(H. B. 1649)
(Conference)

(No. 161)

(Approved December 1, 2009)

AN ACT

To create the "Puerto Rico Permit Process Reform Act," in order to establish the legal and administrative framework that shall govern the application for and the evaluation, granting, and denial of permits by the Government of Puerto Rico; to create the Permit Management Office, define its functions, authorities, and obligations, and to provide for its organization; to create the legal construct of the Authorized Professional, define the composition, functions, authorities, and obligations thereof, and provide for his/her authorizations; to create the constructs of the Permit Manager and the Service Representative, and the construct of the Permit Officer, and provide for their authorities; to create the Office of the Chief Permit Inspector, define its functions, authorities, and obligations, and provide for its organization; to provide for the administrative and judicial review of decisions made pursuant to this Act; to establish a transition process; to amend Section 5 and 6 of Act No. 374 of May 14, 1949, as amended; to repeal Section 4 of Act No. 135 of June 15, 1967, as amended; to amend Section 8 of Act No. 84 of July 13, 1988, as amended; to amend Sections 6 and 7 of Act No. 10 of August 7, 1987, as amended, known as the "Act for the Protection, Conservation, and Study of the Underwater Archaeological Sites and Resources"; to amend Sections 2 and 3 of Act No. 112 of July 20, 1988, as amended, known as the "Act for the Protection of Archaeological Lands Patrimony of Puerto Rico"; to amend subsections (c) and (d) of Section 10 of Act No. 8 of January 8, 2004, as amended, known as the "Sports and Recreation Department Organic Act"; to repeal Act No. 313 of December 19, 2003; to amend Section 4 of Act No. 416 of September 22, 2004, as amended, known as the "Environmental Public Policy Act"; to repeal Act No. 76 of June 24, 1975, as amended, known as the "Organic Act of the Regulations and Permits Administration"; to establish penalties; and for other purposes.

STATEMENT OF MOTIVES

"The most important point is that a new permit system—one that is transparent, streamlined, and efficient—will boost our economy by helping to create tens upon thousands of jobs in the construction industry as well as permanent jobs in other sectors, which we need so dearly. Moreover, a new permit system law would enable us to establish an adequate balance between economic development AND ENVIRONMENTAL PROTECTION.

Yes, the new permit system law will help us **protect the environment**. The present system is constantly circumvented precisely because of its complexity, its costliness, and its unreasonableness.

The present permit system is the main culprit of the vast amount of unsystematic, haphazard construction works all over Puerto Rico which threaten the environment, the health and even life, inasmuch as these are often built on unsafe grounds."

The Hon. Luis G. Fortuño
Governor of Puerto Rico
Special Address
The Legislature
August 17, 2009

Puerto Rico is traversing through historical times of unprecedented economic and fiscal crisis. As one of the strategies to salvage our economy, we are called to reform the deficient system whereby permits are evaluated and granted, so that such system may act as an impelling force for various development alternatives which enable the Government of Puerto Rico to address the needs of the Puerto Rican people.

As outlined in the Economic Recovery and Change Program for 2009-2012, a key strategy is to impart the government with simplicity and efficiency. This legislative piece seeks to restructure planning procedures so as to facilitate our

economic development, while restoring trust in our planning agencies by providing them with reasonable permit processes, thus guaranteeing a sustainable development in harmony with our environment.

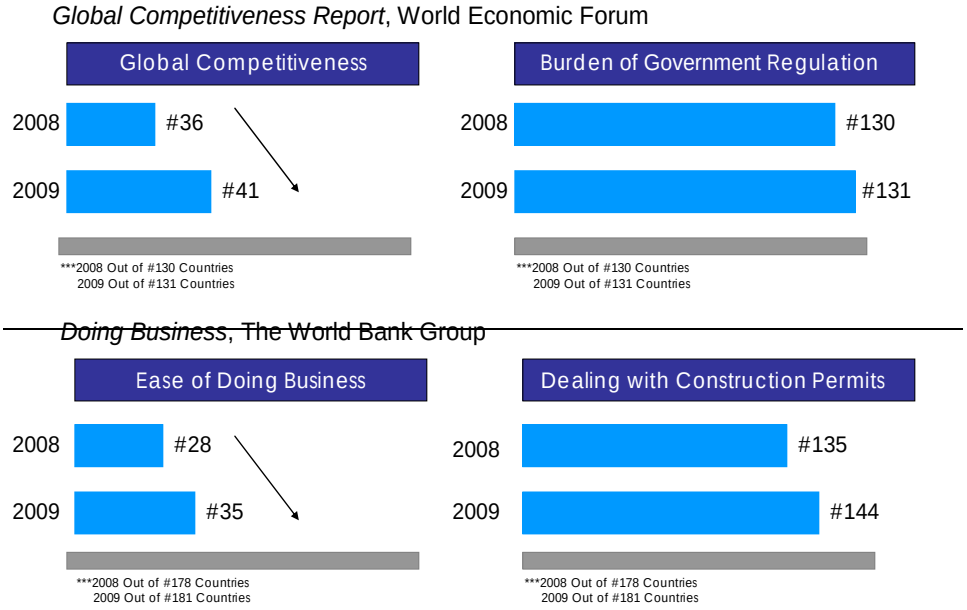
The permit process for the development of construction works in Puerto Rico is in critical state which poses a threat against various socioeconomic, cultural, and entrepreneurial fronts. The inexorable truth is that the procedures whereby evaluations are conducted in order to grant permits is one of the most problematic and deficient areas managed by the Government. Consequently, such procedures gravely affect our development in general. It is therefore indispensable for us to give priority attention to this adverse situation and to design new alternatives to address such situation.

The severity of this problem has prompted the world community to rate our permit system as one of the worst worldwide. According to the Global Competitiveness Report 2008-2009, prepared by the prestigious entity called World Economic Forum, Puerto Rico's permit regulation system is rated in the bottom four worldwide as one of the most burdensome and bureaucratic systems. According to such study, Puerto Rico is ranked number 131 out of 134 countries that were evaluated on this issue all over the world. Furthermore, such study also found that Puerto Ricans believe government bureaucracy to be the most problematic factor when conducting business in Puerto Rico.

Another renowned world study, Doing Business 2008-2009, conducted by the World Bank Group, places Puerto Rico in the 144th position out of 181 countries in terms of difficulties encountered in processing building permits. Indeed, due to the failure of previous initiatives and owing to the inaction or inability of past administrations to create permanent solutions, both world studies clearly indicate that our permit and regulation process is not only ineffectual, but rather, and what is worse, it is moving backwards in leaps and bounds. The incontrovertible data

shows that Puerto Rico is on the fast track to becoming the most problematic jurisdiction in the world to process permits due to government bureaucracy hurdles.

More worrisome still is the fact that both studies have concluded that the global competitiveness of Puerto Rico is being run aground.



At the regional level (Latin America and the Caribbean), the Puerto Rican situation in terms of permit processing is not much the better. According to the World Bank Group, Puerto Rico already holds the third-to-last position (number 30 out of 32 countries) in the regional list. Furthermore, according to that very same study, other Caribbean countries are better rated than Puerto Rico (No. 144), including Guyana (No. 37), Jamaica (No. 49), the Dominican Republic (No. 77), Surinam (No. 95), and Haiti (No. 126). There is no doubt that Puerto Rico is at a precarious situation, and that if no prompt and efficient action is taken, consequences could be nefarious. The fact that Puerto Rico is a small island can not and must not be used as an excuse not to provide for a first-rate permit system, even more so when many of the countries with ratings better than ours are islands

like Puerto Rico. Most notable are Singapore, the Mariana Islands, St. Vincent and Granada, St. Kitts and Nevis, and St. Lucia.

Many experts have concluded that the existence of a complex, excessive, and burdensome government bureaucracy has the effect of marginalizing and driving businessmen to an economy which is informal, disorganized, and at times, illegal. Therefore, systems and structures which contain these government hurdles act in detriment of their countries, economies, social welfare, and fiscal health (*See* Friedrich Schneider, *Shadow Economics Around the World: What do we Know?*, University of Linz – Department of Economics – 2004; see also "The Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues," National Economic Consulting Division – December 2005, which affirm that there is a strong correlation between reforming an ineffectual permit system and its effects in terms of economic development and greater government revenues). Moreover, these experts agree that small and medium businesses are the most affected under systems of this kind, for they need to rely on simple, efficient, and streamlined processes in order to be able to establish themselves and succeed. *Id*. Such adverse effect has been felt in Puerto Rico, where we have witnessed in the past few years how many of our small and medium businesses have failed. Incontrovertibly, this effect has worked in detriment of our economy and our working class. It is unquestionable that the inability of past governments to effectively transform our permit process has already had nefarious results for the Puerto Rican economy and its development.

The permit process structure in force has experienced operational effectiveness problems for many years. For example, in 1979, merely 4 years from the creation of the Regulations and Permits Administration (ARPE, Spanish acronym), former Governor Carlos Romero-Barceló was forced to create a "Special Interagency Unit" in order to counter the bureaucracy of such

administration. The constant failure of this process and the frustration the same has caused is even more evident than this. The ARPE Organic Act has been amended approximately 20 times. For decades, governors have issued various executive orders in attempt to seek alternatives to address the bureaucracy and inefficiency issues present in the permit process. Indeed, the magnitude of this problem has been such so as to make it necessary for the government to resort to the creation of entities that have a parallel coexistence with the ARPE, such as the One-Stop Center (CGU, Spanish acronym), the Expedited Transactions Center (CTA, Spanish acronym), and the Fast-Track Center (CET, Spanish acronym).

The causes of the problem with the permit process in Puerto Rico are well known. These causes are critical in the process and include, among others:

1. Excessive regulations and duplication in case evaluation transactions, both internally and at the inter-government level;
2. Slow manual processing;
3. Excessive and burdensome documentation load;
4. Noncompliance with the established deadlines;
5. Lack of effective oversight; and
6. Unreasonability of and mistrust in the process.

We cannot prolong the existence of government structures and processes that obstruct and hinder our economic development. At this historic juncture, this Legislature cannot allow the progress of Puerto Rico to be brought to a halt due to government structures which no longer serve the People well and which have become obsolete.

In addition to putting an end to part of the bureaucracy, reengineering building permit processes will open a window of opportunity and will render the system the subject of less criticism, while imparting permit processes with greater soundness and reasonability.

The construction industry is the sector most affected by the sluggishness and deficiency of the present permit process. An important fact regarding this industry is that it generates, for each million dollar investment in construction, 34 jobs, among which some are direct, some indirect, and some induced. For example, if the government has an investment project of great import, such as a 300 million dollar investment in construction, the multiplier effect in terms of jobs within our entire economy would be 10,200 jobs generated in the entire Island.

As of January 2009, there were about 900 projects pending evaluation before the Planning Board and over 3,000 permit applications pending before the ARPE. In total, the Planning Board estimates that these projects could represent over $12 billion in potential investment for the economy of Puerto Rico. Reforming the permit process shall make it feasible for regulation-compliant projects to become a reality. Moreover, it is estimated that this project and permit gridlock represents, in turn, billions of dollars in lost foreign capital investments which shall never be made in our Island.

Statistics provide incontrovertible evidence concerning this problem. According to statistical data of the government itself, projects which create the greatest number of jobs (both direct and indirect) and which most benefit the economy are those projects which take the longest to obtain building permits (from the site consultation stage to the use permit stage) under the present system, to wit:

- Tourism projects take an average of 7.8 years;
- Commercial projects take an average of 5.3 years;
- Affordable housing developments take an average of 5.2 years;
- Private housing developments take 5.1 years; and
- Industrial projects take an average of 3.3 years.

According to the Planning Board, for fiscal years 2006 and 2007, we have seen a deficit of $752.8 million in the value of building permits issued by the ARPE, which is the most pertinent indicator as to how the industry might behave at this time. Furthermore, since fiscal year 2004, we have seen a constant and marked reduction of approximately 30% in private investment in Puerto Rico's construction industry.

It is undisputable that the present permit process does not respond to the needs and realities of Puerto Rico and that it must therefore be reformed and transformed. The current state of affairs is unacceptable.

World Situation

All over the world, countries are implementing reforms in order to strengthen and foster their economic development. Among the permit process reform trends worldwide, the following are the most prominent:

• **The Creation of One-Stop Offices for Permit Processing**.—In the matter of permits, the most popular trend worldwide is the establishment of the concept of "one-stop offices" for permit management, such as has been done in Singapore, Germany, and the United States.

• **Incorporation of Technology**.—Governments of countries throughout the world are advancing at an accelerated pace in their efforts to modernize their information systems, including permit management, for they are aware of the fact that their competitiveness is contingent to a great extent upon their ability to expedite the process by incorporating and making advantageous use of new technology. For example, in Singapore, which is the most advanced country concerning this issue, permits are approved, as a general rule, within 30 days and since 2008, Singapore uses a system that remits immediate notice on the status of a project by e-mail and text messaging.

• **Implementation of Mechanisms for Professional Certification**.—All over the world, professional certification mechanisms are being used, whereby licensed, authorized or certified professionals, such as engineers and architects, as well as other qualified professionals authorized under various laws and regulations, are allowed to certify building plans and issue certain permits, at the risk of being imposed severe criminal sanctions and forfeiting their licenses.

• **Abridgement of Terms and Process Simplification**.—Many countries are moving in the direction of abridging terms and streamlining and minimize the steps that make up system processes so as to render them more simple, fairer, and more reasonable.

• **Creation of Clearer Rules**.—By creating clearer, uniform and objective rules, governments are able to speed up the process, thus rendering such process more transparent.

• **Strengthening of Oversight Institutions by the Checks-and-Balances Mechanism**.—Any reform conducted on the permit system requires checks to counter its balances, that is, components which strengthen overseeing capabilities, insofar as, without them, there is neither transparency nor reliability.

One important task in organizing permit evaluation processes is to adopt a clear policy that limits discretion for evaluation entities. To the extent that discretion is allowed for officials who intervene in the process, arbitrariness, error, and corruption grow. Such policy should arise from careful planning as to the use of terrain, which in turn, should be based on a clear vision regarding the economic, social and environmental future of Puerto Rico.

The Planning Board undertook a process to develop the Comprehensive Strategic Development Plan (PIDES, Spanish acronym) which will lay the economic and social groundwork for planning concerning the use of land. It shall be simultaneously putting into effect the program to be known as HACES (Spanish

acronym, stands for “Tools for Action”), which comprises the plans from the various agencies pursuant to the PIDES and shall replace the currently running program known as the Four-Year Investment Program (PICA, Spanish acronym) with a new instrument, the Strategic Investment Plan (PIE, Spanish acronym), which shall focus primarily on fulfilling the government’s priorities in terms of investments under a strategic vision, and on bringing together public investments made by the various government entities under the priorities so established. The PIE shall not merely constitute an informational document, which is what the PICA has become. These documents shall constitute the basis for updating the Land Use Plan (PUT, Spanish acronym), which is one of the priorities of the Planning Board. The Land Use Plan (PUT) is a supplemental, albeit not indispensable tool to ensure the success of the Permit Procedure Reform.

Goals and Objectives of this Act

In view of this reality, we must facilitate and propitiate the integrated and sustainable economic, social, and physical development of Puerto Rico, so as to enable the growth of more, better and diversified industries and the creation of jobs in the private sector. For this purpose, it is indispensable to change and reform those structures that bind us to a past of ineffectuality that hinder our potential to develop into the future within a globalized world. Puerto Rico has the resources and the elements to stand on equal terms with those jurisdictions that have the best permit systems throughout the world. We must reestablish Puerto Rico’s standing as a progressive jurisdiction for making capital investments, which shall inure to the benefit of our People.

So as to improve our competitive position worldwide, it is necessary to implement a new system underlain by a modern, transparent, reliable, streamlined, and efficient approach that fosters the integrated and sustainable economic, social,

and physical development that Puerto Rico needs in order to overcome the present crisis and to achieve and maintain the competitiveness of a first-rate economy.

With these principles as guidelines, this Act shall provide the means whereby the legal basis is established for the creation of a structure to evaluate and grant permits in Puerto Rico which assures compliance with laws and regulations, while achieving the goals mentioned above. This new structure, besides achieving a true balance between economic development and the protection of our natural resources, shall also guarantee people their right to enjoy their property.

The people's right to enjoy their property, which is guaranteed under the Constitutions of both the United States of America and the Commonwealth of Puerto Rico, is a core factor in the socioeconomic development of the people and in the people's pursuit of happiness (Constitution of the United States of America, Fifth and Fourteenth Amendments; Constitution of the Commonwealth of Puerto Rico, Article II, Section 7), and thus shall the provisions of this Act be interpreted to favor the right to fully enjoy one's property as a fundamental and ample right.

Furthermore, our Constitution contains a clear statement of public policy and the commitment binding upon the Commonwealth of procuring the most effective conservation of Puerto Rico's natural resources (Constitution of the Commonwealth of Puerto Rico, Article VI, Section 19). It must be made clear that such mandate is expressly subordinated to the procurement of the fullest development and best use for the general benefit of the community. This condition clearly calls for a flexible balance between these two constitutional principles, for a reasonable equilibrium between the compelling duty of the Commonwealth to preserve our natural resources and the fundamental right to enjoy one's property.

This Act shall establish the mechanisms and processes needed to forge a new vision in terms of planning and urbanism which shall lead Puerto Rico into a future of progress and prosperity. The People of Puerto Rico demand that immediate

action be taken to address the economic problems which afflict the Island. This Legislature accepts and recognizes such mandate by virtue of this Act, which brings a new order into the body of laws that answers to the realities and needs of our People.

In considering the worldwide trends mentioned above and recognizing that a reformation of the permit process is indispensable for the improvement of our economy—and for generating more fiscal revenues for the government—this Legislature believes that there is a need and an urgency to transform Puerto Rico's permit process. In addition to abiding by the commitment to reform government procedures which are not consistent with or fail to measure up to the demands of the present times, this Act establishes a new structure to evaluate, grant or deny permits, based on the following principles, among others:

1) Complete transparency in the procedures to evaluate, grant or deny permits;

2) Clear and simplified requirements and regulations;

3) A substantial abridgment of the waiting period for obtaining a government permit;

4) Effective, true, and timely oversight; and

5) Modernization, reliability, expeditiousness, reasonability, and efficiency that shall render investing in Puerto Rico easier.

Description of the New Structure

In seeing all the realities of our current system, this measure creates a new government body to direct efforts concerning the issue of final determinations and permits, licenses, inspections, certifications, and any other authorization or necessary transaction. This body shall be known by the name of Permit Management Office (the "Management Office"). Such Office shall be in charge of receiving and processing the applications mentioned above. In order to achieve this

purpose, this bill transfers to the Management Office, all such powers that reside with numerous government entities, defined in this Act as the Concerned Government Entities.

The intent of the Legislature is, as of the date of approval of this Act, for the Management Office, through its Executive Director and Authorized Professionals, as applicable, to evaluate permit applications and site consultations and to issue final determinations, as well as permits and fire prevention and environmental health certifications, which before the date of approval of this Act were evaluated and issued or denied by the Concerned Government Entities under their organic acts or other special laws. Likewise, Autonomous Municipalities with I to V granted hierarchy pursuant to Section 18.10 of this Act or under Act No. 81 of August 30, 1991, as amended, better known as the "Puerto Rico Autonomous Municipalities Act," may also issue final determinations and permits.

In general terms, the Management Office and the Authorized Professional shall evaluate and grant or deny such permits which were until now under the jurisdiction of the Regulations and Permits Administration; most site consultations, at present under the jurisdiction of the Planning Board; and permits and recommendations at present issued by numerous Concerned Government Entities regarding land use and development. The Permit Management Office, through its Managers, shall assess the environmental compliance of all actions subject to environmental impact analysis under Act No. 416 of September 22, 2004, as amended, known as the "Puerto Rico Environmental Public Policy Act"; and after entering into inter-agency agreements, the Office shall issue permits, certificates, licenses or any government documents required for purposes of construction and land use, and of conducting or operating businesses in Puerto Rico. The Management Office shall have six specialized units to assess compliance concerning each application presented through recommendations.

In order to discharge the functions entrusted by this Act, the Management Office shall have a dynamic and streamlined structure, to be headed by an Executive Director and grounded on three main components—the Adjudicatory Board, the Permit Managers, and the Director of Environmental Compliance Assessment. The Adjudicatory Board shall be composed of three associate members and one alternate member in each region where the Permit Management Office is located, and process discretionary permit applications submitted to the Management Office. On the other hand, Permit Managers shall direct the six specialized divisions of the Management Office, to wit: 1) Environment; 2) Health and Safety; 3) Infrastructure; 4) Archaeology and Historic Conservation; 5) Recommendations on Use; and 6) Constructability and Energy and Building Codes. As for Health and Safety and Constructability Managers, they may issue environmental health and fire prevention certifications, final determinations, and permits, respectively, for small and medium-sized businesses (PyMES). These specialized units shall cover the administrative scopes of action of all government entities which at present intervene in the permit evaluation and granting process and issue comments and recommendations.

The Environmental Compliance Evaluation Division shall assess environmental assessment regarding all actions subject to environmental impact analysis under the Puerto Rico Environmental Public Policy Act, Act No. 416 of September 22, 2004, as amended. Furthermore, this Act creates the Green Permit, which shall be evaluated by the Environmental Compliance Evaluation Division by means of a Categorical Exclusion, to be granted to such projects or buildings that comply with green design guidelines. Such guidelines shall be incorporated into the Joint Permit Regulation.

The Executive Director shall also be assisted by Service Representatives, who shall have the tasks of providing informational guidance to the general public and

facilitating the pre-consultation process introduced under this Act as a pre-filing mechanism, so as to offer information regarding requirements which might apply to a specific development. Furthermore, these Representatives shall assist the Executive Director in the Managers' ascertainment of compliance with the terms and specifications of their functions.

This Act also creates the construct of the Permit Officer, as an additional tool to ensure the efficient and expeditious flow of necessary information for Managers to discharge their functions. These Officers are to be appointed by department secretaries, heads of agency, and directors of public corporations to work at the Concerned Government Entities, most particularly, at public corporations concerned with the infrastructure.

