

(H.B. 2724)

**(No. 120)**

(Approved July 10, 2006)

## **AN ACT**

To amend Section 8 of Act No. 160 of December 21, 2005, as amended, in order to clarify the distribution of funds collected through the Accelerated Payment of Fines Incentive Plan, and for other purposes.

### **STATEMENT OF MOTIVES**

The Secretary of the Department of the Treasury together with the Secretary of Transportation and Public Works was authorized, through the approval of Act No. 160 of December 21, 2005, to establish for a term of sixty (60) days an incentive for the accelerated payment of fines on account of infractions to Act No. 22 of January 7, 2000, as amended, known as the “Puerto Rico Vehicles and Traffic Act.” By virtue of said incentive an incentive plan was implemented to grant a relief of forty percent (40%) on the total amount of the fine and the accrued interest, penalties and surcharges to every driver who pays in their totality the fines that encumber the title of his/her vehicle or driver’s license owed to the Government of the Commonwealth of Puerto Rico. With the approval of Act No. 160, the Legislature had the intention of offering an incentive plan for the accelerated payment of fines as a prudent and necessary alternative for the drivers and owners of motor vehicles who for economic reasons have been unable to fulfill their fiscal responsibility related to traffic infractions.

Furthermore, the incentive for the accelerated payment of fines was approved with the intention of providing additional resources to the treasury for the purpose of being used by the Secretary of the Department of the Treasury for designing, planning and implementing the Tax Reform. This is due to the fact that the Legislature believes it is indispensable to obtain the economic resources needed to achieve the work plan of the Department of the Treasury with respect to the Tax Reform as soon as possible.

According to the provisions of Act No. 160, *supra*, the period for obtaining the benefits of the Accelerated Payment of Fines Incentive Plan should have ended May 1, 2006.

Act No. 160 was recently amended through Act No. 80 of May 2, 2006, for the purpose of extending the period to obtain the benefits of the incentive plan until June 30, 2006.

Another matter which was amended through Act No. 80 concerned the distribution of the funds collected through the incentive plan. Note that the Legislature intended to devote the funds to be collected after the new coverage period, which would be in effect after May 2, 2006, to cover the structural deficit corresponding to Fiscal Year 2005-2006. However, the amendments that were incorporated into Act No. 160 through Act No. 80 are not in harmony with said legislative intention.

In view of the preceding, the Legislature believes it is necessary that through this legislation it be made clear that part of the funds collected by Act No. 160 shall be devoted to defray the costs related to the design, planning and implementation of the Tax Reform. Otherwise, the Department of the Treasury would not be able to obtain the funds immediately needed to initiate the first phases for the design, planning and implementation of the Tax Reform.

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

Section 1.-Section 8 of Act No. 160 of December 21, 2005, as amended, is hereby amended to read as follows:

“Section 8.-Collected Funds

The funds collected by this Act shall be covered into the General Fund, except for the particular contributions provided by virtue of Act No. 22 of January 7, 2000, from fines issued, which shall be made pursuant to the requirements already established in the “Puerto Rico Vehicle and Traffic Act.” The funds collected through this Act, from its implementation until May 1, 2006, shall be used by the Secretary of the Treasury to defray the costs related to the design, planning and implementation of the Tax Reform. Provided, that the funds collected through this Act, as of May 2, 2006 until June 30, 2006, shall be used by the Secretary of the Treasury exclusively for the purposes provided in Act No. 90 of May 13, 2006.”

Section 2.-Effectiveness

This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 120 (H.B. 2724) of the 3<sup>rd</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend Section 8 of Act No. 160 of December 21, 2005, as amended, in order to clarify the distribution of funds collected through the Accelerated Payment of Fines Incentive Plan, and for other purposes,

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

In San Juan, Puerto Rico, today 13<sup>th</sup> of September of 2006.

Francisco J. Domenech  
Director