

(S. B. 28)

(No. 1)

(Approved January 16, 1997)

AN ACT

To amend Section 9-413 of Subchapter 4 of Chapter 9; and Section 5-102 of Chapter 5, and renumber Chapter 5 and Sections 5-101 and 5-102 as Chapter 10, and Sections 10.101 and 10-102, respectively, of Act No. 208 of August 17, 1995, as amended, known as the "Negotiable Instruments and Banking Transactions Act"; amend the English version of these provisions; and amend Section 20 of Act No. 241 of September 19, 1996, and the English version of this provision in order to provide that the Registry of Real Property Liens on Motor Vehicles and Trailers and the formalization of their transfer be carried out in the registry established for such purposes in Act No. 141 of July 20, 1960, as amended, known as the "Motor Vehicles and Traffic Law of Puerto Rico", according to the procedure established therein; and to postpone the date of effectiveness of Act No. 208 of August 17, 1995, as amended, and Act No. 241 of September 19, 1996.

STATEMENT OF MOTIVES

Act No. 241 of September 19, 1996, amended Act No. 208 of August 17, 1995, known as the "Negotiable Instruments and Banking Transactions Act". This Act, as well as the amendments subsequently introduced would take effect one hundred and twenty (120) days after their approval, that is, on January 17, 1997. However, it is necessary to defer that date of effectiveness to July 1, 1997, in order to achieve a more adequate implementation.

The creation of new registries and the repeal of others has required that several government agencies carry out important adjustments in their organization, for which reason it is advisable to provide them with more time. Likewise, it is necessary to defer the date of effectiveness of the Act so that the financial community and the citizens in general are kept well informed as to how the provisions of the latter would bring about changes in their business endeavors and in matters regarding the use and enjoyment of their properties.

On the other hand, the abovementioned Act No. 208 must be amended to provide that the financing statements relative to personal property liens on motor vehicles be registered and transferred solely in the Motor Vehicles and Trailers Registry of the Department of

Transportation and Public Works. This amendment would correct the duplication of transactions present in the Act since it requires that a copy of these statements be registered with the Department of State and that a sealed copy of the latter be registered with the Department of Transportation and Public Works, as well. This is also the case regarding the formalization and registration of the transfer of motor vehicles and trailers. There is no need to create a new registry at the Department of State since the Motor Vehicles and Trailers Registry has already been established by law in the Department of Transportation and Public Works. Greater guarantees are thus provided to the owners of motor vehicles and to the citizens in general by maintaining the present system in effect.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- [The Spanish version of] Section 9-413 of Subchapter 4 of Chapter 9 of Act No. 208 of August 17, 1995, as amended, is hereby amended to read as follows:

"CAPÍTULO 9

§ 9-401. ...

§ 9-413. Gravámenes mobiliarios sobre vehículos de motor.

Cuando se establezca un gravamen mobiliario sobre un vehículo de motor, según se define este término en la Sección 1-161 de la Ley de Vehículos y Tránsito de Puerto Rico. Quedará perfeccionado cuando se registre en el Registro de Vehículos de Motor y Arrastres del Departamento de Transportación y Obras Públicas establecido por la Sección 2-102, según el procedimiento provisto en dicha ley. Así también se efectuará e inscribirá en dicho Registro el traspaso de vehículos de motor y arrastre según se dispone en esa ley."

Section 2.- Section 9-413 of Subchapter 4 of Chapter 9 of Act No. 208 of August 17, 1995, is hereby amended in the English version, to read as follows:

"CHAPTER 9

§ 9-401. ...

§ 9-413. Security interests in motor vehicles.

When a security interest is created on a motor vehicle, as defined in Section 1-161 of the Motor Vehicle and Traffic Law of Puerto Rico, the security interest shall be perfected when filed in the Motor Vehicles and Trailers Registry of the Department of Transportation and Public Works established by Section 2-102 in the manner provided in said act. The transfer prescribed in the act will also be inscribed in said Register."

Section 3.- Section 5-102 is hereby amended, and Chapter 5 and Sections 5-101 and 5-102 renumbered as Chapter 10 and Sections 10-101 and 10-102, respectively, of Act No. 208 of August 17, 1995, as amended, to read as follows:

"CHAPTER 10
DATE OF EFFECTIVENESS AND REPEAL

Section

10-101. Specific Repeal; Provision on Transition

10-102. Date of Effectiveness

10-101. Specific Repeal; Provision on Transition

(1) ...

(2) ...

10-102. Date of Effectiveness.

This Act shall take effect on July 1, 1997 and its provisions shall apply to transactions carried out and events occurring as of that date."

Section 4.- [The Spanish version of] Article 20 of Act No. 241 of September 19, 1996, is hereby amended to read as follows:

"Artículo 20.- Esta Ley comenzará a regir el 1ro. de julio de 1997 y sus disposiciones serán de aplicación a transacciones efectuadas y eventos ocurridos a partir de esa fecha."

Section 5.- The English version of Article 20 of Act No. 241 of September 19, 1996, is hereby amended to read as follows:

"Article 20.- This Act shall become effective on July 1st, 1997 and its provisions shall apply to transactions entered into and events occurring from and after that date."

Section 6.- This Act shall take effect immediately after its approval.

March 31, 1998

José A. Figueroa-Lugo, Director of the Office of Legislative Services of the Legislature of Puerto Rico, hereby certifies to the Secretary of State that he has duly compared the English and Spanish texts of Act No. 1 (H.B. 20) of the 1st Session of the 13th Legislature of Puerto Rico, entitled:

AN ACT to amend Section 9-413 of Subchapter 4 of Chapter 9; and Section 5-102 of Chapter 5, and renumber Chapter 5 and Sections 5-101 and 5-102 as Chapter 10, and Sections 10.101 and 10-102, respectively, of Act No. 208 of August 17, 1995, as amended, known as the "Negotiable Instruments and Banking Transactions Act"; amend the English version of these provisions; and amend Section 20 of Act No. 241 of September 19, 1996, and the English version of this provision in order to provide that the Registry of Real Property Liens on Motor Vehicles and Trailers, etc.,

and finds the same are complete, true and correct versions of each other.

José A. Figueroa-Lugo