With the objective of alleviating the work load of the Management Office in terms of the evaluation and granting of government permits, this measure establishes a mechanism in order to allow for such permits, as well as certain licenses and certifications, to be evaluated and granted by Authorized Professionals and Authorized Inspectors. This innovative mechanism incorporates stringent measures whose purpose is to ensure the reliability of the functions as discharged by Authorized Professionals and Authorized Inspectors. Thus, the power delegated onto these officials shall be discharged with such sound sense, expeditiousness, and reliability as any other transaction initiated in the Management Office requires.

With the approval of this Act, the Concerned Government Entities are entrusted with discharging the function for which they were originally created—the function of overseeing and protecting the important interests delegated onto them by their organic acts. Through the mechanism hereby established, the Concerned Government Entities shall be able to oversee compliance of applicants with the permits granted. The Concerned Government Entities shall be able to impose fines, which may be reviewed by the Court of First Instance. The Land Use

and Permit Reviewing Board is hereby created as a specialized and independent forum, to be known as the “Reviewing Board,” which shall impartially adjudicate cases before its consideration. The Reviewing Board shall be composed of three associate members and shall operate as a collegiate body presided by an attorney-at-law.

The Office of the Chief Permit Inspector shall have the following functions: (a) to settle complaints relative to final determinations made by the Permit Management Office and the Authorized Professional; (b) to audit the final determinations issued by the Management Office and the Authorized Professionals and Authorized Inspectors; (c) to discharge the major function of overseeing the conduct of the Management Office and the Authorized Professionals and Authorized Inspectors, as well as their abidance by the applicable laws and regulations; and (d) to provide skill-building opportunities and training and to certify Authorized Professionals and Inspectors. As for Authorized Professionals and Authorized Inspectors, the Office of the Chief Permit Inspector shall be the entity in charge of ensuring that they abide by the highest standard ethics and meet education requirements before they are authorized, and that they meet continuing education requirements after such authorization. Matters settled by the Chief Permit Inspector may be reviewed by the Court of First Instance.

As part of its ministerial overseeing duties, for the first three (3) years as of the effective date of this Act, the Chief Permit Inspector shall audit at least fifty percent (50%) of the permits issued by Authorized Professionals, twenty percent (20%) of the permits and final determinations issued by the Management Office, and ten percent (10%) of the certifications issued by Authorized Inspectors under the provisions of this Act and the Joint Permit Regulation to be adopted thereunder. These works shall be conducted on an ongoing basis in order to ensure

that our permit granting process is reliable and reasonable and that the same conforms to the Law.

On the other hand, the Office of the Chief Permit Inspector shall be empowered, via complaint, to oversee compliance with the final determinations issued under the law and the regulations relative to land development and use (e.g., constructions, lot division or illegal uses) and to impose fines.

Whenever complainants request that permits be revoked or that construction works or land uses be stopped, the Chief Permit Inspector shall have fifteen (15) days to conduct the corresponding investigation. If the Chief Permit Inspector should determine that the complaint is in order, he/she shall resort to the Court of First Instance and request: (a) a hearing to be held or (b) the remedy sought without notice or hearing. In this last case, the Chief Permit Inspector shall post such bond as the Court determines. After the remedy sought has been granted, the Court shall then hold a hearing pursuant to the due process of law. However, if the Chief Permit Inspector should fail to act during the fifteen (15)-day term, the complainant may resort to the Court of First Instance *motu proprio* to seek the remedies mentioned above, to which the posting of a bond shall apply.

All of these mechanisms and bodies shall create a system under which expeditiousness and promptness shall not be synonymous with impunity, error, and corruption. On the contrary, with this legislative measure, the Government of Puerto Rico shall have designed a transparent structure that streamlines the process to evaluate and grant or deny final determinations on consultation applications, permits, licenses, inspections, certifications, and any other authorization or transaction as necessary, with stringent checks and balances that shall safeguard the public interest and provide assurance and trust in the fact that such processes were conducted pursuant to the applicable laws and regulations.

This Legislature believes it necessary to approve this Act, which shall undoubtedly benefit all residents of Puerto Rico and which shall be the cornerstone upon which to build our economic recovery. In brief, the creation of the Permit Management Office, the Office of the Chief Permit Inspector, and the Land Use and Permit Reviewing Board as facilitating and overseeing bodies, shall spearhead the sustainable progress of Puerto Rico in the 21st century in a manner which is responsible and orderly, and which seeks a fair social, economic, and environmental balance.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

CHAPTER I

PRELIMINARY PROVISIONS

Section 1.1.—**Short Title**.—

This Act shall be known and may be cited as the "Puerto Rico Permit Process Reform Act."

Section 1.2.—**Statement of Public Policy**.—

The Government of Puerto Rico hereby adopts as its public policy the improvement of the quality and efficiency in the administration of processes to evaluate applications for the granting or denial of final determinations and permits for the development of construction projects in Puerto Rico. As part of such public policy, it is of vital importance to ensure the transparency, reasonableness, reliability, and streamlining of the evaluation process whereby final determinations and permits are granted or denied and recommendations are issued. Such processes to evaluate, grant or deny final determinations and permits are most highly vested in public interest, inasmuch as they constitute instruments for economic development, and as such, they are indispensable for the creation of jobs and the betterment of the services rendered to the people, as well as for the enjoyment of a better quality of life. All of this is to be achieved while ensuring strict compliance

with laws and regulations and being guided by the main objective of enabling our integration into the competitive stream which contemplates the fullest sustainable economic, social and physical development of our Island of Puerto Rico. This Section does not undermine the constitutional provisions set forth in Article II, Section 7, and Article VI, Section 19 of the Constitution of Puerto Rico.

Section 1.3.—**Scope**.—

The provisions of this Act shall apply to any person, whether natural or juridical, who applies or wishes to apply for: (a) final determinations and permits for construction projects and land uses and certifications in Puerto Rico; (b) licenses, permits, certifications or documents issued by government agencies or entities which are required to transact and issue licenses or permits to conduct or operate businesses in Puerto Rico, such as, but not limited to: debt certifications, criminal record certificates, corporate existence certificates, authorizations to conduct business in Puerto Rico, and good standing certificates, and any others as required by the concerned agencies. Subject to the provisions in Section 18.10, the provisions of this Act wherein so established shall apply to those Municipalities that, as of the date of approval of this Act, have obtained a I through V granted hierarchy under a delegation agreement, pursuant to the provisions of Act No. 81 of August 30, 1991, as amended, known as the "Puerto Rico Autonomous Municipalities Act." Such provisions shall also apply, wherein so established under the provisions of this Act, to those municipalities that are to acquire in the future I through V granted hierarchy, subject to the terms and conditions of the delegation of competencies contained in such agreement and subject to the provisions of the Autonomous Municipalities Act. Furthermore, Autonomous Municipalities with I to V granted hierarchy under a competency delegation agreement shall have the exclusive right to issue final determinations and grant permits, as established in their corresponding competency delegation agreement.

Section 1.4.—**Rule of Interpretation**.—

The provisions of this Act shall be interpreted so as to ensure that the determinations regarding land use and development, project review and construction work applications, and the issuance of certifications or documents required or necessary to conduct business in Puerto Rico, be made in a transparent, accurate, reliable, standard, and useful manner thus guaranteeing the due process of law. The provisions of this Act shall be interpreted pursuant to Article II, Section 7 and Article VI, Section 19 of the Constitution of Puerto Rico.

Section 1.5.—**Definitions**.—

For the purposes of this Act, the following terms shall have the meaning stated below, except when the text indicates otherwise:

1) "Administrator": The Administrator of the Regulations and Permits Administration;

2) "Proponent Agency": For the purposes of this Act and Section 4(B)(3) of Act 416 of September 22, 2004, as amended, known as the "Environmental Public Policy Act," shall be the Permit Management Office or any other agency, entity, instrumentality, department or municipality;

3) "Professional Land Surveyor": A natural person duly authorized to practice the Surveying profession in the Commonwealth of Puerto Rico, pursuant to the provisions of Act No. 173 of August 12, 1988, as amended;

4) "Impact Fee": A fee imposed on a new development or activity to mitigate the effect or impact thereof on the capacity of the existing infrastructure, as a condition for the issuance of a recommendation, final determination, building permit or authorization;

5) "Qualified Zones or Areas": Land comprised within qualification limits (formerly zoning) established in the Qualification Maps adopted by the Planning Board pursuant to its legal powers;

6) “Professional Architect”: A natural person duly authorized to practice Architecture as a profession in the Commonwealth of Puerto Rico, pursuant to the provisions of Act No. 173 of August 12, 1988, as amended;

7) “Legislature”: The Senate of Puerto Rico and the House of Representatives of Puerto Rico;

8) “House of Representatives”: The House of Representatives of the Commonwealth of Puerto Rico;

9) “Plan or Document Certification”: The statement of a professional Land Surveyor, Architect or Engineer who designed the plan for the construction of a work, using the form designed for such purposes, certifying that the plan and all other required documents are in accordance with the established laws, regulations and specifications, as provided by Act No. 135 of June 15, 1967, as amended, Act No. 7 of July 19, 1985, as amended, and this Act;

10) “Fire Prevention Certification”: A certification issued as part of the evaluation process for the granting of a use permit by the Health and Safety Unit of the Management Office or an Authorized Inspector, to the owner, operator or administrator of a public establishment authorizing the operation thereof, and whereby compliance by the establishment with the applicable requirements, regulations, and laws relative to fire prevention is evaluated;

11) “Categorical Exclusion Certification”: For purposes of this Act, a written statement submitted by the person who applies for a final determination or permit to the Permit Management Office or an Authorized Professional, which certifies that the action proposed, in the regular course of its execution, shall not have an environmental impact and/or that the same has been expressly excluded from the environmental planning process through a Law or Regulation;

12) “Environmental Health Certification”: A certification issued as part of the evaluation process for the granting of a use permit by the Health and Safety

Unit of the Management Office or an Authorized Inspector, to the owner, operator or administrator of a public establishment authorizing the operation thereof, and in which compliance by the establishment with the applicable requirements, regulations, and laws relative to environmental health is assessed;

13) "Site Consultation": A requalification procedure through which a final determination of a discretionary nature is made, which shall never be deemed to be a permit, concerning:

a. Proposed land uses that are not ministerial allowed under the applicable regulations in qualified areas, but that the regulatory or legal provisions provide for them to be considered by the Adjudicatory Board of the Permit Management Office;

b. Projects in which a density or intensity higher than that allowed in the district where such projects are located is proposed and which does not comply with the use allowed in the district;

c. Projects in which a development proposed for a lot with a capacity larger or smaller than that established, cannot be considered through a construction variance.

d. Proposed land uses at regional level in accordance with the powers resting with the Planning Board under the provisions of Act No. 81 of August 30, 1991, as amended, and the Municipal Ordination Plans Regulations, and the Transfer and Administration of Powers (Planning Regulations No. 24);

e. Proposed land uses that owing to their nature or intensity require a special or particular location in order to address special situations such as heavy industrial projects such as the processing of earth crust material, solid waste transfer or final disposal stations, among others, that in no case shall be considered to be supra-regional projects;

f. Proposed land uses in non-qualified areas which have not been contemplated in the Planning Regulations;

g. Any public improvement not registered in the Four Year Investment Program (PICA, Spanish acronym), except for public and other transactions exempted by means of resolution by the Planning Board.

14) "Contractor": A natural or juridical person, whether professional or registered in the Contractors Registry of the Department of Consumer Affairs pursuant to the provisions of Act No. 146 of August 10, 1995, as amended, who carries out construction works;

15) "Builder": Applies to any natural or juridical person, duly holding a developer license issued by the Department of Consumer Affairs, engaged in the construction business as entrepreneur or chief officer responsible for the promotion, design, sale, construction of housing developments, whether individual or multistoried;

16) "Delegation Agreement": An agreement whereby the Central government transfers, in whole or in part, to a Municipality specific competencies, powers, and responsibilities under the provisions of Act No. 81 of August 30, 1991, as amended, establishing its scope and jurisdiction;

17) "Cost Estimate of the Construction Work": The total value of the construction work or each one of the phases of the total construction work. It includes any necessary features for the work and its particular use, such as manpower, materials and equipment, whether provided by the owner or by contract. Overhead costs such as insurance, bonds, excise and other taxes, or others as provided by regulation, shall not be included in the cost estimate;

18) "Environmental Impact Statement (EIS)": An environmental document filed with the Permit Management Office, which shall refer such document to the Environmental Compliance Division of the Management Office in

order to comply with the requirements of Section (4)(B)(3) of Act No. 416 of September 22, 2004, as amended, when found that the action proposed shall entail a significant impact on the environment, as defined in the regulations to be promulgated pursuant to the provisions of Section 8.5 of this Act;

19) "Finding of No Significant Impact": A statement by the Proponent Agency based upon and supported by the information contained in an Environmental Assessment (EA), asserting that the action proposed does not entail a significant impact on the environment;

20) "Final Determination": An Action, Resolution, Report, or Document that contains the agreement or decision made by the Executive Director, the Adjudicatory Board, an Autonomous Municipality with I to V granted hierarchy, an Authorized Professional, or the Chief Permit Inspector, whereby any issue under their consideration is definitively decided or any other similar or analogue determination is made as established in the Joint Regulations. It shall become a final and binding permit once the corresponding terms have elapsed. In the case of site consultation, a final determination is not tantamount to the granting of a permit;

21) "Environmental Compliance Assessment": For purposes of this Act, any assessment by the Director of the Permit or Management Office and/or the Adjudicatory Board, as part of a final decision, in which he/she certifies that the Proponent Agency has complied with the substantive and procedural requirements of Section (4)(B)(3) of Act No. 416 of September 22, 2004, as amended, and any other applicable regulations.

22) "Environmental Compliance Assessment by Categorical Exclusion": For the purposes of this Act, an assessment made by the Authorized Professional or the Director of the Permit Management Office, as part of a final determination

in which he/she certifies that the action proposed does not require any further environmental planning action since it is classified as categorical exclusion;

23) “Director”: The Director of the Environmental Compliance Evaluation Division;

24) “Executive Director”: The Executive Director of the Permit Management Office;

25) “Discretionary”: Describes a determination that requires the subjective judgment of a public official, the Adjudicatory Board or Autonomous Municipality with I to V granted hierarchy, on the manner in which an activity or action is carried out or proposed. These shall exercise special discretion or judgment to reach their determination, since such determination is beyond the scope of fixed standards or objective measures. The public official, the Adjudicatory Board or Autonomous Municipality with I to V granted hierarchy, may resort to discretionary subjective judgments when deciding whether an activity should be conducted or how it should be conducted;

26) “Qualification District”: Each and every spatial demarcation into which a land is subdivided in order to distribute and direct the use or structures allowed;

27) “Document”: A graphic or written, printed or digital material relative to any matter inherent to the procedures authorized in this Act, the disclosure of which has not been restricted through legislation;

28) “Environmental Document”: A comprehensive planning document on any action proposed, which shall include an analysis, evaluation, and discussion of any potential environmental impact associated with said action. For purposes of this Act, this term shall only apply to an Environmental Assessment (EA), Environmental Impact Statement (EIS) or to any of its modalities or stages;

29) “Owner” or “Operator”: Any natural or juridical person whether the proprietor or holder of a real right or a leasehold over land or a structure, or the authorized representative thereof;

30) “Concerned Government Entities”: Refers to the Planning Board; the Environmental Quality Board; the Public Service Commission; the Electric Power Authority; the Highways and Transportation Authority; the Department of Natural and Environmental Resources, the Aqueduct and Sewer Authority; the Telecommunications Regulatory Board; the Department of Transportation and Public Works; the Trade and Export Company; the Industrial Development Company; the Tourism Company; the Institute of Puerto Rican Culture; the Department of Agriculture; the Department of Health; the Firefighters Corps; the Puerto Rico Police; the Department of Housing; the Sports and Recreation Department; the Solid Waste Authority; the Department of Education; the Ports Authority; the Horse Racing Sport and Industry Administration; the Commonwealth Historic Preservation Office; and the Administration of Energy Affairs, collectively, as well as any other agency or instrumentality as the Governor may determine through Executive Order;

31) “Error or Omission”: Any inadvertent action, omission or clerical error, which is not considered to affect the substance of the document. If the error or omission to be corrected is clearly supported by the record, such error or omission is thus rectifiable, for being considered an error of form.

32) “Public Establishment”: Any business or industrial establishment where food and/or beverages are handled or produced, such as: restaurants, markets, coffee shops, shops of any kind where food is handled or produced, food stands, milk deposit or pasteurization centers and other analogue establishments as defined in any applicable Commonwealth or federal laws or regulations, and any company, office, institution, labor union, corporation, workshop, business,

establishment, slaughterhouse, or civic or religious club, whether public or private, in which goods are offered or services are rendered to people, whether for profit or not;

33) "Structure": Anything erected, built, fixed or established by humans in, on or under the ground, water, and includes, without being limited to buildings, towers, chimneys, aerial transmission lines, and underground piping, and gas or liquid storage tanks that are mainly above the ground, as well as prebuilt homes. The term structure shall be interpreted as if it were followed by the phrase "or part thereof";

34) "Environmental Assessment": An environmental document used by the Proponent Agency in order to determine whether the action proposed shall or shall not have a potentially significant environmental impact when such Agency has decided not to file an EIS beforehand;

35) "Waiver": An authorization to use property for the use allowed and tolerated by regulations in a zone or district, provided that the requirements or conditions set forth in the applicable regulations for the authorization of the use in question are met;

36) "Categorical Exclusions": Predictable or routine actions that in the regular course of their execution should not have a significant environmental impact. Furthermore, categorical exclusions shall be considered to be those actions determined as such by the Environmental Quality Board through regulations or resolution to such effect;

37) "File" or "Record": Any document or material regarding a specific matter that is or has been under the consideration of the Permit Management Office, the Office of the Chief Permit Inspector, the Authorized Professional, the Authorized Inspector, the Reviewing Board or an Autonomous Municipality, as applicable, that has not been declared by law as exempted from being disclosed;

38) “Professional Geologist”: A natural person with the proper education in the field of Geology, authorized to practice said profession in the Commonwealth of Puerto Rico under Act No. 163 of August 26, 1996, as amended, and who holds a license issued by the Board of Examiners of Geologists of Puerto Rico and is registered in its Professional Register;

39) “Managers” or “Manager”: Shall mean Permit Managers;

40) “Infrastructure”: An ensemble of works and services that are deemed to be fundamental and necessary for the establishment and operations of a particular activity such as communication systems, aqueducts, sewers, electric power, telephone utilities, and health, educational, and recreational facilities. Furthermore, it includes elements such as public transportation shelters and other street furniture elements;

41) “Professional Engineer”: A natural person duly authorized to practice the profession of engineering in the Commonwealth of Puerto Rico, pursuant to the provisions of Act No. 173 of August 12, 1988, as amended;

42) “Authorized Inspector”: A natural person who has been duly certified and authorized by the Office of the Chief Permit Inspector to conduct inspections and issue the corresponding certifications or documents required for construction of works, land development, business operation and use permits in Puerto Rico;

43) “Chief Permit Inspector”: The person designated pursuant to this Act to direct the Office of the Chief Permit Inspector;

44) “Intervener”: Any natural or juridical person other than a party in a proceeding before the Management Office or the Chief Permit Inspector that complies with the applicable requirements established in this Act or the Adjudicatory Regulations;

45) “Adjudicatory Board”: The Permit Management Office Adjudicatory Board;

46) “Planning Board”: The Planning Board of Puerto Rico;

47) “Reviewing Board”: The Land Use and Permit Reviewing Board;

48) “Uniform Administrative Procedures Act”: Act No. 170 of August 12, 1988, as amended, known as the “Uniform Administrative Procedures Act of the Commonwealth of Puerto Rico,” which for the ends and purposes of this Act, shall apply only to the adoption, amendment and repeal of the regulations required under this Act;

49) “Land Subdivision”: The division of a parcel into two (2) or more lots for the sale, transfer, assignment, leasing, donation, usufruct, use, annuity, trust, inheritance or community partition, or any other transaction; as well as for the construction, of one (1) or more buildings; it also includes urban developments, as defined in the applicable regulations, or merely a land division.

50) “Ministerial”: Describes a determination that does not require the subjective judgment of a public official or Authorized Professional on how an activity or action should be proposed or conducted. The official or Authorized Professional simply applies the specific requirements established by laws or regulations to the facts shown, but employs no special discretion or judgment to reach such determination, inasmuch as such determination solely involves the use of fixed standards or objective measures. The official may not use subjective, discretionary or personal judgments when deciding whether or not an activity should be carried out, or how it should be carried out. For example, a building permit would be ministerial in nature if the official only has to determine whether the use is permitted in the property under the applicable district qualifications, if it complies with the applicable constructability requirements (e.g. the Building Code) and if the applicant has paid any applicable fees and submitted the required documents; the Joint Permit Regulation shall contain a listing of all permits deemed to be ministerial in nature.

51) “Municipality”: A geographical demarcation with all its wards, that has a particular name and a local government, composed of a Legislative Power and an Executive Power;

52) “Autonomous Municipality”: The municipality that has a Land Ordination Plan in effect;

53) “Autonomous Municipality with I to V Granted Hierarchy”: A municipality to which the Planning Board has transferred, totally or partially, certain competencies and hierarchy over land ordination under a delegation agreement;

54) “Gross Negligence”: Any inexcusable action or failure to act showing utter disregard for the safety of human beings under circumstances which could inflict harm upon such human beings;

55) “Low-cost Construction Works”: Low-cost construction works are those whose value is equal to or less than fifty percent (50%) of the price established for affordable housing under the provisions of Act No. 47 of June 26, 1987, as amended.

56) “Permit Officer”: Officers designated by the Concerned Government Entities, as specified in Section 4.1 of this Act to be the liaison in the recommendation process.

