the Board, each trustee having the right to a single vote.

Section 13.- If once a meeting is convened, it cannot be constituted for lack of quorum, a record shall be kept of the fact and a new meeting shall be immediately convened to take place within the next ten (10) days for the same purposes. Quorum for a second meeting shall be constituted by three (3) members of the Board and the agreements made therein shall be valid with the affirmative vote of said members. If on this second occasion quorum is not constituted, the Secretary of the Board shall keep informative

records of the event and the Chair of the Board, or the person who follows in the Chairmanship, shall proceed with the meeting and the matters pertaining to it, the members in attendance constituting quorum and the agreements reached therein shall be valid with the vote of the majority of those in attendance.

Section 14.- From time to time, the Board shall adopt bylaws and may amend said bylaws for its internal operations and the administration of matters under its consideration. The Board's bylaws, regulations and rules shall be adopted pursuant to the provisions of this Act and as they may be necessary and appropriate to direct the matters under its jurisdiction.

Section 15.- The Board shall designate one or more banks or savings and credit unions to be custodians of the monies, securities and assets of the Special Permanent Fund. The custodian banks shall be incorporated under the laws of Puerto Rico or the United States and must be subject to the supervision and examination of banking authorities or deposit institutions of the federal government or the government of Puerto Rico.

Section 16.- The fiscal year of the Permanent Special Fund shall end on December 31.

Section 17.- The resources of the Permanent Special Fund shall not be used to finance or influence political-partisan activities.

Section 18.- No member of the Board shall in any manner be personally liable for any loss or expenses incurred by the Special Permanent Fund, unless such loss or expenses arise as a result of gross negligence or intentional improper conduct. The Trust shall be authorized to indemnify third parties and to release each of the trustees from liability against any loss, claim, damages, or lawsuits, including the payment of attorney's fees that arise from the performance of their duties, except when there is gross

negligence, intentional improper conduct or to act with the knowledge that damages may be caused.

Section 19.- Any Board member who, in the performance of his/her functions and responsibilities, incurs in conduct typified as “a crime against public service or a crime against public funds,” Sections 200 to 224, inclusive, of the Penal Code of 1974, as amended, shall be subject to the penalties set forth in said Code, as they may apply.

Section 20.- Every boxing promoter duly registered to do business in Puerto Rico, and those who do so after the effectiveness of this Act shall make an initial contribution of one thousand dollars to the Special Fund to obtain their license, as well as a contribution of five hundred (500) dollars per year at the time of its renewal. In addition, each promoter shall withhold point zero five (.05) percent of the net purse of each boxer who participates in a boxing match in Puerto Rico and shall remit its entirety to the Board of Trustees within a term of not more than five (5) days after the fight of said boxer to the Special Fund. Noncompliance by the promoter with this requirement shall entail a penalty of ten (10) percent per month up to its total and complete payment. The Puerto Rico Professional Boxing Commission shall oversee faithful compliance with the provisions of this Section.

Section 21.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 90 (H.B. 259) of the 1st Session of the 15th Legislature of Puerto Rico:

AN ACT to create the Special Permanent Fund Former-boxers attached to the Boxers' Trust for the administration of personal and real property belonging to or designated to become part of said Fund, as a nonprofit, irrevocable and permanent public trust fund, for the continuous benefit of professional boxers who have ended their career of not less than five (5) years in the practice of said profession and need orientation and training to effectively face financial, legal and health problems that may adversely affect them, and to establish the manner in which the trust shall be capitalized and administered,

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

In San Juan, Puerto Rico, today 30th of August of 2007.

Francisco J. Domenech
Director