

(H. B. 4859)

(No. 409)

(Approved September 22, 2004)

AN ACT

To provide, with respect to the Commonwealth of Puerto Rico's guarantee to pay the principal and interest on Port of the Americas Authority bonds, to be issued or that are outstanding, which do not exceed two hundred fifty million (250,000,000) dollars, to be used according to the powers conferred by Act No. 171 of August 11, 2002, and to extend such guarantee so that it covers the premiums and interest accrued with respect to said bonds.

STATEMENT OF MOTIVES

The public corporation and government instrumentality designated as the Port of the Americas Authority (Authority) was created by Act No. 171 of August 11, 2002, known as the "Port of the Americas Authority Act." Among the functions delegated to the Authority are the coordination, supervision of the design and the development, construction, financing, operation, maintenance and administration of the Port of the Americas.

Subsection (a) of Section 13 of Act No. 171 empowers the Authority to issue bonds in amounts which, in its opinion, are necessary to obtain funds to comply with its objectives.

Likewise, the Government of the Commonwealth of Puerto Rico has established as public policy to foster the strengthening of operations directed toward the establishment of the Port of the Americas.

In accordance with the above, the Commonwealth of Puerto Rico is committed to guarantee the payment of the principal and interest on

outstanding bonds for which the total amount of the principal does not exceed two hundred fifty million (250,000,000) dollars that are issued by the Port of the Americas Authority for any of the purposes authorized by Act No. 171 of August 11, 2002.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- The Commonwealth of Puerto Rico hereby guarantees to pay the principal and interest on bonds issued by the Port of the Americas Authority for any of its purposes authorized by Act No. 171 of August 11, 2002, that are outstanding at any given time for the total amount of the principal that does not exceed two hundred fifty million (250,000,000) dollars. This guarantee shall apply to the bonds specified by the Authority, and a statement of said guarantee shall appear on the face of said bonds. If at any time the revenues or income and any other monies belonging to the Authority that are pledged for paying the principal and interest on such bonds are not sufficient for the payment of such principal or interest at its maturity, nor to maintain the reserve fund for the bonds that the Authority agreed to maintain, the Secretary of the Treasury shall withdraw the amounts that are necessary to defray the deficiency in the amount required to pay such principal and interest, to replenish said reserve fund to the required maximum agreed to by the Authority from any available funds of the General Fund of the Commonwealth of Puerto Rico, and shall order the amounts so withdrawn to be applied to such payment and purpose.

For the purposes of this Act, those bonds of the Authority that have been refinanced and for which payment has been reserved to their maturity or redemption by means of a special reserve, a guaranteed investment agreement or other acceptable collateral shall not be considered to be outstanding bonds. The Commonwealth of Puerto Rico hereby pledges its

good faith and credit to make the payments described in the preceding paragraph.

Section 2.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 409 (H.B. 4859) of the 7th Session of the 14th Legislature of Puerto Rico:

AN ACT to provide, with respect to the Commonwealth of Puerto Rico's guarantee to pay the principal and interest on Port of the Americas Authority bonds, to be issued or that are outstanding, which do not exceed two hundred fifty million (250,000,000) dollars, to be used according to the powers conferred by Act No. 171 of August 11, 2002, and to extend such guarantee so that it covers the premiums and interest accrued with respect to said bonds,

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

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

Francisco J. Domenech
Director