57) “Management Office”: The Permit Management Office;

58) “Office of the Chief Permit Inspector”: The Office of the Chief Permit Inspector, created under this Act;

59) “Party”: A natural or juridical person, entity or agency that has the right to fully participate in a permit granting process carried out before the Management Office or the Office of the Chief Permit Inspector, including but not limited to, instances in which such party starts the process as applicant, or such party is allowed to subsequently participate as “intervener,” inasmuch as such

party has a clear, direct, immediate, and indisputable proprietary interest in the controversy or issue in question, and to whom the maximum protection of legal rights and privileges must be granted and recognized in acknowledgement of such interest. With respect to the administrative or judicial review of a final determination of the Management Office, the Adjudicatory Board or an Autonomous Municipality with I to V granted hierarchy, whose final determination includes an environmental compliance assessment, the term “Party” shall include any person with a legitimate interest who has been affected by such determination, subject to compliance with the provisions of Section 8.5 of this Act;

60) “Permit”: A written approval document authorizing the commencement of an action or activity, issued by the Management Office or an Authorized Professional under the provisions of this Act. The term “permit” shall not include any licenses, inspection certificates or certifications;

61) “Permits Regarding Land Development and Use”: The permit required to carry out improvements to lands or works, or to use property, structures, signs, advertisements or buildings, which do not include permits required for the operation of an establishment;

62) “Green Permit”: Permits issued to buildings or designs that meet the prequalification parameters necessary to obtain a certification that meets green permit design guidelines to be established in the Joint Regulations;

63) “Person”: Any natural or juridical person, whether public or private, and any group thereof.

64) “Property”: A lot, structure, building or a combination thereof;

65) “Professional Planner”: A planner who has fulfilled the requirements of the law to practice said profession and holds a license issued by the Puerto Rico Professional Planners Examining Board authorizing him/her to practice as such and who is registered in the Registry of the Board;

66) “Pre-application Meeting”: An informational briefing that may be requested to the Management Office before filing an application for a proposed project, in which compliance of such project with the applicable statutory and regulatory provisions shall be ascertained;

67) “Environmental Planning Process”: A process whereby a government body or municipality obtains, assesses, and analyzes all the information that is necessary to ensure that the short and long-term environmental impact of their decisions are considered; this planning tool provides a point of reference when making informed decisions and for ensuring compliance with the Environmental Public Policy of Puerto Rico. The environmental planning process is an informal *sui generis* proceeding and is excluded from the application of the Uniform Administrative Procedures Act”;

68) “Authorized Professional”: Shall be any Authorized Professional Land Surveyor, Architect, Engineer, Geologist, and Planner, as well as any licensed professional in construction-related fields and who complies with the requirements established by the Chief Permit Inspector through regulations.

69) “PyMES”: Permits for small and medium-sized businesses with 50 employees or less;

70) “Owner”: Any natural or juridical person who owns the legal interest or productive use of real property;

71) “Building Lot”: An urban unit constituted by a tract of land, that has been delimited for cadastral assessment, urban ordination or industrial, commercial or residential planning;

72) “Complaint”: A claim alleging a violation of a law or regulation before a forum with jurisdiction;

73) “Complainee”: A person against whom a complaint is filed;

74) “Complainant”: A person who files a complaint;

75) “Recommendation”: A non-binding written communication by a Government Entity, Municipality, Permit Manager, Director of the Environmental Compliance Division, and Permit Official, as it may apply, on a proposed action whereby notice is given only on whether or not such action is consistent with the applicable laws and regulations its jurisdiction and which is not an authorization for the construction of works;

76) “Region”: Each of the geographical parts into which the territory of Puerto Rico is divided where Permit Management Offices are to be established;

77) “Final Determination and Recommendation Registry”: A public register, which may be in electronic format, containing the final determinations and recommendations issued by the Executive Director or by the Authorized Professionals, as it may apply;

78) “Authorized Professional and Authorized Inspector Registry”: An electronic public registry which shall include a list of all Authorized Professionals, as well as any information on disciplinary actions taken by the Office of the General Permit Inspector in relation to them;

79) “Joint Permit Regulation”: The Joint Regulation for the Evaluation and Issue of Permits Regarding Land Development and Use, as well as adjudicatory proceedings;

80) “Ordination Regulation”: Shall be the provisions to establish the norms on the land use applicable to an Ordination Plan, and shall include norms on the use and intensity, characteristics of structures and the public spaces, norms on land subdivision, and other land ordination determinations regarding procedures, mechanisms, and better usage, as well as other related aspects, in an Autonomous Municipality;

81) “Planning Regulations”: The regulations approved and signed by the Governor, promulgated and adopted by the Puerto Rico Planning Board, pursuant

to the powers conferred by its Organic Act and/or the Uniform Administrative Procedures Act, as amended, or those conferred by any other law;

82) "General Regulation": The General Regulation for General Permit Transactions adopted by the Environmental Quality Board, Regulation Number 7308, effective as of March 30, 2007, and any other subsequent amendment or substitute regulation;

83) "Service Representative": Shall be the officials of the Permit Management Office, designated by the Executive Director to ascertain compliance by Permit Managers with the terms set forth in the Joint Permit Regulation for the evaluation, approval or denial of final determination and permit in the Management Office;

84) "Senate": The Senate of the Commonwealth of Puerto Rico;

85) "Utilities": Gas, electric power, aqueduct or sewer connection services, or other similar services;

86) "Lot" or "Parcel": A land site which is registered or may be registered in the Puerto Rico Property Registry as an independent tract of land or whose subdivision has been approved, pursuant to the applicable laws and regulations, by a government entity empowered by law to do so, or such existing parcels even if unregistered prior to the effectiveness of the Land Subdivision Regulation of September 4, 1944;

87) "Applicant" or "Petitioner": Any natural or juridical person who is a proprietor or owner of a land or structure, or who has a real right or a leasehold, or his/her authorized representative, who initiates an adjudicative proceeding concerning such land or structure;

88) "Supra-regional": A project that extends beyond one region or has an island-wide impact;

89) “Court of First Instance”: The Court of First Instance of the Puerto Rico General Court of Justice;

90) “Supreme Court”: The Supreme Court of the Commonwealth of Puerto Rico;

91) “Urban Development”: Any division or subdivision of land which, due to the works to be conducted for its division into lots, is not included under the term “Urban Development under Waiver,” but shall also include the development of any other land for the construction of any building or buildings of three (3) or more housing units; the development of facilities for commercial, industrial, institutional or recreational use that exceeds two thousand (2,000) built square meters; or the development of facilities in a land exceeding four thousand (4,000) square meters;

92) “Urban Development under Waiver”: Such land division in which all urban development works are already built, or which could be easily completed, that do not exceed three (3) lots or parcels, taking into account the subdivision of the original lots and the remainder of the main or original parcel, for the purpose of computing the three (3) lots or parcels, pursuant to Act No. 116 of June 29, 1964, as the corresponding register certification may indicate. Any subsequent division of the remainder of the original parcel must meet the requirements applicable to an urban land development;

93) “Use”: The purpose for which a property was designed, is occupied, used or is intended to be used or occupied;

94) “Value of the Construction Works”: The total cost incurred by owner of the works for the execution of each part of the ensemble of the works. This includes the direct costs of any necessary construction contracts and items, whether bought or supplied by the owner of the works, to render the works suitable for its specific use, taking into account the actual market value of each item. Professional

service fees and other charges, the land acquisition and easements costs, as well as administrative and financing expenses, are excluded;

95) “Public Hearing”: An event in which the participation of any interested person requesting to express his/her opinion on the matter under consideration is allowed;

96) “Variance”: An authorization for land subdivision or development of property using parameters other than those provided by regulations in effect and which is only granted so as to prevent damages to a property for which the stringent application of regulations would be tantamount to seizing the property, due to special circumstances;

97) “Construction Variance”: An authorization granted to build a structure or part thereof that does not meet Regulations, Ordination Plans, established codes, in terms of building and population density parameters, but that, due to its condition, special location or specific use, it faces a practical difficulty and calls for a special consideration ensuring that no damages shall be caused to nearby properties. A variance in building parameters on density and intensity shall never be considered to be a reclassification, provided that the proposed use is consistent with the use intended for the kind of district where it is located and meets the requirements applicable to this kind of variance;

98) “Use Variance”: Any authorization to use property for a use not allowed under restrictions imposed on a zone or district, which is only granted to prevent damages to a property where, due to special circumstances, the stringent application of regulations would be tantamount to seizing the property. This variance is granted due to the known and pressing need of a use by a community, caused by specific circumstances of such community which cannot be satisfied if the variance is not granted, or which is granted to satisfy a public need that cannot be postponed.

Section 1.6.—**Terms Used**.—

All words used in the singular number in this Act shall be construed to include the plural number when the context so warrants; likewise, the masculine gender shall include the feminine gender, and vice versa.

CHAPTER II

THE PERMIT MANAGEMENT OFFICE

Section 2.1.—**Creation of the Permit Management Office**.—

The Permit Management Office is hereby created, to be attached to the Planning Board.

Section 2.2.—**Appointment**.—

The Management Office shall be under the direction and supervision of an Executive Director, to be appointed by the Governor with the advice and consent of the Senate. In the discharge of his/her functions, the Executive Director shall be directly accountable to the Governor. The compensation for the Executive Director shall be fixed by the Governor, taking into consideration the compensation established for the Secretaries of the Executive Departments. After consultation with and with the approval of the Governor, the Executive Director shall appoint an Assistant Executive Director, onto whom he/she may delegate such functions as he/she may deem necessary, pursuant to this Act. The Executive Director and the Assistant Executive Director shall be renowned for their capability, knowledge and experience in the permit processing field. At least one (1) of these officials shall be a Professional Land Surveyor, Architect, Engineer or Planner. In the event of the absence or temporary disability, death, resignation or removal of the Executive Director, the Assistant Executive Director shall discharge the functions and duties of the Executive Director as Acting Executive Director, until the Executive Director resumes office or his/her substitute is appointed and takes office. In the event that both officials are temporarily absent or cause vacancies simultaneously,

the Governor shall appoint an Acting Executive Director until he/she formally appoints a substitute for the Executive Director into office.

Furthermore, the Executive Director shall appoint the Regional Directors, who shall administer the regional permit management offices pursuant to the functions assigned by the Executive Director and the Joint Permit Regulation. Regional Directors shall be Professional Land Surveyors, Architects, Engineers or Planners, and be renowned for their capability, knowledge, and experience in the permit evaluation and processing fields. In the event of absence or temporary disability, death, resignation or removal, the Executive Director shall appoint an Acting Regional Director until his/her substitute is appointed and takes office.

Section 2.3.—**Authorities, Duties, and Functions of the Executive Director**.—

The general authorities, duties, and functions of the Executive Director shall be the following:

a. To discharge the functions, duties, and responsibilities imposed under this Act or any other law, insofar as these are not incompatible with the provisions of this Act;

b. To sue and assume the legal representation of the Management Office when the said Office is sued;

c. To adopt an official seal of the Management Office, of which judicial notice shall be taken, to authenticate all documents which such Office is required to issue under this Act;

d. To act as the administrator of the Management Office, establish its internal organization, appoint assistant officials, and plan, direct, and supervise the operations of the said Office so as to ascertain compliance with the purposes of this Act. In compliance with the provisions of Section 3.1 of this Act, he/she shall issue

administrative orders so as to discharge this or any other authority conferred under this Act or the regulations adopted thereunder;

e. To give notice on final determinations, permits, and communications required from the Adjudicatory Board under this Act. Furthermore, he/she shall sign, issue, and give notice on the adjudication of final determinations and discretionary permits allowed under this Act, or any other communication required thereunder;

f. To appoint officials and employees for the Management Office, who shall have the technical capability and the experience required to achieve the purposes of this Act, as well as to appoint staff as necessary in order for Managers to be able to discharge their functions pursuant to subsection (e) of Section 3.3 of this Act. The Management Office shall be an Individual Administrator and its personnel shall be governed by the provisions of Act No. 184 of August 3, 2004, as amended, known as the "Public Service Human Resources Administration Act of the Commonwealth of Puerto Rico";

g. To establish the entire organizational structure, as provided in this Act, as necessary for the proper operation of the Management Office, including sharing administrative components or resources with the Planning Board whenever practicable, and adopt and keep the Building Codes to be used within the jurisdiction of the Government of Puerto Rico;

h. To hire the services of professional and technical staff and provide them with such powers and duties as necessary to meet the purposes of this Act and to pay them such compensation as corresponds for their services;

i. To fix and authorize the payment of per diems and expense reimbursements to his/her officials, employees and agents as appropriated financial resources allow;

j. To adopt a job classification and compensation plan;

k. To solicit other government agencies for staff that can be transferred to work for the Management Office;

l. By agreement, he/she may use, without it being construed as a limitation, any resources available within other public agencies and instrumentalities, such as the use of information, offices, accounting, finances, human resources, legal affairs, staff, equipment, material, and other assistance;

m. To procure services, through contracts, from professional, technical or highly specialized staff or other as necessary for the Management Office to comply with the provisions of this Act;

n. To represent the Management Office in functions and activities as required;

o. To acquire, lease, sell or otherwise dispose of property as necessary to fulfill the purposes of this Act, in compliance with any applicable laws or regulations;

p. To execute contracts and any other instruments as necessary to discharge the authorities conferred under this Act;

q. To enter into agreements or arrangements as necessary and convenient to achieve the objectives of the Management Office with Federal government, State government, and municipal government entities, as well as with other departments, agencies, and instrumentalities of the Government of Puerto Rico and with private institutions;

r. To accept and receive any donations or funds on account of appropriations, advances or any other kind of assistance or benefit when these are provided by government entities or nonprofit institutions, subject to the provisions of Act No. 12 of July 24, 1985, as amended, known as the “Ethics in Government Act of the Commonwealth of Puerto Rico,” any regulations thereunder, and other applicable laws, as the specific circumstances dictate;

s. To require, accept or turn down gifts, donations or monetary or other contributions to procure facilities or other works for the development and most appropriate land use, and authorize the transfer of such facilities or works to the Puerto Rico Government entity concerned regarding such facilities or works, subject to the provisions of Act No. 12 of July 24, 1985, as amended, known as the "Ethics in Government Act of the Commonwealth of Puerto Rico," any regulations thereunder, and other applicable laws, as the specific circumstances dictate;

t. To correct, *motu proprio* or by request of an interested party, such typographical or grammatical errors or other inadvertent and rectifiable errors or omissions contained in final determinations and permits issued, pursuant to such requirements as may be established by regulation;

u. To discharge such functions, duties, and responsibilities as the Planning Board may delegate, pursuant to the authorization and conditions consigned by resolution to that effect, in compliance with its Organic Act;

v. To prepare and keep digitized administrative records on matters before the consideration of the Management Office and Authorized Professionals, which records shall be available for public inspection, be it at the Management Office or at its regional offices, during regular business hours, and such records shall also be available on the Internet for the public to be able access any such information and data;

w. To provide the Planning Board with any such information as the Board may require;

x. To appear as an indispensable party to recourses instituted to contest his/her final determinations;

y. To assign any support staff as necessary to the Adjudicatory Board;

z. To act, by means of the pertinent designation by the Governor, as the Commonwealth official who shall be in charge of administering any Federal program, pursuant to the provisions of this Act.

The Executive Director may delegate any function or authority conferred onto him/her under this Act, except for authorities conferred under this Section and Sections 2.6, 2.9, 2.15, and 2.18 of this Act, onto the regional offices or any other officials under his/her authority, pursuant to the provisions set forth in applicable laws and regulations.

Section 2.4.—**Requisite Operating Divisions or Components**.—

The organizational structure of the Management Office shall at the very least incorporate the following operating divisions, units or components:

a. An Office of the Clerk;

b. Environment;

c. Health and Safety;

d. Infrastructure;

e. Archaeology and Historic Conservation;

f. Recommendations Concerning Uses; and

g. Constructability and Energy and Building Codes.

The Management Office shall have an Environmental Compliance Evaluation Division attached thereto.

Section 2.5.—**Power to Evaluate and Grant or Deny Final Determinations and Permits**.—

As of the effective date of this Act, the Management Office, through its Executive Director, the Adjudicatory Board, Authorized Professionals, Authorized Inspectors or any other person qualified under this Act, as may apply, shall issue final determinations, permits, and fire prevention certifications, as well as environmental health certificates directly or indirectly related to land development

and use which, before the date of approval of this Act, were evaluated and issued or denied by the Concerned Government Entities under their organic acts or other special laws, and which shall be included in the Joint Permit Regulation. Likewise, Autonomous Municipalities with I to V granted hierarchy, pursuant to the provisions set forth in Section 1.3 and 18.10 of this Act, may issue final determinations. Such permit applications that fall under the General Regulation of the Environmental Quality Board, shall hereinafter be evaluated by the Management Office and the Authorized Professionals, as may apply, but only in those cases in which the permit sought does not affect an agreement, a delegation agreement or a Federal funding grant of the Environmental Quality Board. As for the Public Service Commission, the Management Office shall act as the center for the submittal of the notice required by the Excavation and Demolition Coordination Center. As for the Planning Board, the Permit Management Office shall only evaluate and issue final determinations on site consultations, as defined in this Act. Under no circumstance shall such site consultations be deemed to be permits. The Office of the Chief Permit Inspector shall oversee compliance with final determinations and permits issued by the Management Office or an Authorized Professional, pursuant to the provisions of this Act. Any breach of compliance detected by the Office of the Chief Permit Inspector or by a Government Entity Concerned with inherence in a final determination or a permit granted pursuant to the provisions of this Act, shall be investigated, and if in order, be punished by a fine or reported by complaint by the Chief Permit Inspector and the Government Entity Concerned, as may apply.

Section 2.6.—**Interagency Agreements**.—

The Management Office shall execute interagency agreements to issue any such certifications, licenses or documents of other government agencies, instrumentalities, corporations or entities as required in the transaction process and

issue of licenses, certifications or permits to conduct or operate a business in Puerto Rico, such as, but not limited to: debt certifications, criminal record certificates, corporate existence certificates, certificates to authorize businesses in Puerto Rico, and good standing certificates, pursuant to the provisions of this Act.

Section 2.7.—**Information Systems**.—

The Management Office shall carry out its operations by using a computerized information system, whereby: (a) applicants may submit all required documents in electronic format, so as to provide prompt and reliable services; (b) the Executive Director may follow up on any transactions or applications before the consideration of the Permit Management Office; (c) the public may access the information contained in the digitized system over the Internet, in connection with matters before the consideration of the Permit Management Office, including all determinations and recommendations on which the Executive Director has given notice; and (d) Permit Managers may access necessary information to discharge their obligations under this Act. Such information system shall incorporate such database as necessary for Permit Managers, Permit Officers, and the Director of the Environmental Compliance Evaluation Division to conduct the corresponding analysis of the permit applications and to be able to issue their recommendations. Such recommendations shall assist the Executive Director and the Adjudicatory Board in issuing their final determinations. As for Authorized Professionals and Municipalities with I to V granted hierarchy, they shall be able to use the information system to issue final determinations and permits under such conditions as established in the Joint Permit Regulation. Furthermore, such information system may be used by the Reviewing Board as a database on the adjudicatory process governing final determinations. Such computerized system shall comply with the applicable legal provisions relative to public documents and electronic signatures, as well as with any other applicable law and regulation. Administrative

records on matters before the consideration of the Permit Management Office shall be available for public inspection at the Office proper or at its regional offices during regular business hours. The Permit Management Office shall establish, by means of clear and streamlined operational guidelines, any internal mechanisms in connection with the transaction of evaluations to issue final determinations and permits under its jurisdiction, and develop any such strategies as necessary and conducive to the active incorporation of the use of telecommunications and information technologies into the operations of the Permit Management Office. Such information system shall be simultaneously implemented at the aforementioned Permit Management Office.

Section 2.8.—**Rulemaking Authority**.—

In order to enable the proper discharge of the duties and authorities imposed under this Act, the Permit Management Office is hereby empowered, pursuant to the provisions governing rulemaking procedures set forth in the Uniform Administrative Procedures Act of the Commonwealth of Puerto Rico, as may apply, to adopt, amend, and repeal:

a. Bylaws and operational guidelines as necessary for organizing and operating the Permit Management Office pursuant to the provisions of this Act and any other applicable law;

b. Regulations as necessary to establish the transaction procedures for evaluating, granting and issuing final determinations and permits by the Permit Management Office, as well as for charging fees, tariffs and other amounts payable with the previous approval of the Planning Board and pursuant to the provisions of this Act and any other applicable law;

c. A regulation to establish an informal proceeding whereby the Management Office may give notice and request that Authorized Professionals correct any unintentional defects or faults in any plan or document submitted

before the consideration of the Permit Management Office and necessary to issue final determinations. If after being given notice, an Authorized Professional fails to correct the defect within the term established in the notice given by the Permit Management Office, the Executive Director shall file such request without prejudice. Any Authorized Professional who incurs this kind of error or fault, as may apply, on more than one occasion, shall be liable to have a complaint filed against him/her before the Chief Permit Inspector, the professional associations, the Department of Justice, and the Department of State for any such action as may correspond under this Act or any other applicable laws; and

d. Emergency regulations, with the previous approval of the Planning Board and pursuant to the provisions of this Act and any other applicable law.

Section 2.9.—**Charging Service Fees**.—**Collection of Service Charges; Fees.**

The Executive Director shall fix and collect, through such regulations as adopted for such purposes, such fees and charges payable by applicants upon submittal of permit applications and other transactions or activities of an operational nature, as well as the means to be used to pay such fees. Furthermore, he/she shall receive the charges and fees paid by applicants to Authorized Professionals, and the latter shall remit such moneys to the Management Office pursuant to the requirements set forth by the Office of the Chief Permit Inspector, in compliance with applicable laws and regulations. Instrumentalities of the Government of Puerto Rico, its Municipalities, and the Federal Government, if applicable, shall pay twenty-five percent (25%) of the applicable fees and amounts payable for services. He/she shall also fix and collect, through regulations to that effect, such fees as may correspond for copies of publications, studies, reports, maps, plans, photographs, and any other document public in nature as required. However, the Executive Director or the person onto whom he/she delegates this

authority, shall furnish copies free of charge to the Office of the Governor, the Department of State, the House of Representatives, the Senate of Puerto Rico, and in his/her discretion, such persons or nonprofit entities that meet indigence requirements or other purposes as established by regulation.

