

(S. B. 1058)

(No. 155)

(Approved August 9, 2006)

AN ACT

To amend subsection (4) and add a subsection (9) to Section 4 of Act No. 170 of 2001, better known as the Individual Savings and Development Accounts Act of Puerto Rico, to add the eligible costs of establishing a privately owned business as an approved use; and for other purposes.

STATEMENT OF MOTIVES

In 2002, the Individual Savings and Development Accounts Program was established under Act No. 170 of December 4, 2001, with the purpose of granting low income citizens an incentive to seek financial stability and to foster their social and human development. The Individual Savings and Development Accounts Program seeks to give priority attention to the needs of the citizens so that they may save and accrue capital, have better options for the acquisition of their first residence and to improve their financial wellbeing.

However, this program, which could be so beneficial to Puerto Ricans, is not being taken advantage of to the highest degree of its potential. This should be an integral program that offers low income citizens different and varied opportunities to strengthen their finances and be able to live with greater financial stability. The Legislature of Puerto Rico deems it necessary to approve this amendment to add the costs incurred to establish a privately owned business, as set forth by regulation, as one of the uses approved in order to benefit from this Act.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- Subsection (4) of Section 4, Act No. 170 of December 4, 2001, is hereby amended to read as follows:

“Section 4.- Definitions:

(1) ...

(4) Uses Approved – The uses approved and allowed for funds deposited in savings and development accounts are (i) to defray the acquisition costs of the first dwelling that constitutes the principal residence of the participant; and (ii) to defray post secondary education expenses in accredited educational institutions, or work training expenses of the participant or of his/her direct dependents; and (iii) to help defray the costs of establishing a privately owned business.

(8) ...”

Section 2.- Subsection (9) is hereby added to Section 4 of Act No. 170 of 2001, to read as follows:

“Section 4.- Definitions:

(1) ...

(9) “Costs of Establishing a Privately Owned Business” – The costs of establishing a privately owned business are the costs necessary to establish a business that, by means of regulation adopted by the Community Revitalization Administration (ARCO, Spanish acronym), are recognized as eligible for purposes of this Act.

Section 3.- The Community Revitalization Administration (ARCO, Spanish acronym), shall amend its regulation, pursuant to the provisions set forth in Sections 1 and 2 of this Act within a period of not more than sixty (60) days.

Section 4.- Section 3 of this Act shall take effect immediately after its approval, provided that the remaining provisions of this Act shall take effect on July 1, 2006.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No.155 (S.B. 1058) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT to amend subsection (4) and add a subsection (9) to Section 4 of Act No. 170 of 2001, better known as la Individual Savings and Development Accounts Act of Puerto Rico, to add the eligible costs of establishing a privately owned business as an approved use; and for other purposes,

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

In San Juan, Puerto Rico, today 12th of January of 2007.

Francisco J. Domenech
Director