Section 2.10.—**Construction Plan Submittal Charges and Stamps**.—

As of the date of effectiveness of this Act, in order to submit any construction plans and amendments thereto before the Management Office, Autonomous Municipalities with I to V granted hierarchy or an Authorized Professional, applicants shall pay such submittal charges as determined by regulation. Authorized Professionals shall forward the payment made by the applicant to the Management Office within a term not greater than twenty-four (24) hours. Such payments shall be made by employing the means or mechanisms established by the Management Office. A certified document to such effect shall be submitted with the purpose of stating the estimate cost of the value of the construction works conceived under such construction plan; in the event that the Management Office should consider that the estimate cost of the value of the works has been miscomputed, the Management Office, through an order to that effect, shall compute such value and require that the applicant pay fees according to the value thus corrected, and charge an additional ten percent (10%) over the difference of the incorrectly estimated total. Furthermore, in any instances in which the final total costs for construction works turn out to be greater than their cost estimate, such applicants shall pay additional submittal charges and additional stamps for cancellation on the difference, if the value of such construction works were to represent a difference of ten percent (10%) over the original cost estimate, such applicants shall pay for additional submittal quota and additional stamps for cancellation on the total difference, plus twenty percent (20%) of such difference as an initial penalty for estimating costs incorrectly. Any instrumentality of the

Government of Puerto Rico, its municipalities, and the Federal Government, if applicable, shall pay twenty-five percent (25%) of the applicable fees under this Section, except when otherwise provided under any specific legal requirement, and such entities can provide a written attestation of such requirement to the Management Office. No public works directly or indirectly involving private investments shall be exempted, for which fees shall be paid as provided for under the Joint Permit Regulation. Furthermore, the corresponding professional stamps shall be cancelled as provided for in Act No. 319 of May 15, 1938, as amended, Act No. 96 of July 6, 1978, as amended, Act No. 249 of September 3, 2003, as amended, and this Act, according to the value of the construction works, except for any public works conducted for and by any instrumentality of the Government of Puerto Rico, its municipalities, and the Federal Government, which do not involve private investments either directly or indirectly.

Section 2.11.—**Agreements and Reimbursements**.—

The Management Office may execute agreements with any government entity of the Government of Puerto Rico, its municipalities and public corporations, and the Federal Government, in order to procure or provide professional or other services and to procure or provide facilities to fulfill the purposes of this Act. Such agreements shall specify the services and facilities to be procured or provided and the reimbursements or payments to be made for such services or facilities. With the approval of the Chair of the Planning Board, the Office may entrust any Department, Agency, Bureau, Division, Authority, Instrumentality, Entity or Political Subdivision of the Government of Puerto Rico to carry out any study or research or any phase or part thereof and to perform work of any other kind as necessary for the Office to discharge its functions.

Section 2.12.—**Main Office and Regional Offices**.—

The Executive Director shall establish Regional Offices per the determinations of the Planning Board. However, if the case volume should so allow, one Regional Office may serve more than one region. The Executive Director may eliminate or relocate regional offices. The Main Office of the Management Office shall be located in San Juan and shall at the same time operate as the Regional Office serving the Metropolitan Area, per the designation of the Planning Board.

Section 2.13.—**Special Permit Management Office Fund**.—

All charges, fees, reimbursements or payments established under this Act and received by the Management Office shall be covered into a Special Fund created for such purposes by the Secretary of the Department of the Treasury, in order to defray regular operating expenses of the Management Office, of which any surplus shall be transferred to the General Fund of the Treasury of Puerto Rico upon the closing of the fiscal year, after giving notice to the Office of Management and Budget of the Government of Puerto Rico.

Section 2.14.—**Budget**.—

The Executive Director shall prepare and administer the budget of the Permit Management Office. The funds needed to comply with the purposes of this Act for the current fiscal year and subsequent fiscal years shall be annually consigned in the General Expenses Budget of the Commonwealth of Puerto Rico Act. Any moneys received by the Permit Management Office in discharging its task of implementing the provisions of this Act from sources specified herein and from any others, shall be covered into a Special Fund to be denominated the “Special Permit Management Office Fund.” The Permit Management Office is hereby transferred the funds, accounts, appropriations and appropriation surpluses under the custody of the Regulations and Permits Administration by the date to be

established by the Administrator, the Executive Director, and the Chair of the Planning Board, immediately after this Act becomes effective.

Before using the resources deposited in the Special Fund, the Permit Management Office shall submit each year, for the approval of the Office of Management and Budget, an expenses budget, to be chargeable to the funds available in the Special Fund. Special Fund resources destined to defraying regular operating expenses of the Permit Management Office shall be complemented with appropriations funded by the General Fund of the Government of Puerto Rico whenever necessary. When the amount of funds available in the Special Fund is greater than the budget of the Permit Management Office by more than ten percent (10%), any excess over such amount shall be covered into the General Fund after notifying the Office of Management and Budget.

Section 2.15.—**Procurement**.—

The Management Office shall be exempted from the application of the provisions of Act No. 164 of July 23, 1974, as amended, known as the "General Services Administration Act." In compliance with the provisions of this Act, the Management Office shall establish by regulation to that effect, its own system to procure supplies and ancillary services, within norms that assure sound fiscal management, economy and efficiency. Goods and services shall be preferentially acquired from manufacturing plants or professional firms in Puerto Rico, for which Act No. 14 of January 8, 2004, as amended, shall be applied, as well as regulations and programs that seek the inclusion of local enterprises.

Section 2.16.—**Studies and Research**.—

The Management Office may conduct any kind of studies or research concerning any matters within its purview, and to that effect, the Office may require any information as necessary, pertinent, and essential to achieve such purposes and approve such rules and regulations as necessary and reasonable.

Section 2.17.—**Annual Report**.—

The Executive Director shall prepare and submit an annual report on the operations and the fiscal situation of the Management Office, together with any such recommendations as deemed pertinent in seeking greater efficiency in its operations, to the Planning Board, the Governor, and the Legislature not later than ninety (90) days after the end of the fiscal year. After the first annual report, the Executive Director shall include at the end of his/her annual reports, a summary of the recommendations he/she has made before and a description of the action taken concerning such recommendations. Furthermore, he/she shall include a summary of the cases submitted, whether approved or denied. The annual report of the Permit Management Office shall include compliance as ascertained by the assessments established. Reports and empirical data shall be made available to the general public over the Internet on the web page of the Management Office, as well as in the web pages of the agencies concerned.

Section 2.18.—**Staff**.—

The staff of the Regulations and Permits Administration and the Board of Appeals on Construction and Lot Division, as well as the staff of all other Concerned Government Entities who on the effective date of this Act is holding a regular position with permanent status within the Career Service, is hereby transferred with regular career status to the Management Office, the Reviewing Board or the Office of the Chief Permit Inspector, as may correspond. Trust-position employees who on such date were entitled to reinstatement pursuant to the provisions of Section 9.2 of Act No. 184 of August 3, 2004, as amended, which reforms the Human Resources Administration System of the Government of Puerto Rico, shall be transferred with trust-position status and remain in office with such status until the Appointing Authority determines to reinstate them with career status.

Transfers shall be made in consideration of the functions discharged by each employee for the Regulations and Permits Administration and for all other Concerned Government Entities, but subject to the staffing needs of and the financial resources available to the Management Office and contingent upon the volume of cases received by the said Office.

The Management Office shall be a Successor Employer pursuant to the case law established in our body of laws, and the staff shall retain the same rights and benefits it had, as well as any rights and duties in connection with any pension or retirement system or savings and loan fund. Employees transferred from Concerned Government Entities who are members of an appropriate collective bargaining unit under the provisions of Act No. 45 of February 25, 1998, shall retain such right and may assemble into a new proper unit pursuant to the procedures established under the said Act, after an election has been held to select their labor union representative.

The classification, reclassification, and compensation of job positions shall be established according to the job classification and compensation plans applicable in the Management Office. Employees thus transferred shall, at the least, meet the basic requirements of the classification of the job to which their functions are assigned.

All other matters relative to Management Office staff and human resources shall be handled by the Executive Director and the Chief Permit Inspector through an administrative order to that effect, in coordination with the Administrator of the Regulations and Permits Office and the heads of the Concerned Government Entities, when applicable, in compliance with all laws relative to government staff administration presently in effect, including Act No. 7 of March 9, 2009, known as the “Special Act to Declare a State of Fiscal Emergency and to Establish a Comprehensive Fiscal Stabilization Plan to Salvage the Credit of Puerto Rico.”

The Executive Director shall work in coordination and cooperation with the Administrator of the Regulations and Permits Administration, the Chair of the Board of Appeals on Construction and Lot Division, and the heads of the Concerned Government Entities, in all matters relative to the transfer of staff. Likewise, the Executive Director of the Management Office, the Administrator of the Regulations and Permits Administration, and the Chair of the Board of Appeals on Construction and Lot Division are hereby authorized to issue any such administrative orders as necessary to comply with this Act and its public policy in all matters relative to the staff assigned to these bodies, in harmony with all provisions set forth in this Act.

Section 2.19.—**Transfer of Property**.—

Any and all property or any interest therein; records, files, and documents; funds already appropriated or to be made available in the future, including surpluses, assets, and credit of any kind; liabilities and contracts of any kind; and licenses, permits, and other authorizations, are hereby transferred from the Regulations and Permits Administration to the Management Office, to be used by the Office for the ends and purposes of this Act.

Section 2.20.—**Transfer of Functions**.—

Any authority or function discharged by the Administrator, by the Regulations and Permits Administration or by the Planning Board which has not been expressly transferred or conferred by law to the Management Office, shall be transferred from the Regulations and Permits Administration to the Management Office, to be discharged by the Management Office as of the date of effectiveness of this Act, unless incompatible with this Act, the provisions of Act No. 75, *supra*, or any other succeeding law providing otherwise.

Section 2.21.—**Transfer of Obligations**.—

By no means does the approval of this Act affect or impair liabilities contracted by the Regulations and Permits Administration with any agency or private entity and assumed by virtue of Act No. 76 of June 24, 1975, as amended, known as the "Regulations and Permits Administration Organic Act." All proceedings to which the Regulations and Permits Administration is a party and are still pending settlement before the courts or administrative forums, if any, shall be given continuance by the Executive Director of the Management Office pursuant to the duties and functions delegated onto him/her under this Act, until their final settlement by virtue of the provisions under which such proceedings were instituted.

Likewise, this Act shall not invalidate contracts properly executed by the Regulations and Permits Administration and in effect as of the date of approval of this Act, if any, which contracts shall continue to be in force until the agreed termination date, unless any clauses therein contravene the provisions of this Act or such contracts are cancelled on a previous date, if admissible under the contract in question.

CHAPTER III
PERMIT MANAGERS AND
ENVIRONMENTAL COMPLIANCE EVALUATION DIRECTOR

Section 3.1.—**Creation of Permit Managers and the Environmental Compliance Evaluation Director**.—

The Permit Management Office, including Regional Offices, shall also have six (6) Permit Managers and one (1) Environmental Compliance Evaluation Director, all of whom shall evaluate applications and issue their recommendations, to be submitted to the Permit Management Office. Each of the following

Management Office units shall employ one (1) Permit Manager, as well as the staff transferred from the corresponding Concerned Government Entities:

a. Environment (the Department of Natural and Environmental Resources and the Solid Waste Authority);

b. Health and Safety (the Department of Health, the Firefighter Corps, the Puerto Rico Police);

c. Infrastructure (the Telecommunications Regulatory Board, the Department of Transportation and Public Works, the Aqueduct and Sewer Authority, Electric Power Authority, the Highway and Transportation Authority, the Public Service Commission);

d. Archaeology and Historic Conservation (the Institute of Puerto Rican Culture and the Commonwealth Historic Conservation Office);

e. Use Recommendations (the Trade and Export Company, the Industrial Development Company, the Tourism Company, the Department of Housing, the Sports and Recreation Department, the Department of Agriculture, the Horse Racing Sport and Industry Administration, the Port Authority, and the Department of Education); and

f. Constructability and Energy and Building Codes.

The Environmental Compliance Evaluation Division shall be composed by the Director of the Division, by employees transferred from the Scientific Advisory Division of the Environmental Quality Board, and by any other staff as the Executive Director may deem convenient for its most efficient operation.

The Permit Management Office, through its Executive Director and by means of an administrative order issued to that effect and approved by the Planning Board, may employ up to a maximum of nine (9) Managers in their regional offices and add such units or divisions to be directed by such additional Permit Managers or Directors as part of the structure of the Management Office.

Section 3.2.—**Appointment**.—

The Executive Director shall appoint, in coordination with the Concerned Government Entities and with the approval of the Governor, one (1) Permit Manager to direct each of the units created under Section 3.1 of this Act and which fall within the purview of the Concerned Government Entities, respectively. As for the Environmental Compliance Evaluation Division, the Environmental Quality Board, together with the Executive Director and with the approval of the Governor, shall appoint one (1) Environmental Compliance Evaluation Director. The Executive Director may appoint staff in addition to employees transferred from the Concerned Government Entities as he/she may deem necessary for each of the units created under Section 3.1, per the volume of cases received. The Managers and the Environmental Compliance Evaluation Division Director must have an education and professional experience that are substantial to and specialized for the unit or division each is to direct and which enables them to fully discharge the obligations imposed under this Act and to supervise the staff under their charge on technical issues. The Managers and the Environmental Compliance Evaluation Division Director must meet with such training and continuing education requirements as established by the Permit Management Office by regulation. In order to be eligible for appointment as Manager or Environmental Compliance Evaluation Division Director, candidates must have at least five (5) years of professional experience after having been admitted to practice their profession in the Commonwealth of Puerto Rico, as may apply. The Managers and the Environmental Compliance Assessment shall be subject to comply with the provisions of Act No. 12 of July 24, 1985, as amended, known as the “Ethics in Government Act of the Commonwealth of Puerto Rico.” Neither Managers nor the Division Director may tend to matters in which they have any direct or indirect personal or financial interest or when they are related to an applicant to the fourth

degree of consanguinity or to the second degree of affinity. Their performance must be evaluated at least every twelve (12) months.

Section 3.3.—**Authorities, Duties, and Functions**.—

The Permit Managers and the Environmental Compliance Evaluation Division Director shall have the following general duties, authorities, and functions as conferred under this Act, as may apply:

a. They shall evaluate all documents submitted in order to issue their recommendations as part of the processing of permit applications filed with the Permit Management Office, including the environmental document presented by the applicant, the Categorical Exclusion certification or the Categorical Exclusion Compliance Assessment, as the case may be, which must be submitted when filing the application;

b. They shall require additional information in order to evaluate applications as established under subsection (a) of this Section;

c. They shall determine, after having conducted the corresponding evaluation, whether the action applied for complies with the provisions of this Act, Planning Regulations, the Joint Permit Regulation or any other legal provisions that fall within the purview of their respective division or unit, as established under Section 3.1 of this Act;

d. They shall send their recommendations to the Executive Director within the terms established under the Joint Permit Regulation;

e. They shall request that the Concerned Government Entities provide assistance through specialized technical staff, who shall be the Permit Officers required to discharge the functions of their unit or division in coordination with the Executive Director and in compliance with applicable regulatory requirements;

f. They shall work in close coordination with Permit Officers to efficiently discharge their functions;

g. They shall circumscribe their recommendations within the bounds of competence of their respective units or divisions, as set forth in Section 3.1 of this Act and pursuant to the provisions of this Act or any other applicable law germane to the functions of each division or unit;

h. They shall establish, in coordination with the Executive Director, a chain of command to be resorted to during short absences of the Executive Director, but this provision shall not limit those of Section 3.2;

i. They shall send their recommendations to the Executive Director in order for the latter to take the corresponding action;

j. They shall issue recommendations by request of Autonomous Municipalities with I to V granted hierarchy under a competency delegation agreement pursuant to Act No. 81 of August 30, 1991, as amended, known as the "Autonomous Municipalities Act of Puerto Rico";

k. They shall comply and apply laws, regulations, and the public policy, as these relate to their specialized purview of the Permit Management Office unit or division under their charge or supervision;

l. As for Health and Safety and for Constructability Managers, they may grant environmental health and fire prevention certifications, final determinations, and permits for small and medium-sized businesses (PyMES, Spanish acronym). These determinations shall be deemed to be final determinations from the Management Office.

Permit Managers and the Environmental Compliance Evaluation Division Director shall send to the Executive Director and the Regional Director, as may correspond, their recommendations in writing. As for discretionary matters, the Executive Director shall send these to the Adjudicatory Board for its corresponding evaluation and final determination. As for ministerial matters, the Executive

Director shall evaluate these and sign and issue the corresponding final determination notice.

Any party adversely affected by a final determination regarding a PyMES permit may request a review, subject to the provisions set forth in Chapter XII. When a final determination by a Permit Manager is challenged, the Executive Director shall represent the Permit Manager.

CHAPTER IV

PERMIT OFFICERS

Section 4.1.—**Appointment, Authorities, Duties, and Functions**.—

As of the date of approval of this Act, the Commonwealth Historic Conservation Office, the Institute of Puerto Rican Culture, the Electric Power Authority, the Highway and Transportation Authority, the Aqueduct and Sewer Authority, and the Department of Natural and Environmental Resources shall appoint a Permit Officer and his/her alternate at each of these agencies. Permit Officers and their alternates shall be specialized officials serving in the Concerned Government Entities, and notice of their appointments shall be given to the Executive Director. Such Permit Officers shall be officials in the Electric Power Authority, the Commonwealth Historic Conservation Office, the Institute of Puerto Rican Culture, the Highway and Transportation Authority, the Aqueduct and Sewer Authority, and the Department of Natural and Environmental Resources, respectively, who shall be of renowned capability and professional experience, and have the following general duties, authorities, and functions:

a. They shall work in close coordination with Permit Managers from their respective Government Entities;

b. They shall assist Permit Managers in obtaining information or documents needed to discharge their functions, within the timeframes set forth in the Joint Permit Regulation;

c. They shall expeditiously coordinate any field work as necessary to obtain information requested by Permit Managers.

The Executive Director or his/her authorized representative shall refer to the attention of the corresponding head of agency, any issues concerning the performance of the Permit Officer which is affecting the transaction course of matters entrusted to the latter under the provisions of this Act, so that such head of agency may take the corresponding action. By request of the Executive Director, any other Government Entity Concerned shall appoint a Permit Officer from among its officials to serve for such term as the Executive Director determines to be necessary. The Executive Director and the head of the Government Entity Concerned shall determine the specific tasks to be performed by each Permit Officer, so as to discharge the duties, authorities, and functions set forth in this Section, on a case-by-case basis.

CHAPTER V

SERVICE REPRESENTATIVES

Section 5.1.—**Appointment**.—

Service Representatives shall be officials of the Permit Management Office, appointed by the Executive Director to ascertain compliance of Permit Managers with the terms set forth in the Joint Permit Regulation for transacting the evaluation, approval or denial of final determinations and permits in the Management Office. Under no circumstances may Service Representatives intervene in the evaluation of recommendations, final determinations or permits, as may apply, issued by Permit Managers or the Environmental Compliance Evaluation Division Director. Service Representatives shall, however, give their recommendations directly to the Executive Director, pursuant to the provisions of Sections 5.2 and 5.3 of this Act.

Section 5.2.—**Authorities, Duties, and Functions**.—

Service Representatives shall have the following general duties, authorities, and functions as conferred under this Act:

a. They shall verify the status of cases pending before the Permit Management Office by means of the electronic information system of the said Office;

b. They shall oversee compliance with the assessment standards established together with Permit Managers to handle any deviation from such standards in the evaluation of recommendations, final determinations, and permits. They shall determine the cause of such deviation and provide such recommendations as they may deem necessary to the Executive Director;

c. They shall give notice to the Executive Director about any instance of noncompliance within the Permit Management Office or by Authorized Professionals with the assessment standards for the evaluation of recommendations, final determinations, and permits;

d. They shall provide informational guidance to the public as to the procedures to file applications and they shall provide information on application status to anyone who so requests and keep a register on the requests for information which they have received and processed;

e. They shall have access to records and, after consultation with and authorization from the Executive Director, may reassign cases in compliance with Permit Management Office operational guidelines;

f. They shall directly assist the Executive Director in drafting the report required under Section 2.17 of this Act;

g. They shall ascertain that all required documents, be these in written or in electronic format, are filled out in all their parts;

h. They shall not accept any incomplete permit applications which are not accompanied with the documents that are indispensable for their evaluation, as set forth in the regulation required under this Act.

Section 5.3.—**Reports**.—

Service Representatives shall work in close coordination with the Executive Director, so that they may render the operations of the Permit Management Office more efficient and streamlined. In order to accomplish such purpose, Service Representatives shall draft and submit to the Executive Director, monthly reports on the transaction status of recommendations, final determinations, certifications, and permits pending before the Management Office, as well as any recommendations as they may deem necessary to improve Management Office operations. Contents of these reports shall be considered when drafting the report required under Section 2.17 of this Act.

CHAPTER VI

THE PERMIT MANAGEMENT OFFICE ADJUDICATORY BOARD

Section 6.1.—**Creation**.—

The Permit Management Office Adjudicatory Board is hereby created as a body attached to the said Office, to be responsible for evaluating and adjudicating final determinations and permits that are discretionary in nature. In coordination with the Planning Board, the Executive Director shall establish, eliminate or relocate any such Adjudicatory Boards as necessary to serve the Regional Offices of the Permit Management Office, in compliance with the provisions of this Act. When the volume of cases so requires, an Adjudicatory Board may handle and adjudicate matters for more than one region.

Section 6.2.—**Appointment**.—

The Planning Board shall appoint the members of each Adjudicatory Board, who shall hold office at the discretion of the Planning Board. Each Adjudicatory

Board shall be composed of one (1) Chair, who shall devote all of his/her time to serving the Board, two (2) associate members, and one (1) alternate member who may partake in the works of the Board, as the Chair may determine. At least one (1) member of each Adjudicatory Board shall be an attorney-at-law; all other members shall be selected from among the professions included into the legal construct of the Authorized Professional, which members shall be authorized to practice their profession in the Commonwealth of Puerto Rico. The Planning Board, in turn, shall determine who shall chair each panel in an Adjudicatory Board. One of the members of the Adjudicatory Board shall be vastly experienced in environmental compliance issues, as may be determined in the Environmental Compliance Regulation of the Environmental Quality Board. However, to be eligible for appointment as member of the Adjudicatory Board, candidates must be persons of renowned capability, knowledgeable and have at least five (5) years of experience in procedures concerning land development and use and such other areas relative to the purposes of this Chapter. Adjudicatory Board members shall be subject to compliance with the provisions of Act No. 12 of July 24, 1985, as amended, known as the “Ethics in Government Act of the Commonwealth of Puerto Rico.” No member of an Adjudicatory Board may adjudicate matters in which he/she has a direct or an indirect personal or financial interest or when he/she is a relative of the applicant within fourth-degree of consanguinity or second-degree affinity. The Planning Board shall fix the compensation for the Chair of the Adjudicatory Board, taking into account the compensation for associate members of the Adjudicatory Board. The two (2) associate members and the alternate members shall receive compensation in the nature of per diems, to be equal to the minimum per diem established for members of the Legislature, for each day of session. However, such members shall never earn more than thirty thousand (30,000) dollars a year, which amount shall be taxable. Furthermore, if

the persons appointed to serve as the two (2) associate members and the alternate member should be employees of the Government of the Commonwealth of Puerto Rico, such employees shall not earn any per diems whatsoever, except that they shall be reimbursed for expenses incurred in the discharge of their functions, as provided by Law and authorized by the Chair of the Adjudicatory Board.

Autonomous Municipalities that have a competency delegation agreement and hierarchy and powers conferred under Act No. 81 of August 30, 1991, as amended, or other executed in the future as of the date of effectiveness of this Act, may appoint two (2) associate members and one (1) alternate member to the corresponding Adjudicatory Board to tend to such applications originating in their municipalities within the hierarchy granted. One of the associate members of the Adjudicatory Board appointed by the Autonomous Municipality shall be the Planning Director, and all other members shall comply with the requirements set forth in this Section.

Autonomous Municipalities that have a competency delegation agreement and hierarchy and powers conferred under Act No. 81 of August 30, 1991, as amended, and which have so established in such agreement or in others executed in the future as of the date of effectiveness of this Act, shall be charged fifteen (15) percent of the applicable fees on applications originating from their municipalities that do not fall within the purview of the hierarchy thus conferred and are adjudicated by the Adjudicatory Board.

Section 6.3.—**Authorities, Duties, and Functions**.—

The Adjudicatory Board shall have the following general duties, authorities, and functions, in addition to those conferred by this Act or any other law:

a. To evaluate and adjudicate applications for land requalification, site consultations, and amendments to site consultations;

b. To evaluate and adjudicate use variances that meet requirements set forth in Planning Regulations pursuant to the provisions of the latter in cases in which the verbatim application of their provisions would result in prohibition or unreasonable restriction of the enjoyment of property, and it is proven to the satisfaction of the Board that such a dispensation would relieve clearly provable damages, for which the Board shall be able to impose any such conditions as the case may warrant to better serve the public interest. In discharging this authority, the Adjudicatory Board shall take any measures necessary so that such authority not be used with the purpose or end of disregarding or breaching compliance with the regulatory provisions in effect in cases in which such circumstances as those described above are not present. Variance applications shall be handled on a case-by-case basis and the determination made by the Adjudicatory Board regarding such applications shall not create a precedent;

c. To evaluate and adjudicate waivers;

d. To evaluate and adjudicate discretionary matters;

e. To evaluate and adjudicate construction variances;

f. To provide the Planning Board with information as requested;

g. To supervise the support staff assigned by the Permit Management Office;

h. To adjudicate any such discretionary matters as the Planning Board may hereinafter delegate onto the Management Office, pursuant to applicable provisions;

i. To discharge any other function delegated onto the Board by this Act;

j. To evaluate and adjudicate matters involving non-zoned areas. In such cases, the determinations made shall not set forth a general policy or define the public policy; this responsibility lies solely with the Planning Board;

k. To hold adjudicative hearings;

l. To discharge any other authority conferred under this Act.

The Adjudicatory Board may not delegate the functions described above, except for the one set forth in subsection (e). The Adjudicatory Board shall discharge its functions in compliance with Planning Regulations, the Joint Permit Regulation, and any applicable legislation and regulation. The Chair shall convene the Adjudicatory Board into session to tend to matters before its consideration. The Chair shall be responsible for keeping the Adjudicatory Board agenda, presenting cases, and ascertaining that all matters before the consideration of the Adjudicatory Board are transacted within the terms established by the Management Office in the Joint Permit Regulation.

Section 6.4.—**Quorum**.—

The majority of the members of an Adjudicatory Board shall constitute a quorum to hold sessions and to make decisions. All Adjudicatory Board agreements shall be adopted by majority vote. The votes cast by members shall only indicate their position in favor of or against the decision, but they shall not cast explanatory votes. The vote of each member, whether in favor or against, shall be recorded into the minute books of the Adjudicatory Board, which shall constitute public documents.

Section 6.5.—**Agreement Notice**.—

Once a matter before the consideration of the Adjudicatory Board has been adjudicated, the Executive Director shall then give notice on the granting or denial of the final determination or permit applied for, as the case may be, pursuant to the agreement reached by the Adjudicatory Board, as established by regulation, which shall be deemed to be a final determination of the Management Office. The Management Office shall give notice to the Planning Board on final determinations involving direct or indirect land qualification or use changes. The final

determination notice to be given by the Adjudicatory Board shall contain findings of fact and conclusions of law. Any party adversely affected by an action, a final determination or a resolution of an Adjudicatory Board may file a recourse for review, pursuant to the provisions set forth in Chapter 12.

CHAPTER VII

AUTHORIZED PROFESSIONALS AND AUTHORIZED INSPECTORS

Section 7.1.—**Creation of the Authorized Professional**.—

The legal construct of the Authorized Professional is hereby created, which office shall be discharged by Professional Land Surveyors, Architects, Geologists, Engineers, and Planners who obtain an authorization, and by any other professional holding a license in construction-related fields, pursuant to Section 7.2 and 7.3 of this Act.

Authorized Professionals shall evaluate or issue ministerial permits, in compliance with the provisions of this Act and any other applicable legal provision. The most important parameters that govern ministerial permits are the following:

Zoning or Qualification;
Uses;
Height;
Lot Size;
Density;
Occupation Area;
Gross Floor Area;
Front Yard;
Right-side Yard;
Left-side Yard;
Backyard;
Parking Spaces; and
Loading and Unloading Area.

Section 7.2.—**Minimum Authorized Professional Skill-Building Training Requirements and Accreditation by the Office of the Chief Permit Inspector**.—

Authorized Professionals or practitioners of other licensed professions in construction-related fields must have at least five (5) years of experience, after having obtained their licenses or certifications and admitted or qualified into the practice of their respective professions in Puerto Rico, in such fields or areas as established by regulation. They must as well be current in the payment of their corresponding professional association membership fees and take such courses and pass such examination as the Office of the Chief Permit Inspector may determine through regulation.

Furthermore, Authorized Professionals must receive skill-building training and accreditation by the Office of the Chief Permit Inspector. Likewise, such Office shall establish, as part of skill-building training courses, the green design guidelines that are to be set forth in the Joint Permit Regulation.

In order to receive such authorization, Authorized Professionals shall pay an annual registration fee pursuant to the regulation to be adopted by the Chief Permit Inspector and show evidence of having posted a bond whose amount is to be established by the Office of the Chief Permit Inspector. Such authorization shall be effective for two (2) years and the renewal application shall be submitted thirty (30) days before its expiration date or earlier, for which applicants shall include evidence that they meet any requirement that applies to the practice of their profession in Puerto Rico. If any Authorized Professional's authorization to practice his/her profession in Puerto Rico should lapse for any reason, or if his/her authorization under this Act should be suspended by the Office of the Chief Permit Inspector, such Professional shall be immediately barred from continuing to issue

the authorizations described in Chapter VII of this Act. Any permit issued under such circumstances shall be void *ab initio*.

Section 7.3.—**Permits Issued by Authorized Professionals**.—

Authorized Professionals shall be circumscribed to granting or denying the following final determinations and permits in connection with: (a) use permits, (b) demolition permits, (c) remodeling building permit, (d) general consolidated permit, except as provided in Section 2.5 of this Act, (e) categorical exclusion determinations, (f) building permits, and (g) land subdivision permits. Authorized Professionals shall require authorization from the Permit Manager of the Archaeology and Historic Conservation Unit for any use permits to be issued concerning structures officially designated and included in the Historic Site and Zone Register of the Planning Board; in all other cases, the authorization from the Institute of Puerto Rican Culture shall be required. All permits issued by Authorized Professionals shall contain a detailed explanation as to the grounds for his/her determination.

Authorized Professionals may issue permits in Autonomous Municipalities with I to V granted hierarchy, insofar as such municipality has so provided by municipal ordinance to that effect. Such municipal ordinance shall establish the authorities that Authorized Professionals shall have, which shall not be greater than those set forth in this Act.

Section 7.4.—**Required Courses**.—

Courses to be taken by Authorized Professionals shall be administered by institutions or organizations approved by the Chief Permit Inspector, which institutions or organizations shall be also accredited by the General Education Council or the Council on Higher Education. The subjects to be covered in the required courses for Authorized Professionals shall be established by the Office of the Chief Permit Inspector by regulation; such courses, however, shall include at

the very least subjects pertaining to the application and interpretation of Planning Regulations, green design guidelines or any other regulation relative to the authorities of the Management Office, as well as the Code of Ethics established by the Office of the Chief Permit Inspector.

Section 7.5.—**Continuing Education**.—

The Office of the Chief Permit Inspector shall promulgate a regulation whereby he/she shall establish a continuing education program with which Authorized Professionals shall comply.

Section 7.6.—**Authorized Professional Conduct**.—

No Authorized Professional may issue a final determination or permit for a project in which he/she has participated in any phase of its design, or in which he/she has a direct or indirect personal or financial interest or when he/she is related to the applicant or the applicant's authorized representative by fourth-degree of consanguinity or second-degree affinity. Furthermore, Authorized Professionals shall observe a Code of Ethics, to be promulgated by the Office of the Chief Permit Inspector. Such Code shall set forth the obligations and prohibitions that apply to Authorized Professionals. Authorized Professionals shall be subject to fines and penalties as established in this Act for infringing any provision thereof. Moreover, they shall meet any requirement imposed by the Management Office or the Office of the Chief Permit Inspector in the discharge of their responsibilities as imposed under this Act, including their appearance as an indispensable party in those recourses to contest their final determinations.

Section 7.7.—**Records**.—

Authorized Professionals shall keep a copy of all permits and related documents, as the Chief Permit Inspector may determine, issued by the former for such period as the Chief Permit Inspector may determine by regulation. Authorized Professionals shall surrender the records on permits issued by them to the Permit

Management Office, pursuant to the Joint Permit Regulation, as well as approved plans with the corresponding stamps, affixed and cancelled, as required by Law.

Authorized Professionals shall send to the Office of the Chief Permit Inspector, a monthly index indicating the permits issued not later than the tenth calendar day of the month following the month being thus reported, which index shall state the numbers of such permits, as well as the name of the proponent party, the date, address of the property, and the object of the permit, certification or document.

On such report, Authorized Professionals shall certify that they have sent to the Management Office, any sums paid on account of submittal or other charges or fees payable on applications and issue of permits within the term set forth under this Act. If no permits should have been issued during the month, Authorized Professionals shall send a negative report for such month to the Office of the Chief Permit Inspector.

If the offices of an Authorized Professional should be located or established in a wooden or a mixed-construction building, the Authorized Professional shall be provided with fireproof steel or iron boxes to store copies of all permits and related documents.

In the event that an Authorized Professional dies or suffers from permanent mental or physical disability, it shall be the duty of his/her heirs, successors or legatees to surrender, within thirty (30) calendar days, the copies of all permits and documents to the Chief Permit Inspector. In the event that an Authorized Professional ceases in office voluntarily or involuntarily, such term shall be fifteen (15) calendar days.

Section 7.8.—**Disciplinary Proceeding Notice**.—

The Office of the Chief Permit Inspector shall give notice to the Examining Board of Engineers and Land Surveyors of Puerto Rico, the Board of Examiners of

Architects and Landscape Architects of Puerto Rico, the Professional Planners Examining Board, the Board of Examiners of Geologists of Puerto Rico, the College of Engineers and Land Surveyors of Puerto Rico or the Puerto Rico Architects and Landscape Architects Association or any mandatory professional association or Examining Board that regulates the practice of an Authorized Professional, of the filing of any complaint and the institution and outcome of any disciplinary proceeding against professionals whose conduct any of the former regulate, so that they may take action as may correspond.

The Examining Board of Engineers and Land Surveyors of Puerto Rico, the Board of Examiners of Architects and Landscape Architects of Puerto Rico, the Professional Planners Examining Board, the Board of Examiners of Geologists of Puerto Rico, the College of Engineers and Land Surveyors of Puerto Rico or the Puerto Rico Architects and Landscape Architects Association or any mandatory professional association or Examining Board that regulates the practice of an Authorized Professional, shall give notice to the Office of the Chief Permit Inspector within a twenty-four (24) hour period, of the filing of any complaint and the institution and outcome of any disciplinary proceedings against professionals whose conduct any of the former regulate. Mandatory Authorized Professional Associations shall take action *motu proprio* upon apprisal of any violation of this Act committed by one of their members without having to be notified by the Office of the Chief Permit Inspector or any agency of the Government of Puerto Rico.

Section 7.9.—**Authorized Professional Scope of Liability**.—

Authorized Professionals shall review and evaluate documents submitted by applicants pursuant to the requirements established by the Chief Permit Inspector by regulation. The scope of liability set for those designing or building under the provisions of the Puerto Rico Civil Code or Act No. 135 of June 15, 1967, as amended, shall not be extended over to Authorized Professionals.

Section 7.10.—**Service Fees**.—

The Chief Permit Inspector shall establish, by regulation, the fees that Authorized Professionals may charge applicants for their services, in addition to other charges set forth pursuant to the provisions of this Act.

Section 7.11.—**Creation of Authorized Inspectors**.—

The legal construct of the Authorized Inspector is hereby created. Authorized Inspectors shall be any natural persons duly authorized by the Office of the Chief Permit Inspector. Authorized Inspectors, in compliance with the provisions of this Act, any other applicable legal provisions, and the provisions set forth by regulation, shall evaluate and issue certain certifications, such as fire prevention certifications and environmental health certifications, as well as any other as allowed under regulation.

Section 7.12.—**Minimum Authorized Inspector Skill-building Training Requirements of the Office of the Chief Permit Inspector**.—

Authorized Inspectors shall take such courses and pass such examination as the Office of the Chief Permit Inspector may determine by regulation. In order to receive their respective authorization, Authorized Inspectors must pay an annual registration fee and submit evidence of having posted a bond, the amount of which shall be established by the Chief Permit Inspector. Such authorization shall be effective for two (2) years and the renewal application must be submitted thirty (30) days before its expiration date or earlier. In the event that an Authorized Inspector is no longer authorized to practice his/her profession in Puerto Rico for any reason, or has his/her authorization suspended by the Chief Permit Inspector, he/she shall be barred from continuing to issue environmental health or fire prevention certificates or any other certification allowed. Any environmental health or fire prevention certification issued under such circumstances shall be void *ab initio*. Professional conduct, liability, and service fees shall be provided for

under the Joint Permit Regulation. Authorized Inspectors shall keep a copy of all certifications and related documents issued by them, for such period as the Chief Permit Inspector may determine by regulation.

CHAPTER VIII

EVALUATION, GRANTING OR DENIAL OF FINAL DETERMINATIONS OR PERMITS

Section 8.1.—**Jurisdiction**.—

As of the effective date of this Act, any person who wishes to apply for permits, recommendations, licenses or certifications in connection with land development and use in Puerto Rico, or any other such authorization or transaction as necessary, as set forth in Section 1.3, 2.5, and 7.3 of this Act, may do so before the Management Office, whether at the main office or a regional office or through an Authorized Professional, as may apply. It is stressed in Sections 7.1 and 7.3, however, that Authorized Professionals may only transact ministerial matters, to the exclusion of any discretionary transactions.

Applications to be submitted to the Management Office or an Authorized Professional, as may apply, shall include such applications established in the Joint Permit Regulation, including but not limited to: site consultations; land requalification; lot division or subdivision permits; building permits; use permits; environmental documents; permits or recommendations previously evaluated and granted by the Concerned Government Entities in connection with land development and use; and any other such application as provided for in the Joint Permit Regulation. Furthermore, the Management Office shall issue such certifications and documents as required to do or operate businesses in Puerto Rico, subject to the provisions of Section 2.6 of this Act. Notwithstanding the foregoing, provisions shall be made, by regulation, as to a proper procedure

whereby citizens may submit their comments. Lastly, the Management Office may issue Green Permits.

Section 8.2.—**Pre-Application Meeting**.—

As of the effective date of this Act, any person who wishes to apply for any of the transactions provided for under Section 8.1 of this Act, may apply to the Management Office, by submitting the corresponding service form and paying the pertinent fees, an informational briefing whereby compliance of the action proposed with the applicable statutes and regulations shall be assessed, which is known as a pre-application meeting, as defined under Section 1.5. This meeting shall only serve the purpose of clarifying, prior to filing any application contemplated under the provisions of Section 8.1, the requirements that apply to the project, and even though it may include Management Office recommendations, this procedure shall by no means be deemed to be a final determination by the Management Office in terms of approving or turning down the action thus proposed. Permit Manager representatives for the Environmental Compliance Division Director, as applicable, may participate in the pre-application meeting evaluation, at the discretion of the Executive Director or the Regional Director.

Section 8.3.—**Application Submittal**.—

The process for filing an application before the Management Office may be instituted by submitting the corresponding application, either by electronic or any alternate media as the Management Office may determine, in compliance with the provisions of Section 2.7. Applications must be accompanied with all required documents, including, among others, the corresponding environmental document or the form to claim the application of a categorical exclusion, as applicable, plus the payment of the corresponding charges and fees. The transaction of a ministerial permit application with an Authorized Professional is instituted when the latter submits all documents pursuant to the requirements established in the Joint Permit

Regulation, as provided for in this Act, plus the payment of the corresponding charges and fees.

Green Permits are hereby created for all buildings or designs that prove to be compliant with the pre-qualification of the parameters necessary to obtain a green design certification. The Joint Permit Regulation shall establish the procedure for the evaluation and expeditious granting of Green Permits. In order for Green Permits to be granted, an application must be submitted to the Permit Management Office, an Authorized Professional or an Autonomous Municipality with I to V granted hierarchy, as provided for in Sections 1.3, 2.5, and 7.3 of this Act.

All applications submitted to the Management Office shall be assigned an individual identification number, to which the proponent or interested person shall make reference in all documents, letters, and requests for information regarding such application. This number shall include the number of the municipality, as per the Municipal Revenues Collection Center (cadastre).

Section 8.4.—**Evaluation of Permit Applications, Recommendations, and Site consultations by the Management Office**.—

At submittal, applications shall be accompanied by a plan with a building lot in digital format so as to illustrate the geographical location by using the methodology selected by the Management Office, in compliance with the applicable laws and the Joint Permit Regulation. When the Management Office determines that the submitted application is complete and validated, such application shall be referred for the corresponding evaluation by Permit Managers and the Environmental Compliance Evaluation Division Director, as may apply. After the corresponding recommendations of the Permit Managers, Environmental Compliance Division Director, Executive Director, the Assistant Executive Director or the Regional Director, as may apply, shall sign and issue the final determination of the Management Office in ministerial-matter cases. He/She shall,

in turn, be empowered to adjudicate, after evaluation by the Permit Manager, building variance applications, when the use is consistent with those allowed in the district, pursuant to such procedure as the Joint Permit Regulation may establish. In ministerial cases, the Executive Director shall issue, by means of subrogation, in those cases in which a Permit Manager and the Environmental Compliance Division Director arbitrarily and capriciously refuses to evaluate or when the applicable term for them to make an evaluation so as to issue a recommendation has elapsed or when they delay their evaluation and their corresponding recommendation or determination without just cause. Furthermore, they shall forward discretionary matters to the Adjudicatory Board for its evaluation and determination, together with the recommendations issued by Permit Managers and the Environmental Compliance Division Director.

Permit Managers and the Environmental Compliance Division Director shall give priority to and expedite the evaluation of Green and PyMES Permits applications. Permit Managers and the Environmental Compliance Division Director shall evaluate the project per the criteria for the proper evaluation applicable to Green Permits and PyMES, to be established in the Joint Permit Regulation. Health and Safety as well as Constructability Managers may all issue environmental health and fire prevention certifications and final determinations for permits for small and medium-sized businesses (PyMES).

This transaction shall be conducted within such timeframe and procedure as established in the Joint Permit Regulation. Any parties adversely affected by final determinations issued by the Management Office may request the review of such determination before the Reviewing Board, pursuant to the procedure set forth in this Act. Any person who so wishes may use the services of an Authorized Professional to obtain such permits as Authorized Professionals are able to evaluate and issue under Chapter VII of this Act.

In cases in which a direct or indirect requalification is being requested, the Management Office shall request recommendations from Municipalities and the Planning Board or the Environmental Quality Board, as may apply, as part of the evaluation process for the permit for which an application was submitted. Whenever the Management Office may require recommendations from Municipalities, the Planning Board or the Environmental Quality Board as part of the evaluation process for the permit for which an application was submitted, the Planning Board, the Environmental Quality Board or the Municipality shall issue its recommendations within thirty (30) days, to be counted as of the date of notice of such request for recommendations. If such recommendations should not be submitted within such thirty-day term, the Management Office shall serve an Order to Do on the Municipality, the Planning Board or the Environmental Quality Board to request that recommendations be issued within a term of fifteen (15) days, as per the procedure established in the Joint Permit Regulation. If the Municipality, the Planning Board or the Environmental Quality Board should fail to issue any recommendations within such term, it shall be understood that it has no recommendations.

Section 8.5.—**Environmental Compliance Assessment**.—

The environmental planning process is an informal process *sui generis*, exempted from the application of the Uniform Administrative Procedures Act. The Executive Director of the Management Office or the Adjudicatory Board, as may correspond, shall make such environmental compliance assessment as required under the provisions of Section 4(B)(3) of Act No. 416 of September 22, 2004, as amended, and such regulation as the Environmental Quality Board may approve for purposes of this Section and this Act on the matter of: (a) actions taken in connection with the final determinations requested from such Board pursuant to

this Act, and (b) any action subject to compliance under the provisions of Section 4(B)(3) of Act No. 416 of September 22, 2004, as amended.

The Permit Management Office shall serve the function of proponent agency in connection with the environmental planning process, except in those cases in which Autonomous Municipalities with I to V granted hierarchy have been conferred such authority as a consequence of the transference agreement established under Act No. 81 of August 30, 1991, as amended, known as the "Puerto Rico Autonomous Municipalities Act."

The Permit Management Office shall direct the process to evaluate the environmental document through the Environmental Compliance Evaluation Division. In cases in which the Permit Management Office is the proponent agency, the environmental planning process to be followed shall be: when the permit application is ministerial in nature, and the document submitted is an Environmental Assessment together with an Finding of No Significant Impact, the Environmental Compliance Evaluation Division shall evaluate the Environmental Assessment and issue its recommendations to the Executive Director, who shall assess environmental compliance and also issue the final determination in connection with the proposed action. In cases in which the environmental document submitted is an Environmental Impact Statement (EIS), the Environmental Compliance Evaluation Division shall evaluate such EIS and send its recommendations to the Executive Director, who shall send to the Adjudicatory Board the recommendations issued by the Environmental Compliance Evaluation Division, in order for such Board to assess environmental compliance and also issue a final determination in connection with the application.

When the application is discretionary in nature, and the environmental document is an Environmental Assessment or an Environmental Impact Statement, such application shall be evaluated by the Environmental Compliance Evaluation

Division, which shall issue its recommendations to the Executive Director. The Executive Director shall send to the Adjudicatory Board the recommendations issued by the Environmental Compliance Evaluation Division, in order for such Board to assess environmental compliance and also issue a final determination in connection with the application.

However, when an Autonomous Municipality is the proponent agency, the environmental planning process to be followed shall be: the Autonomous Municipality shall submit to the Permit Management Office the environmental document, be it an Environmental Assessment or an Environmental Impact Statement, which shall be evaluated by the Environmental Compliance Evaluation Division. When the application is ministerial in nature, the Environmental Compliance Evaluation Division shall send its recommendations to the Executive Director, who shall assess environmental compliance and issue his/her determination to the Autonomous Municipality, which shall adjudicate the final determination in connection with the permit requested. When the application is discretionary in nature, the Environmental Compliance Evaluation Division shall submit its recommendations to the Executive Director. The Executive Director shall refer such recommendations to the Adjudicatory Board, in order for such Board to assess environmental compliance and to issue its determination to the Autonomous Municipality, which shall adjudicate the final determination in connection with the permit requested.

When the permit application is ministerial in nature and the proposed action is a categorical exclusion for purposes of the environmental planning process, the applicant for the permit shall certify in writing that the action proposed qualifies as a categorical exclusion, so that the Permit Management Office, through its Executive Director and/or Authorized Professionals, may be able to issue an Environmental Compliance Assessment under categorical exclusion automatically,

which shall be incorporated into the administrative record and constitute a component of the final determination of the Proponent Agency or the Autonomous Municipality in connection with the proposed action.

The Concerned Government Entities may serve the function of proponent agencies when the Management Office is not empowered to issue final determinations under this Act. The Concerned Government Entities shall follow the same environmental planning process as that established for Autonomous Municipalities.

The environmental compliance assessment shall not be deemed to be a reviewable decision that is final or independent or separate in nature, but rather, it shall be a component of the final determination in connection with the permit requested. The general public may comment on Environmental Impact Statements during the environmental planning process, by means of public hearings, as may apply, which proceedings shall be conducted as established by the Environmental Quality Board by Regulation. Furthermore, the environmental compliance assessment may be reviewed together with the final determination, as established in Chapter XII.

In cases in which the environmental compliance assessment requested from the Permit Management Office is not connected with the permits such Office issues under its provisions or any other action covered by law, the determination of the Permit Management Office in connection with such issue shall not be final in nature, and the same shall be a component of the final determination of the department, agency, municipality, public corporation or instrumentality of the Government of Puerto Rico or political subdivision, as may apply, concerning the proposed action and reviewable together with such final determination.

In cases in which the only action required is the issue or modification of a permit that is not subject to the provisions of this Act and falls under the sole

jurisdiction of the Environmental Quality Board, it shall not be necessary for the Environmental Compliance Evaluation Division to conduct an environmental impact assessment of the proposed action.

In cases in which the proposed action contemplates projects whose operation is governed by the Environmental Quality Board, the Management Office shall require that the Environmental Quality Board issue a recommendation regarding the environmental document submitted for such project. Such recommendations shall be submitted within thirty (30) days, to be counted as of the date of notice of the request for recommendations. If such recommendations should not be submitted within the above term, the Permit Management Office may serve an Order to Do on the Environmental Quality Board, to request that such Board issue its recommendations within a term of fifteen (15) days. If the Environmental Quality Board fails to issue its recommendations after the Permit Management Office has served its Order to Do, it shall then be understood that such Board has no recommendations.

The Permit Management Office, the Autonomous Municipalities, the Environmental Quality Board, and the Authorized Professionals shall evaluate environmental feasibility by means of a categorical exclusion for Green and PyMES Permits. The procedures for establishing environmental feasibility and for granting Green and PyMES Permits shall be set forth in the Joint Permit Regulation.

The Environmental Quality Board shall draft and adopt, with the approval of the Governor, a regulation to govern the evaluation and transaction of categorical exclusions by its own agency, the Permit Management Office, the Autonomous Municipalities, and the Authorized Professionals. Furthermore, such regulation shall set forth the requirements for the Environmental Compliance Evaluation Division of the Permit Management Office, as applicable, to evaluate and transact

environmental documents after considering any comments submitted by the Planning Board. Any individual or professional who: (a) prepares the environmental document or (b) fills out a form to claim a categorical exclusion shall certify under oath, subject to penalties imposed under this Act and any other Commonwealth or Federal laws, that the information contained therein is true, correct, and complete.

Section 8.6.—**Participation in the Process to Evaluate Permit Applications or in Requalification and Use Variance Proceedings**.—

The Joint Permit Regulation shall establish the mechanisms whereby persons other than the applicant may participate in the process to evaluate final determinations pursuant to the provisions of Chapter XV of this Act. As for requalification and use variance proceedings, the Joint Permit Regulation shall provide for the holding of public hearings.

Section 8.7.—**Findings of Fact and Conclusions of Law**.—

In discretionary applications, the Permit Management Office shall issue all its final determinations in writing and shall include and state therein, separately, the findings of fact and conclusions of law which constitute the grounds for its determination. In ministerial applications, the Permit Management Office shall issue its final determinations in writing and include a detailed explanation on the grounds for its determination. The final determination shall apprise of the right to request a review and state the corresponding terms to request such review. After complying with this requirement, such terms shall begin to run their course. As for final determinations, final determinations in connection with the land requalification process shall contain: (a) a brief account of the grounds and justifications for the decision to approve such requalification; (b) a clear apprisal of the right to request a judicial review and the term available therefor; and (c) a clear apprisal of the date of effectiveness of such requalification.

Section 8.8.—**Notice**.—

The Permit Management Office, the Autonomous Municipalities with I to V granted hierarchy, and the Authorized Professionals shall give notice by sending a copy of all final determinations, in compliance with the applicable regulations. Furthermore, they shall give notice by sending a copy of such determinations and the permits to the Office of the Chief Permit Inspector and the Concerned Government Entities, as may apply, within a term of two (2) business days as of its date of issue. Final determinations shall be accompanied with an electronic copy of all plans submitted for the granting of such determinations, as well as any other document as the Office of the Chief Permit Inspector may deem necessary. The date of such notice, whenever applicable, shall be certified on the text of the final determination and shall be deemed to be the date of record of the final determination in question for reviewing purposes. As for requalifications, the Management Office shall give notice to the Planning Board or the Municipality, as may apply, of its final determination, so that the latter may make the approved change on the corresponding qualification plan.

Section 8.9.—**Effective Date of Final Determinations and Permits**.—

Final determinations issued by the Permit Management Office, the Autonomous Municipalities with I to V granted hierarchy or an Authorized Professional shall take effect as of the date on which the issue of the notice is certified, pursuant to the provisions of Section 8.8 of this Act.

Section 8.10.—**Effectiveness of Final Determinations or Permits**.—

The term during which any final determinations or permits granted by the Management Office, an Autonomous Municipality with I to V granted hierarchy or the Authorized Professionals, shall be effective under this Act, shall be the term established to such effect in the Joint Permit Regulation or the Ordination Regulation, as may correspond.

Section 8.11.—**Terms for the Evaluation and Issuance of Final Determinations or Permits**.—

The Joint Permit Regulation shall establish the term within which the Permit Management Office or Authorized Professionals shall evaluate in order to issue a final determination. However, final determinations on applications for permits for soil use projects pursuant to those established in the applicable regulations shall be evaluated and issued or denied within a maximum term of ninety (90) days, to be counted as of the date on which the application was submitted, except in the case of projects, which, owing to their nature or intensity, require a special or particular location to address special situations such as heavy industrial projects such as quarries, transshipment or final solid waste disposal stations or any other special projects, as specifically established by regulations. The Executive Director may extend such term for an additional term of thirty (30) days under special circumstances. The terms established pursuant to the provisions of this Section shall be mandatory.

The term to issue a Green Permit and PyMES Permit shall not exceed sixty (60) days. The procedure to be followed for the proper evaluation and granting of a Green Permit and PyMES Permit shall be established in the Joint Regulations.

Section 8.12.—**Public Nature of Documents**.—

Documents submitted according to Sections 8.3, 8.4, and 8.5 of this Act before the Permit Management Office shall be deemed to be public documents pursuant to Act No. 5 of December 8, 1955, as amended, known as the "Public Documents Administration Act," for at least twenty (20) years, to be counted as of the granting or denial of the final determination or permit.

Section 8.13.— **Performance Bonds**.—

The Permit Management Office, the Autonomous Municipality with I to V granted hierarchy, or the Authorized Professional may require as a condition to

issue a building or use permit to be developed in stages, the posting of a performance bond to guarantee completion of the facilities, services, and fixtures required, pursuant to the provisions of the Joint Permit Regulation or the Ordination Regulation, as the case may be.

Section 8.14.—**Impact Fees**.—

As part of the issue of a final determination, the Permit Management Office or the Autonomous Municipality with I to V granted hierarchy shall impose, pursuant to the provisions of the Joint Permit Regulation or the Ordination Regulation, as may correspond, such fees on account of exaction impact that may apply to a project and direct that the applicant pay such fees in favor of the corresponding government entity concerned by using the means of payment set forth by regulation, by the Management Office, and under this Act. Any projects that get a green design certification shall be exempted from the payment of impact fees. The exaction percentage applicable to such projects shall be that which is determined via the Joint Permit Regulation.

The Joint Permit Regulation shall provide that, in cases in which the improvements required from an applicant exceed the impact fee that applies to the project, the concerned government entity shall give the applicant a credit which may be applied to any other fee charged to him/her by the concerned government entity in connection with the project, except for charges on consumption. The said credit may also be: (a) transferred by the applicant onto other projects belonging to him/her, for which the payment of impact fees to the concerned government entity is required; (b) transferred to third parties who have projects in the area through such procedures as the regulation may establish. The Management Office shall impose a nominal fee on the Concerned Government Entities for transacting the collection of the said charge.

CHAPTER IX

APPLICABLE GENERAL PROVISIONS NECESSARY FOR ISSUING FINAL DETERMINATIONS OR PERMITS

Section 9.1.—**Land Subdivisions**.—

As of the date of effectiveness of the applicable land subdivision regulations drafted by the Management Office for the approval of the Planning Board under the provisions of this Act, any land subdivision or the registration or approval of any land subdivision shall be conducted only when and to the extent that such land subdivision complies with the recommendations arising from the Integrated Development Plan, the Land Use Plans, the Four-Year Investment Program, and such others as may be implemented to that effect. No Property Registrar shall accept with intent to register: (a) any land subdivision plan that has not received the final approval of the Permit Management Office, the Planning Board or the Autonomous Municipality, as may apply; or (b) any transfer, agreement to transfer any plot of land, or any interest therein, within a land subdivision, unless a final or preliminary plan approved by the Permit Management Office has been registered.

The execution of any public deed or private agreement for land subdivision shall be held to be invalid and ineffectual if the said land subdivision has not been previously submitted for the consideration of the Permit Management Office and the said Office has not approved the same, except in those cases in which the applicable regulations so allow. All final land subdivision plans shall include the description of the plots of land constituted by the land subdivision, and a description of the remainder. All final land subdivision plans approved under the provisions of this Act and any applicable regulation shall be recorded into the Land Subdivision Plan Register of the Property Registry at the district or districts where the plots of land are located, pursuant to the regulations approved by the Secretary of Justice to that effect.

1. Leasing a portion of a parcel for the sole purpose of building, installing, and operating a telecommunications tower under Act No. 89 of June 6, 2000, as amended, or an advertisement and/or bill board under Act No. 355 of December 22, 1999, as amended, shall not be deemed to be a land subdivision for the purposes of this Act. The Permit Management Office shall give notice to the Municipal Revenues Collection Center of the approval of any land subdivision and transmit its respective plan, so that the said Center may update its registries and conduct any legal procedures or transactions as may correspond under the law. Any land subdivision approval and its respective plan shall be entered by the pertinent entity in charge of the corresponding georeferencing information system.

Section 9.2.—**Urban Developments under Waiver**.—

The Permit Management Office shall adopt, as part of the Joint Regulation, provisions to regulate the evaluation and granting of permits for urban developments under waiver, as these are defined in Section 1.5 of this Act, and to evaluate and grant the authorizations for such urban developments. When adopting such regulatory provisions and considering land subdivisions for urban developments under waiver, the Management Office shall abide by the Puerto Rico Integrated Development Plan, the Four-Year Investment Program, and the Land Use Plans without impairment to the provisions in competency delegation and hierarchy transfer agreements.

Section 9.3.—**Special Cases**.—

When factors such as public health and safety, law enforcement, public improvements, environmental or archeological conditions render the approval of a ministerial project undesirable, the Adjudicatory Board and the Autonomous Municipalities with I to V granted hierarchy may, as the case may be, in protecting public interest and taking into account such factors and the recommendations of

any government entity, deny the authorization for such project. The Adjudicatory Board and the Autonomous Municipalities with I to V granted hierarchy, as the case may be, may deny such application insofar as unfavorable conditions of the project exist even if the project in question is comprised within those allowed for the area pursuant to the Planning Regulations in effect. In exercising such power, the Adjudicatory Board and the Autonomous Municipalities with I to V granted hierarchy, as the case may be, shall take the necessary steps so as to prevent the same from being used for the purpose of hindering the issue of the pertinent permit or disregarding the regulatory provisions in effect, in cases where there are no truly special circumstances.

Section 9.4.—**Approval of Safe Plans**.—

The Permit Management Office and the Autonomous Municipalities with I to V granted hierarchy, as the case may be, shall pre-approve construction plans, which shall be known as "Safe Plans." Those applicants who use "Safe Plans" shall have a pre-approval by the Permit Management Office, only for constructability purposes while the corresponding permit for the construction of the work is processed. The Permit Management Office and the Autonomous Municipalities with I to V granted hierarchy shall keep a Safe Plans Registry, which shall be available to the public. The Permit Management Office and the Autonomous Municipalities with I to V granted hierarchy shall establish through regulation the procedure whereby government entities or persons may submit plans to be pre-approved as Safe Plans for the consideration of the Permit Management Office or the Autonomous Municipalities with I to V granted hierarchy, as the case may be. Any government agency, public corporation or instrumentality of the Government of Puerto Rico, which by provisions of law, must furnish construction plans free of charge to certain persons, shall submit such plans before the Management Office for the approval thereof as Safe Plans.

Section 9.5.—**Estimated Cost**.—

The Permit Management Office shall establish, through resolution or administrative order, the publication or standard for the construction industry which shall be used for computing the estimated cost of works. Such publication or guideline shall be reviewed periodically, every five (5) years, in order to update and include new construction work modalities in the same.

Section 9.6.—**Nature of Use Permits**.—

For the purposes of this Act, Use Permits are "*in rem*" in nature. In no case shall the issuance of a new use permit shall be required, provided that the authorized, permitted or legal non-conforming use continues to be the same and is not interrupted for more than two (2) years. Housing Use Permits shall not have an expiration date. As to non-residential uses, in the event there is a change in the name, owner or successor, the Management Office shall transfer, not later than the third work day after the corresponding application to transfer the use permit is submitted, to the new owner or successor, provided that the authorized use for the property or establishment continues to be the same and the sanitary license and fire prevention inspection certificate are in effect. The Management Office shall notify the agencies and/or municipalities concerned on the transfer of the authorizations described above for them to take any actions that may proceed. The authorizations that are transferred pursuant to this Section shall have the same term and date of effectiveness as the original, whenever applies.

No agency, municipality or instrumentality of the Government of Puerto Rico may establish requirements or deny services in contravention with the provisions of this Section and this Act. Any building used for non-residential purposes shall place conspicuously the use permit, which shall be printed an Authorized Professional, the Autonomous Municipality with I to V granted hierarchy or the Management Office in the specific format established through

regulations by the Management Office. The Management Office shall issue temporary use permits to conduct a short-term activity, which shall be established through regulations. The effectiveness of the temporary use permit may not exceed a non extendable period of six (6) months and the granting thereof shall not constitute the approval of a use variance. The "provisional permit" concept is neither allowed nor contemplated in this Act, and is contrary to the planning concepts and purposes, for which reason no provisional permits shall be issued. The issuance of a provisional permit shall entail the imposition of a fine, as provided in Section 17.1 of this Act.

Section 9.7.—**Transfer of Building Permits**.—

In the event there is a change in the name of an entity or owner of a property, the Permit Management Office shall transfer, not later than the third work day after the corresponding application is submitted to transfer to the new owner or entity any permits issued by the Management Office or the Autonomous Municipality with I to V granted hierarchy or an Authorized Professional pursuant to the provisions of this Act, to carry out a work or activity authorized to the entity or owner of the property. In order to carry out this transfer, there shall suffice to submit the forms required and the payment of the corresponding fees to the Permit Management Office, as established by regulations. The Permit Management Office shall notify the concerned agencies and/or municipalities on the transfer of the authorizations described above for them to take any actions that may proceed under the law.

Section 9.8.—**Notice to Neighbors.—**

Except for ministerial permits which do not entail any kind of variance, the applicant shall notify the submittal of the permit application to adjoining neighbors of the property where the action is proposed and the term within which the applicant shall present evidence to the Permit Management Office of having given

such notice, which shall be established through regulations. Such notice shall be made by mail with return receipt requested and/or by any other mechanism to be determined by regulation in those cases where the applicant does not have access to the mailing address of the adjoining neighbor.

Section 9.9.—**Application Submittal or Activity Commencement Sign**.—

Once an application is submitted to the Permit Management Office, the Autonomous Municipality with I to V granted hierarchy or the Authorized Professional, the owner of the work shall place a sign in the main entrance of the property where the work is to be performed. Said sign shall be installed within two (2) days after having submitted the permit application by electronic means or alternate means as determined by the Management Office by regulations, as provided in Section 8.3. Ministerial use permit applications and issuance that do not entail any kind of variance shall be excluded from this requirement.

The owner of the work shall place a sign on the property in which the authorized activity is proposed at least five (5) days before the commencement thereof and such sign shall remain in said place until the authorized activity is concluded. If this requirement is not complied with, the construction, reconstruction, alteration, demolition or transfer of a building in Puerto Rico may not be performed.

Once the required sign is placed, the owner of the property shall attest by means of a sworn statement to the fact that such sign was placed pursuant to the provisions of this Section and present such evidence within three (3) days after the sign has been placed.

The requirements of the sign and the information it shall bear shall be established through the regulation adopted by the Permit Management Office.

Section 9.10.—**Accuracy of Permits**.—

The accuracy and legality of the final determinations and permits issued by the Permit Management Office, the Autonomous Municipalities with I to V granted hierarchy and the Authorized Professionals shall be presumed. However, if there is fraud, deceit, deception, extortion, bribery or the commission of any crime in granting or denying a final determination or permit, or in such cases in which the structure poses a risk to the health or safety or to environmental and/or archeological conditions, the final determination so issued and the permit granted by the Permit Management Office, the Autonomous Municipality with I to V granted hierarchy or the Authorized Professional may only be revoked by the Court. The structure may be modified, kept, or demolished only after a competent Court so determines by following the judicial procedure established in Chapter XIV of this Act, while complying with the due process of law.

Furthermore, it is hereby provided that under no circumstances shall a final determination be suspended, without a judicial authorization or mandate issued by a competent Court or the corresponding forum, in strict compliance with the due process of law. The provisions of this Section shall not set a precedent to be claimed by third parties that have no rights over the property for which the permit is issued. Being it understood that, subject to the provisions of this Act, a final determination shall be deemed to be a final and binding permit and may not be challenged once the applicant has met all the requirements established in the final determination notice and the twenty (20)-day term for a party adversely affected by such notice to file a recourse for review or administrative review procedure and the thirty (30)-day term to request judicial review have elapsed. In the particular case of site consultation, a final determination shall not be deemed to be a permit. However, any party adversely affected by a final determination, including site consultation, may request review under the provisions of Chapter XII.

Likewise, the accuracy and legality of such permits shall be defended by the Government Agencies Concerned against attacks from third parties. If there is fraud, deceit, deception, extortion, bribery or the commission of any crime in granting a permit, or in such cases in which the structure poses a risk to health or safety, environmental and/or archeological conditions, and subject to the provisions of this Act, the permit granted by the Permit Management Office, the Autonomous Municipality with I to V granted hierarchy or an Authorized Professional may be revoked by judicial means and the work may be modified, preserved or demolished according to the ruling of the judge.

Section 9.11.—**Exempted Construction Works**.—

The Joint Regulations shall establish those repairs and constructions that shall be deemed exempted construction works that may be carried out without the need of requesting a building permit. However, a building permit shall be required when the construction works are to be performed in Historic and Old Sites and Zones so declared by the Planning Board, the Institute of Puerto Rican Culture, and the Legislature or in other special areas as established by regulations or resolution. All these, without curtailing the powers of the Autonomous Municipalities with I to V granted hierarchy.

Section 9.12.—**Utility Permits and Service**.—

As of the effective date of this Act:

a. Any use, construction, reconstruction, alteration, demolition, transfer of buildings in Puerto Rico, installation of facilities, subdivision, development, urbanization of lands, shall be previously approved and authorized by the Permit Management Office, the Autonomous Municipality with I to V granted hierarchy or an Authorized Professional, as applicable, in compliance with the applicable legal provisions.

b. Use permits shall not be issued if the proposed use does not comply with the applicable laws and regulations, except for use permits with variance.

c. The service of utilities by public officials, public corporations, government bodies or private entities, including the issuance of municipal or state permits and licenses, for the construction, structural alteration, extension, transfer or use of buildings, installation of facilities or demolition, requires the presentation by the interested party of a permit for using or building, remodeling, altering the structure, extending, installing facilities, transferring, using or demolishing a building, as applicable, issued by the Permit Management Office, an Authorized Professional or an Autonomous Municipality with I to V granted hierarchy, as applicable. A request for a service other than that authorized for the property shall be processed by public officials, public corporations, government bodies or private entities when the subscriber presents the use permit authorizing the change in use. If any of these public corporations should learn that a utility is being used for a purpose other than originally authorized, such agency shall change the rate of the service rendered and simultaneously notify the Office of the Chief Permit Inspector for it to carry out the corresponding investigation; provided that a change in rate shall not be construed as to render a change in use legal.

CHAPTER X

OFFICE OF THE CHIEF PERMIT INSPECTOR

Section 10.1.—**Creation of the Office of the Chief Permit Inspector**.—

The Office of the Chief Permit Inspector is hereby created as an independent body within the Executive Branch with the oversight powers vested upon it by this Act and the regulations adopted thereunder.

Section 10.2.—**Direction and Supervision**.—

The Office of the Chief Permit Inspector shall be directed by the Chief Permit Inspector, who shall be appointed by the Governor with the advice and consent of the Legislature, for a term of ten (10) years to be counted as of his/her appointment. The person appointed to hold office as Chief Permit Inspector shall be renowned for his/her capability, knowledge, and experience in the planning and permit processing fields for not less than ten (10) years. Furthermore, he/she must have been residing in Puerto Rico for at least five (5) years immediately preceding the date of his/her appointment. The Governor may declare the office of Chief Permit Inspector vacant due to a mental or physical disability that precludes the appointee from carrying out the duties of the office, to negligence in carrying out his/her duties or omission in complying with his/her duties, or to his/her conviction for any kind of offense. When the office of Chief Permit Inspector is permanently vacant, before the appointment term expires, a successor shall be appointed for the remainder of the appointment term of his/her predecessor. The compensation of the office of Chief Permit Inspector shall be fixed by the Governor taking into account the compensation established for the Secretaries of the Departments of the Executive Branch.

Section 10.3.—**Authorities, Duties, and Functions of the Inspector and/or the Office of the Chief Permit Inspector**.—

The general authorities, duties, and functions of the Chief Permit Inspector and the Office of the Chief Permit Inspector shall be the following, in addition to any other vested upon them by this Act and any other law:

a. To discharge the functions, duties, and responsibilities imposed under this Act or any other law, insofar as these are not incompatible with the provisions of this Act;

b. To sue and assume the legal representation of the Office of the Chief Permit Inspector when the said Office is sued;
c. To adopt an official seal of the Office of the Chief Permit Inspector, of which judicial notice shall be taken, to authenticate all documents which such Office is required to issue under this Act;
d. To act as the administrator of the Office of the Chief Permit Inspector, establish its internal organization, appoint assistant officials, and plan, direct, and supervise the operations of the said Office so as to ascertain compliance with the purposes of this Act, and in compliance with the provisions of Section 10.4 of this Act;
e. To appoint officials and employees for the Office of the Chief Permit Inspector, who shall have the technical capability and the experience required to achieve the purposes of this Act. The Office of the Chief Permit Inspector shall be an Individual Administrator and its personnel shall be governed by the provisions of Act No. 184 of August 3, 2004, as amended, known as the "Public Service Human Resources Administration Act of the Commonwealth of Puerto Rico";
f. To establish the entire organizational structure as necessary for the proper operation of the Office of the Chief Permit Inspector;
g. To appoint and hire the services of officials, agents, employees, and professional and technical staff and provide them with such powers and duties and to pay them such compensation as corresponds for their services;
h. To fix and authorize the payment of per diems and expense reimbursements to his/her officials, employees, and agents;
i. To adopt a job classification and compensation plan;

j. To solicit other government agencies for staff that can be transferred to work for the Office of the Chief Permit Inspector;

k. By agreement, he/she may use any resources available within other public agencies and instrumentalities, such as the use of information, offices, accounting, finances, human resources, legal affairs, staff, equipment, material, and other assistance;

l. To procure services, through contracts, from professional, technical or highly specialized staff or other as necessary for the Office of the Chief Permit Inspector to comply with the provisions of this Act;

m. To represent the Office of the Chief Permit Inspector in functions and activities as required;

n. To acquire, lease, sell or otherwise dispose of property as necessary to fulfill the purposes of this Act, in compliance with any applicable laws or regulations;

o. To execute contracts and any other instruments as necessary to discharge the authorities conferred under this Act;

p. To accept and receive any donations or funds on account of appropriations, advances or any other kind of assistance or benefit when these are provided by government bodies or nonprofit institutions, subject to the provisions of Act No. 12 of July 24, 1985, as amended, known as the "Ethics in Government Act of the Commonwealth of Puerto Rico," any regulations thereunder, and other applicable laws, as the specific circumstances dictate;

q. To require and accept gifts, donations or monetary or other contributions to procure facilities or other works for the development and most appropriate land use, and authorize the transfer of such facilities or works to the Puerto Rico Government entity concerned regarding such facilities

or works, subject to the provisions of Act No. 12 of July 24, 1985, as amended, known as the "Ethics in Government Act of the Commonwealth of Puerto Rico," any regulations drafted by the Management Office;

r. To prepare and keep digitized administrative records, on matters before the consideration of the Office of the Chief Permit Inspector, which records shall be available for public inspection at the Office of the Chief Permit Inspector, during regular business hours;

s. To investigate and process, if deemed advisable, any referrals from Concerned Government Entities regarding any allegedly breaches in compliance with the legal provisions of the Management Office or Authorized Professionals when granting permits, found during permit compliance oversight procedures under the jurisdiction of the Concerned Government Entities;

t. To appear as an indispensable party in any cases before the corresponding forum;

u. To appear as an indispensable party, as Public Interest Representative, in any proceeding in which a final determination of the Management Office or an Authorized Professional is challenged before the corresponding forum; or in such appearance, the Chief Permit Inspector shall present of all causes for action or shall be otherwise deemed waived;

v. To request the revocation of a final determination or stay of a construction work or use to the Court of First Instance, whenever after the corresponding administrative investigation, it is found that said final determination was obtained in violation of the applicable laws or regulations or whenever a final determination is lawfully obtained, but there is evidence of noncompliance with the laws and regulation during

their execution or operation; provided, that the Chief Permit Inspector follows the procedures set forth in Chapter XIV of this Act;

w. To direct the correction of rectifiable errors, as these may be defined by regulations, contained in final determinations and permits issued by the Management Office or an Authorized Professional;

x. To furnish any information required by the Planning Board and assist such entity in the oversight of final determinations, recommendations, and any other matters inherent thereto, by virtue of the provisions of this Act and any other applicable laws and regulations, including the administration of land ordination powers of the municipalities.

y. To oversee compliance by Permit Managers and Service Representatives with the terms established by this Act and the applicable regulations in the evaluation, approval or denial of a final determination;

z. To stay a work or use permit: to request the Court of First Instance to stay a construction work when, after the corresponding administrative investigation, the Chief Permit Inspector finds that such final and binding determination or permit was obtained in violation of the applicable laws or regulations or when a final and binding determination or permit was lawfully obtained, but there is evidence of noncompliance with the laws and regulations during execution or operation; provided, that the Chief Permit Inspector follows the procedures set forth in Chapter XIV of this Act. In the event that there is a serious, imminent and immediate risk of harm to the health or safety of persons or the environment, that could not be otherwise prevented but by taking immediate action, the Concerned Government Entities or the Office of the Chief Permit Inspector, as applicable, may employ the mechanism to request a provisional stay order as established in Section 14.3 of this Act;

aa. To cease and desist absent a building or use permit: when, after the corresponding administrative investigation, the Chief Permit Inspector finds that the owner of a construction work has failed to obtain a building permit before commencing the construction work, has failed to obtain a use permit before commencing to use the work, the Chief Permit Inspector shall be empowered to issue an automatic cease and desist order to stay the construction work;

bb. To issue orders to show cause, to do or to forbear;

cc. To enter into agreements with the Concerned Government Entities to provide training and skill-building to Authorized Professionals and Authorized Inspectors;

dd. To draft skill-building guidelines for Authorized Professionals and Authorized Inspectors, which shall include green-design guidelines and PyMES permits. These guidelines shall be adopted under the Joint Regulation.

ee. To file complaints *motu proprio* when its audits reveal violations of the provisions of this Act or the regulations adopted thereunder;

ff. To investigate and process any complaints in connection with compliance oversight referred by the Concerned Government Entities or the Autonomous Municipalities with I to V granted hierarchy.

The Chief Permit Inspector may delegate in the officials under his/her charge, pursuant to the provisions of the applicable laws and regulations, any function or authority vested upon him/her by this Act, except the authorities conferred under subsections (e), (g), (k), (j), (l), (n), (o), (p), (q), (v), and (x) of this Section and Sections 10.9 and 10.14 of this Act.

Section 10.4.—**Requisite Operating Divisions or Components**.—

The organizational structure of the Office of the Chief Permit Inspector shall have, at least, the following operating divisions or components:

a. An office of the Clerk;
b. Compliance and Oversight;
c. Complaints and Fines;
d. Final Determination Audit; and
e. Authorized Professional Regulation.

Section 10.5.—**Authorized Professional and Authorized Inspector Registry and Permit Registry**.—

The Chief Permit Inspector shall establish the Authorized Professional and Authorized Inspector Registry and the Permit Registry in compliance with any applicable law or regulation.

Section 10.6.—**Rulemaking Authority**.—

In order to discharge the duties and authorities imposed by this Act, the Office of the Chief Permit Inspector is hereby empowered, pursuant to the provisions relative to the rulemaking procedure established in the Uniform Administrative Procedures Act, to adopt, amend, and repeal:

a. Bylaws that dictate the structure of the Office of the Chief Permit Inspector, including emergency regulations;
b. Regulations to establish a procedure for filing complaints *motu proprio* or by petition of a party against Authorized Professionals and establish the disciplinary measures and administrative fines that it may impose for violations of the regulations and all other obligations imposed by this Act on Authorized Professionals, which shall include, among other penalties, debarring Authorized Professionals from certifying or signing any permit whatsoever.

c. Regulations to establish the minimum requirements to be met by those persons who wish to obtain an authorization to discharge functions as an Authorized Professional or Authorized Inspector, including without it being limited to, education, professional experience, skill-building courses, continuing education, examinations, professional liability insurance, service costs, and bond posting. Said regulations shall establish that no Authorized Professional may issue a final determination, permit or license for a project in which he/she has participated in any of its phases, specialization or issue, or has any personal interest therein.

d. Regulations to establish a procedure to summarily debar an Authorized Professional or an Authorized Inspector from filing applications and documents with the Permit Management Office or issue final determinations, environmental health or fire prevention certifications, licenses or inspection certifications, as applicable. Furthermore, said regulations shall include the procedure to summarily debar such Authorized Professional or Authorized Inspector after finding that he/she has failed to comply with the provisions of this Act or Act No. 135 of June 15, 1967, as amended, taking into account the seriousness of the violation, the financial benefit obtained from said violation, and the risk posed or harm caused to the health or safety as a result of said violation;

e. Regulations to establish a procedure for filing complaints *motu proprio* as a result of his/her audits or by petition of a party for violations of the provisions of this Act or the regulations adopted thereunder;

f. Regulations to establish a procedure to govern audits of final determinations issued pursuant to the provisions of this Act and the regulations adopted in compliance with its provisions; and

g. Regulations to establish a procedure to fix and collect the corresponding fees for any requested copies of publications, studies, reports, and any document public in nature.

Section 10.7.—**Final Determination Audits**.—

The Chief Permit Inspector shall audit the final determinations and permits issued by Authorized Professionals and the Permit Management Office within a period not greater than three (3) months to be counted as of the date of notice of such final determinations and permits. During the first three (3) years of operations of the Permit Management Office, to be counted as of the date of effectiveness of this Act, the Chief Permit Inspector shall audit at least fifty percent (50%) of the final determinations and permits issued by Authorized Professionals, twenty percent (20%) of the final determinations and permits issued by the Management Office, and ten percent (10%) of the certifications issued by Authorized Inspectors pursuant to the provisions of this Act and the regulations adopted thereunder. Once the three (3)-year term concludes, the Chief Permit Inspector shall annually audit at least ten percent (10%) of the permits and final determinations issued by the Management Office, at least twenty-five percent (25%) of the permits and final determinations issued by Authorized Professionals, and five percent (5%) of the certifications issued by Authorized Inspectors. The Chief Permit Inspector shall determine through regulations a method for the selection of final determinations and permits, which shall be at random, to be object of such audit, and the grounds for such audit.

Except as provided in Section 9.10 of this Act, based on the results of the audit required in this Section, the Inspector may impose fines or initiate any procedure available under this Act to require the stay, legalization, repair or correction of the construction works or any final determination. The Chief Permit Inspector shall give priority to the audit of those cases in which he/she shall appear

pursuant to the provisions of Section 10.3, and may not carry out any other subsequent audit to a final determination related to such cases, except to verify the consistency of the final determination with the permit subsequently issued, as applicable.

Section 10.08.—**Compliance Oversight**.—

The Chief Permit Inspector shall oversee compliance by the Management Office, Authorized Professionals and Authorized Inspectors with all the provisions of this Act relative to any permit issued thereunder and any applicable laws and regulations. To such purposes, he/she shall adjudicate complaints filed *motu proprio* as a result of his/her audit or by petition of a party. In addition, he/she shall impose fines, as established by regulations, while ensuring that under no circumstance shall said fines or complaints be used to make collateral attacks to such final determinations and permits which should have been filed in a timely manner, pursuant to all other provisions of this Act. The provisions of Section 9.10 of this Act shall not hinder any administrative, civil or criminal action against Authorized Professionals, Authorized Inspectors or any person under the provisions of this Act and its regulations or Act No. 135 of June 15, 1967, as amended, and the regulations adopted thereunder.

Section 10.9.—**Authorization to Resort to Special Judicial Recourses**.—

Subject to the provisions of Section 9.10 and Chapter XIV of this Act, the Office of the Chief Permit Inspector is hereby expressly authorized to resort, represented by its own counsels or by private counsel hired to such purposes, to the proper judicial recourse to hinder, prohibit, void, remove, or demolish any construction work, project or structure built, used or maintained in violation of this Act or any of the laws or regulations that regulate the construction and use of buildings and properties in Puerto Rico, through judicial means, as provided in this Act. Likewise, the Office of the Chief Permit Inspector is hereby authorized to

resort to judicial recourses to prevent, limit, and prohibit any unlawful obstacle, intrusion or hindrance of the construction works authorized in accordance with the provisions of this Act.

Furthermore, in order for the necessary preventive or control measures to be taken so as to achieve the purposes of this Act, including, without being limited to, the revocation of final determinations, the regulations adopted under the same, Planning Regulations, and any other applicable law or regulations. In the event that the violation committed or error made is rectifiable, the Chief Permit Inspector shall seek such rectification as part of the compliance action taken prior to ordering the revocation.

Section 10.10.—**Immediate Closing Order**.—

The Chief Permit Inspector shall be empowered to order the immediate closing of a commercial establishment which violates any law or regulation enforced by the Permit Management Office. The Chief Permit Inspector shall determine, through regulations, the procedure to be followed to order the summary closing established herein, as well as the cases in which such summary proceeding shall apply. An immediate closing order issued by the Chief Permit Inspector to a commercial establishment through the procedure established in the Joint Regulation shall be reviewable before the Court of First Instance.

The Office of the Chief Permit Inspector is hereby granted jurisdiction to employ this procedure in Autonomous Municipalities with permit offices or equivalent offices, pursuant to Act No. 81 of August 30, 1991, as amended, known as the "Autonomous Municipalities Act of Puerto Rico," when these so request. The express delegation of functions is hereby authorized in order to achieve the purposes of this Section onto the official designated by the Chief Permit Inspector. Any person who violates a closing order issued by the Office of the Chief Permit Inspector under the provisions of this Section shall be subject to the administrative

fines and penalties set forth in Chapters XIV and XVII, respectively. Any action under this Section shall neither impede nor hinder any other administrative or judicial action against the same persons or property in question.

Section 10.11.—**Inspection**.—

The Office of the Chief Permit Inspector, represented by its duly identified members, advisors, contractors, agents or employees, may enter, access, and examine any property, including but not limited to establishments, sites, equipment, facilities located therein, and documents of any person, entity, firm, agency, business, government corporation or instrumentality under its jurisdiction, in order to inspect or ascertain compliance with applicable laws and regulations. If the owners or holders or their representatives, or officials in charge refuse to allow the entry or examination, the representative of the Office of the Chief Permit Inspector shall make a sworn statement before any judge of the Court of First Instance stating the intention of the Office of the Chief Permit Inspector and requesting an authorization to enter the property.

If the judge deems it pertinent after reviewing the evidence, he/she shall issue an order authorizing any representative of the Office of the Chief Permit Inspector to enter the property described in the sworn statement and directing that the original documents be filed with the Clerk of the Court and such documents shall be deemed to be public. The representative of the Office of the Chief Permit Inspector shall furnish a copy of the sworn statement and the court order to the persons in charge of the property, if any.

Section 10.12.—**Procedure for Suspension of Utility Services**.—

The Office of the Chief Permit Inspector is hereby authorized to issue an order to the corresponding public utility service agencies to require the suspension of their services to any property or structure which violates the provisions of this Act or of any regulations or laws which regulate construction and use of buildings

and properties in Puerto Rico within a term and through the mechanisms established by regulations. The order of the Office of the Chief Permit Inspector shall be reviewable by the Court of First Instance through the procedure set forth in the Joint Regulation. The public corporation, government body or private entity engaged in rendering utility services shall reconnect the suspended service after such party shows, by means of a written communication issued by the Office of the Chief Permit Inspector, that it has stopped the unauthorized use or has reverted to the use for which the permit was intended or has legalized the use of the property, building or structure. The Management Office shall give the highest priority to the evaluation and processing of applications intended in obtaining the necessary certification for having reconnected the above mentioned utility services, which certification shall be issued in or before two (2) days.

Section 10.13.—**Summonses**.—

In compliance with the duties vested upon him/her by this Act, the Chief Permit Inspector shall issue summonses to require the appearance of witnesses, take depositions, and furnish any kind of documentary evidence, except for trade secrets. Furthermore, the Chief Permit Inspector may take oaths. The Chief Permit Inspector may resort to any Part of the Court of First Instance and request the Court to order thorough and specific compliance with the summonses. The Court of First Instance shall give priority to considering and deciding upon such petition and have the authority to issue orders making compulsory the appearance of witnesses or the production of any data or information previously required by the Chief Permit Inspector. The Court of First Instance shall be empowered to hold a person in contempt for failure to comply with such orders. Any person may be prosecuted and convicted for perjury committed when giving testimony before the Chief Permit Inspector.

Section 10.14.—**Collection of Charges, Services, and Fees**.—

The Chief Permit Inspector shall fix and collect, by regulation, charges for: (a) evaluation of applications for Authorized Professional permit issuance or renewal; (b) processing, referral or investigation of complaints by request of a party; (c) copies of publications and any other document public in nature required; and (d) any other processing or service rendered by request of the public in compliance with the provisions of this Act. However, the Chief Permit Inspector or the person onto whom he/she delegates such authority shall furnish copies free of charge to the Office of the Governor, the Department of State, the Legislature, and in his/her discretion, to persons or entities that meet such indigence requirements as established by regulation.

Section 10.15.—**Agreements and Compensation**s.—

The Office of the Chief Permit Inspector may execute agreements with any government body of the Government of Puerto Rico, its municipalities, public corporations, and the Federal Government, for the purpose of obtaining and rendering professional services or of any other kind and of obtaining or providing facilities to achieve the purposes of this Act. Said agreements shall specify the services and facilities to be obtained or provided and any reimbursement or payment for such services or facilities.

Section 10.16.—**Main Office and Additional Offices**.—

The Main Office of the Chief Permit Inspector shall be located in San Juan. If the Chief Permit Inspector deems it necessary to discharge his/her duties and functions under this Act, he/she shall use, in coordination with the Executive Director of the Permit Management Office, work spaces in the regional offices of the Permit Management Office.

Section 10.17.—**Special Fund for the Office of the Chief Permit Inspector**.—

Except as provided in Section 14.4, all charges, fees, administrative or civil fines, penalties or payments received by the Office of the Chief Permit Inspector, as established in this Act, shall be covered into the Special Fund created to such ends by the Secretary of the Department of the Treasury for the purpose of defraying regular operating expenses of the Office of the Chief Permit Inspector.

Section 10.18.—**Budget**.—

The funds necessary to comply with the purposes of this Act for the current fiscal year and subsequent fiscal years shall be annually consigned in the General Expenses Budget Act of the Commonwealth of Puerto Rico. Any moneys received by the Office of the Chief Permit Inspector in discharging its task of implementing the provisions of this Act from sources specified herein and from any other sources, shall be covered into a Special Fund to be created by the Secretary of the Department of the Treasury in favor of the Office of the Chief Permit Inspector.

Section 10.19.— **Procurement**.—

The Office of the Chief Permit Inspector shall be exempted from the application of the provisions of Act No. 164 of July 23, 1974, as amended, known as the "General Services Administration Act." In compliance with the provisions of this Act, the Office of the Chief Permit Inspector shall establish by regulation to such effects, its own system to procure supplies and ancillary services systems, within norms that assure sound fiscal, economy and efficiency.

Section 10.20.—**Research or Investigations**.—

The Office of the Chief Permit Inspector may carry out all kinds of research or investigations on matters affecting the same, and to such purposes, it may require any necessary, pertinent, and essential information to achieve such purposes and approve any necessary and reasonable rules and regulations.

Section 10.21.—**Annual Report**.—

The Chief Permit Inspector shall draft and submit an annual report to the Governor and the Legislature on the operations, addressed claims, and fiscal situation of the Office of the Chief Permit Inspector, together with any recommendations that he/she may deem necessary for the proper operation of the Office. After submitting the first report, the Chief Permit Inspector shall include at the end of his/her annual reports, a summary of the recommendations previously made and a description of the actions taken with respect to such recommendations.

CHAPTER XI

LAND USE AND PERMIT REVIEWING BOARD

Section 11.1.—**Creation of the Land Use and Permit Reviewing Board**.—

The Land Use and Permit Reviewing Board is hereby created as an independent, collegiate, and specialized body. Such body shall establish any organizational structure as necessary for the proper operation thereof, including sharing its administrative resources or components with the Planning Board, provided, that the Governor deems it necessary. The Reviewing Board shall be entrusted with reviewing the final determinations issued by the Adjudicatory Board, the Permit Management Office, an Authorized Professionals, and an Autonomous Municipalities with I to V granted hierarchy.

Section 11.2.—**Appointments**.—

The members of the Reviewing Board shall be appointed by the Governor of Puerto Rico, with the advice and consent of the Senate. The Reviewing Board shall be composed of three (3) associate members. One of the members shall be a professional engineer, professional architect, professional planner or a professional in the field of natural or environmental sciences. Another member shall be an attorney admitted to the bar. The associate members shall have at least seven (7)

years of experience after having been duly admitted to practice their respective professions in Puerto Rico, as may apply. However, in order to be appointed as a member of the Reviewing Board, the members shall be persons of renowned capability and knowledgeable, with at least five (5) years of experience in procedures concerning permit evaluation for the development and use of lands and areas relative to the purposes of this Act. All of the members of the Reviewing Board shall be appointed for a term of seven (7) years.

The Governor shall designate as the Chair of the Reviewing Board an associate member who is an attorney-at-law by profession.

The Chair of the Reviewing Board shall earn the salary corresponding to a Judge of the Court of Appeals of Puerto Rico. All other associate members shall be compensated with the same salary as a Judge of the Superior Court of Puerto Rico. The members of the Reviewing Board shall be subject to compliance with the provisions of Act No. 12 of July 24, 1985, as amended, known as the "Ethics in Government Act of the Commonwealth of Puerto Rico." No member of the Reviewing Board may adjudicate matters in which he/she has a direct or an indirect personal interest or is a relative of the applicant parties within the fourth degree of consanguinity or second degree of affinity. Furthermore, any penalty, fine, or sanction established in this Act shall apply to him/her.

The Governor shall also appoint, with the advice and consent of the Senate, three (3) alternate members to the Reviewing Board whenever the Chair thereof so determines. Alternate members shall receive compensation in the nature of per diems to be equal to the minimum per diems established for the members of the Legislature, for each day of session. However, such members shall never earn more than thirty thousand (30,000) a year, which amount shall be taxable. Furthermore, if the person appointed to serve as alternate member should be an

employee of the Government of the Commonwealth of Puerto Rico, such person shall not earn any per diem whatsoever.

If deemed necessary and based on the volume of work, the Chair of the Reviewing Board may request the Governor in writing to appoint additional panels of three (3) members to the Reviewing Board, pursuant to the requirements of this Section, and to appoint an additional alternate member together with each panel thus added; none of the members of the Reviewing Board shall be an employee of the Planning Board, the Permit Management Office or an Autonomous Municipality.

Section 11.3.—**Removal and Vacancies**.—

The Governor shall declare vacant the office of any member of the Reviewing Board due to mental or physical disability that prevents him/her to carry out the duties of the office, gross negligence in carrying out his/her functions, omission in the performance of his/her duties, or if convicted of a felony or of an offense involving moral turpitude, any of the preceding two (2). Associate and alternate members shall hold their office within the Reviewing Board until they are replaced, except when he/she who is mentally disabled or incurs gross negligence, omission in the performance of his/her duties or is convicted by a competent Court.

Immediately after a vacancy arises in the office of the Chair of the Reviewing Board, the Governor shall appoint an Acting Chair from among the alternate members already confirmed to hold the office of Chair. Whenever a permanent vacancy arises in the office of a member of the Reviewing Board before the expiration date of his/her appointment, his/her successor shall be appointed to complete the term of the predecessor.

Section 11.4.—**Authorities, Duties, and Functions of the Reviewing Board and its Chair**.—

The authorities, duties, and functions of the Reviewing Board and its Chair shall be the following:

a. To discharge the functions, duties, and responsibilities imposed under this Act or any other law, insofar as these are not incompatible with the provisions of this Act;

b. To sue and assume the legal representation of the Reviewing Board when such Board is sued;

c. To establish any organizational structure that is necessary for the proper operation of the Reviewing Board;

d. To adopt an official seal, of which judicial notice shall be taken, to authenticate its agreements, orders or resolutions;

e. To adopt, amend, and repeal regulations as necessary for the organization of the Reviewing Board and the transaction of matters under its consideration, including emergency regulations pursuant to the provisions of this Act, the Uniform Administrative Procedures Act, and any other applicable law;

f. To hire the services of professional technical or highly specialized staff or other as necessary as to carry out its function through contract;

g. To fix and authorize the payment of per diems and expenditure reimbursements to its officials, employees and agents pursuant to the Regulation to such effect of the Department of the Treasury;

h. By agreement with the Chair of the Planning Board, to use any resources available within such Agency, provided, that the Governor deems it necessary;

i. To represent the Reviewing Board in functions and activities as required;

j. The Chair shall act as the Administrator Judge of the Reviewing Board and may appoint, subject to the provisions of Act No. 184 of August 3, 2004, as

amended, known as the “Public Service Human Resources Administration Act,” any technical and administrative staff required, and may hire any administrative, professional or advisory services needed;

k. The Chair shall be empowered to designate work areas to one (1) or more members during the administrative phase of the Reviewing Board. Such work area designation may be altered or rendered ineffective by the Chair, when in his/her judgment, any factor or factors regarding public interest or operational efficiency so warrant;

l. In the event that panels have been constituted in the Reviewing Board, the Chair, in his/her discretion, may remove and reassign any matter under the consideration of one panel; however, he/she shall include the grounds for such reassignment in writing in the case record;

m. The Chair may also, when he/she deems it advisable for the most efficient use of the resources of the Reviewing Board, delimit the duties of any and all panels;

n. In carrying out the reviewing function vested upon them by this Act, the members of the Reviewing Board may issue summons to require the appearance of a person, witness, to take depositions or to furnish any kind of proof pursuant to the code of laws in effect;

o. Any member may take oaths;

p. If any summons issued by any member of the Reviewing Board is not complied with, such member may resort to any Part of the Court of First Instance and request the Court to order compliance with such summons. The Court of First Instance shall give priority to the course and service of such petition. The Court of First Instance shall be empowered to find anyone in contempt for disobeying such order. Any person who gives a false testimony to the Reviewing Board may be prosecuted and convicted of perjury.

q. The Reviewing Board shall hold hearings and adjudicate matters under its consideration expeditiously and efficiently, thus safeguarding the substantive and procedural rights of the parties;

r. To keep a clear administrative record.

s. To prepare and adopt Bylaws for discharging the duties and authorities imposed onto it by this Act;

t. Any other designated by this Act or by regulation;

u. The Reviewing Board may issue any order, solicitation, revocation or resolution warranted under the law in cases under its consideration.

Section 11.5.—**Quorum**.—

The majority of the members of the Reviewing Board shall constitute a quorum to hold sessions and to make decisions. All Reviewing Board agreements shall be adopted by a majority vote. The votes cast by members shall only indicate their position in favor or against the decision, but they shall not cast explanatory votes. The vote of each member, whether in favor or against, shall be recorded into the minute books of the Reviewing Board, which shall constitute public documents.

Section 11.6.—**Sessions and Panels**.—

If the number of members of the Reviewing Board increases, as provided in Section 11.2, it shall convene in panels constituted by three (3) members to adjudicate matters under its consideration. The Reviewing Board shall convene in whole when called by the Chair to deal with the matters established in its Bylaws.

Section 11.7.—**Service and Other Charges and Fees.—**

The Reviewing Board shall fix and collect, through its Bylaws, submittal or other charges or fees on account of: (a) presentation of resources, as applicable; (b) copies of any document public in nature as required; and (c) any other transaction or service rendered by request of the public in compliance with the provisions of

this Act. However, the Reviewing Board or the person onto whom such authority is delegated shall provide copies free of charge to the Office of the Governor, the Department of State, the Legislature, and in its discretion, any such persons or entities that meet indigence requirements as established by regulations.

Section 11.8.—**Procurement**.—

The Reviewing Board shall be exempted from the application of the provisions of Act No. 164 of July 23, 1974, as amended, known as the "General Services Administration Act." In compliance with the provisions of this Act, the Reviewing Board shall establish by regulation to that effect, its own system to procure supplies and ancillary services, within norms that assure sound fiscal management, economy, and efficiency.

Section 11.9.—**Special Reviewing Board Fund**.—

All payments received by the Reviewing Board as established in this Act shall be covered into a Special Fund created for such purposes by the Secretary of the Department of the Treasury, in order to defray regular operating expenses of the Reviewing Board for a particular fiscal year, any surplus thereof shall be transferred to the General Fund of such year.

Section 11.10.—**Budget**.—

The funds necessary for the Reviewing Board to comply with the purposes of this Act for the present fiscal year and subsequent fiscal years shall be consigned annually in the Government of Puerto Rico General Expense Budget Act. Any money received by the Reviewing Board in carrying out its task of enforcing the provisions of this Act shall be covered into a Special Fund to be created by the Secretary of the Department of the Treasury in the name of the Reviewing Board.

Section 11.11.—**Succession and Present Appointments**.—

For all legal purposes, the Land Use and Permit Reviewing Board shall be the successor of the Board of Appeals on Construction and Lot Division created under Act No. 76 of June 24, 1975, as amended. The present members of the Board of Appeals on Construction and Lot Division shall remain as associate members for the term they were appointed or until the Governor appoints their successors. The staff of the Board of Appeals on Construction and Lot Division that on the effective date of this Act is holding a regular position in the career service shall be transferred to the Reviewing Board with the said status. Likewise, the staff so transferred shall keep their vested rights as well as those pertaining to the retirement system or savings and loan plans of which they have availed themselves at the time of the approval of this Act. Trust-position employees who as of the effective date of this Act are entitled to reinstatement pursuant to applicable legal provisions shall keep such right and remain in office until their reinstatement.

Section 11.12.—**Transfer of Property**.—

As of the date of effectiveness of this Act, any property or interest therein, records, files, and documents, funds already appropriated or to be available in the future, including any surplus, assets, and accounts receivable of any kind, liabilities, and contracts of any kind; licenses, permits, and other authorizations are hereby transferred from the Board of Appeals on Construction and Lot Division to the Reviewing Board to be used by the latter for the purposes of this Act.

Section 11.13.—**Transfer of Cases Pending before the Board of Appeals on Construction and Lot Division**.—

As of the date of effectiveness of this Act, any cases pending resolution before the Board of Appeals on Construction and Lot Division, including determinations made by Autonomous Municipalities, which as of the date of effectiveness of this Act had been appealed before the Board of Appeals on

Construction and Lot Division, shall be transferred to the Reviewing Board for the resolution thereof, pursuant to the provisions of the laws and regulations in effect at the time of filing the application for authorization subject to the review.

CHAPTER XII

PROCEDURE BEFORE THE LAND USE AND PERMIT REVIEWING BOARD

Section 12.1.—**Term for Review**.—

Any party adversely affected by an action, final determination or resolution of the Management Office, the Adjudicatory Board, the Autonomous Municipalities with I to V granted hierarchy, or an Authorized Professional may resort to the Reviewing Board and request an administrative review within the jurisdictional term of twenty (20) days as of the filing in the record of the case, a copy of the notice of such action, final determination or resolution of the Management Office, the Adjudicatory Board, the Autonomous Municipalities with I to V granted hierarchy, or an Authorized Professional. Once the request for administrative review is filed, the Management Office, the Authorized Professional, the Adjudicatory Board or the Autonomous Municipality with I to V granted hierarchy shall forward a certified copy of the record of the case to the Reviewing Board within ten (10) calendar days as of the filing of the review.

Section 12.2.—**Notice of the Review**.—

The adversely affected party shall send a copy of the request for administrative review to the Management Office, the Adjudicatory Board, the Autonomous Municipalities with I to V granted hierarchy, or the Authorized Professional, as applicable, the parties, and any authorized interveners within forty-eight (48) hours after filing the recourse for administrative review set forth in Section 12.1 of this Act. This requirement is jurisdictional in nature. In such writ for review, the appellant shall certify to the Reviewing Board that it complies with

said requirement. The notice may be made by mail or any other electronic means as established in the Bylaws.

Section 12.3.—**Suspension of a Final Determination**.—

The Reviewing Board may issue an order to suspend, stay or cease and desist the effectiveness of an action, final determination or resolution and related processes before the Permit Management Office, the Adjudicatory Board, the Autonomous Municipalities with I to V granted hierarchy, or an Authorized Professional whose action, final determination or resolution is being reviewed, either *motu proprio* or by petition of a party, if the Reviewing Board determines that irreparable harm would be caused if said suspension is not granted, such as authorizing a demolition or a building permit. Said order may not stay any administrative actions that do not cause irreparable harm, such as an application for the evaluation of a project draft or preliminary development.

Section 12.4.—**Procedure; Hearing**.—

When reviewing the actions, final determinations and resolutions of the Permit Management Office, the Adjudicatory Board, the Authorized Professional or the Autonomous Municipality with I to V granted hierarchy, the Reviewing Board shall issue its decision with respect to the recourse within a term of one hundred and twenty (120) calendar days. Said term may be extended for an additional term of thirty (30) days as of the filing of the recourse, in special cases, as provided in the Bylaws. The Reviewing Board shall issue its decision, after which any interested party may resort to the Supreme Court by means of a writ of *certiorari*, pursuant to the provisions of Chapter XIII of this Act.

If the Reviewing Board fails to resolve the administrative review within the term provided herein, the request for review shall be deemed to be denied outright. The Reviewing Board shall lose jurisdiction over the request for review and the reviewed determination shall be deemed to be confirmed. Once such term elapses,

the term of thirty (30) days to resort to the Supreme Court shall begin to count, pursuant to the provisions of Chapter XIII of this Act.

When reviewing the actions, final determinations or resolutions of the Permit Management Office, the Adjudicatory Board or the Autonomous Municipalities with I to V granted hierarchy regarding matters that are discretionary in nature, the Reviewing Board shall hold a hearing on its own initiative or by petition of any party, in which the Board may receive additional proof that could lead it to adjudicate the case. In cases that are ministerial in nature, the Reviewing Board may hold a hearing.

If the hearing is thus held, the parties shall be previously notified, as they appear in the case file, as established in the Bylaws.

Section 12.5.—**Reviewing Standard**.—

The actions, final determinations or resolutions of the Permit Management Office, the Adjudicatory Board or the Autonomous Municipality with I to V granted hierarchy or an Authorized Professional, as applicable, shall be upheld if the same are based upon substantial evidence included in the administrative record, findings of fact and conclusions of law, and shall be reviewable in all their aspects by the Reviewing Board and the Supreme Court. In any case, the Reviewing Board and the Supreme Court shall show deference to the expertise of the Permit Management Office, the Adjudicatory Board or the Autonomous Municipality with I to V granted hierarchy or the Authorized Professional, as the case may be.

Section 12.6.—N**otice**.—

Once an issue under consideration by the Reviewing Board is adjudicated, the resolution shall include findings of fact and conclusions of law, and such resolution shall be notified to the interested parties and a copy shall be forwarded to the Permit Management Office, the Authorized Professional, the Autonomous Municipality, and the Planning Board, as may be established by regulation. The

party adversely affected by a resolution notice issued by the Reviewing Board may file a writ of *certiorari*, as provided in Chapter XIII of this Act.

Section 12.7.—**Reconsideration**.—

Any party that is adversely affected by a resolution of the Reviewing Board in an issue discretionary in nature may file a motion for reconsideration within fifteen (15) calendar days after the copy of the resolution notice is filed in the record of the case. If such date is different from that of the filing in the record of the case, such term shall begin to count as of the date said notice is mailed or transmitted by any electronic means, whichever is first, as established by regulation. The adversely affected party that files a motion for reconsideration before the Reviewing Board shall notify all the parties about such motion by certified mail with return receipt requested or by any electronic means. Ten (10) calendar days after filing the motion for reconsideration, the complainee shall file his/her objection and the Reviewing Board shall rule over the same within thirty (30) calendar days following the date that the motion for reconsideration was duly filed by the adversely affected party. If the Reviewing Board comes to a determination with respect to the issue under its consideration, the term to resort to the Supreme Court shall begin to count as of the date on which a copy of the notice to the parties on the decision of the Reviewing Board resolving such motion for reconsideration is filed in the record of the case. If the Reviewing Board fails to take any action with respect to the motion for reconsideration within thirty (30) days after such motion was filed, it shall be understood that it has been denied outright and the term to resort to the Supreme Court shall begin to count after the thirty (30)-calendar day term to resolve the motion for reconsideration has elapsed. The above mentioned terms shall not be extendable. The filing of more than one motion for reconsideration by the same party shall not be permitted, should the first one be denied.

CHAPTER XIII

PROCEDURE BEFORE THE SUPREME COURT

Section 13.1.—**Term to Resort to the Supreme Court**.—

Any party adversely affected by a resolution of the Reviewing Board shall have thirty (30) calendar days to file a writ of *certiorari* before the Supreme Court. The term provided herein is jurisdictional in nature. If the Supreme Court so requests, the Reviewing Board shall remit the Supreme Court the record of the case within ten (10) calendar days following the filing of the writ.

Section 13.2.—**Notice of the Writ**.—

The appellant party shall notify all the parties, including the Permit Management Office, the Adjudicatory Board, the Autonomous Municipality with I to V granted hierarchy or the Authorized Professional, as applicable, and to the Reviewing Board, with a copy of the evidence of having filed a writ of *certiorari* on the same day such writ is filed, following the procedure established in the Joint Regulation. This requirement is jurisdictional in nature. In the writ, the appellant party shall certify to the Supreme Court that it has complied with such requirement. The notice may be made by mail or any electronic means established by law or regulations.

Section 13.3.—**Suspension of a Final Determination**.—

The Supreme Court may order the suspension of the appealed resolution and the procedures related to the same either *motu proprio* or by petition of a party, if the Supreme Court determines that irreparable harm would be caused should the suspension not be granted. Said order may not stay any administrative actions that cause no irreparable harm, such as an application for the evaluation of a project draft or preliminary project.

Section 13.4.—**Reviewing Standard**.—

The action, final determination or resolution of the Permit Management Office, the Adjudicatory Board, the Autonomous Municipality with I to V granted hierarchy, the Authorized Professional or the Reviewing Board shall be upheld by the Supreme Court if the same is based upon substantial evidence included in the record. Conclusions of law shall be reviewable in all their aspects.

Section 13.5.—**Reconsideration**.—

Each party shall be entitled to file one (1) motion for reconsideration before the Supreme Court.

Section 13.6—**Imposition of Costs and Sanctions**.—

Costs shall be awarded in favor of the prevailing party. If the Supreme Court determines that the writ before its consideration is frivolous or that it has been filed to delay the procedures, the Court shall deny or dismiss the same, as the case may be, and impose to the complainant party or its attorneys the costs, expenses, attorney fees and financial penalty it deems appropriate, which shall show to the extent possible the costs of such delay for the Commonwealth and the respondent caused by filing the writ, pursuant to the guidelines established by the Supreme Court. In the event that either the complainant or the respondent is represented by a community group, entity or spokesperson, the latter shall be severally responsible for the sanctions imposed to such party.

CHAPTER XIV

PROCEDURE TO FILE COMPLAINTS AND OTHER PROVISIONS BEFORE THE COURT OF FIRST INSTANCE

Section 14.1.—**Exclusive Recourses**.—

Except as provided in Chapter X of this Act, only the administrative and judicial review procedures described in Chapters XII and XIII shall apply and be available to call into question the actions, final determinations or resolutions of the

Permit Management Office, the Adjudicatory Board, an Autonomous Municipality with I to V granted hierarchy or an Authorized Professional pursuant to this Act. If any other agency, dependency or instrumentality of the Government of Puerto Rico representing the public interest or a private person (whether natural or juridical) with or without proprietary interest, or neighbor, owner or tenant of an adjacent property, whose personal interest is adversely or substantially affected, may file a complaint alleging a violation of a law or regulation before the Office of the Chief Permit Inspector, subject to the provisions of this Chapter and Chapter X.

In cases where the property in controversy is located in an Autonomous Municipality with I to V granted hierarchy, the complaint shall be filed before such Municipality. In the event that such property is located in more than one Municipality, the complaint shall be filed before the Municipality that has granted the permit.

Section 14.2.—**Judicial Proceeding to Request the Revocation of Permits or the Stay of Works or Use; the Chief Permit Inspector; Bond Requirement**.—

In the case of a response to complaints as those described in Section 14.1, the Chief Permit Inspector shall have fifteen (15) calendar days to investigate the same. If, after conducting the corresponding investigation, the Chief Permit Inspector decides to exercise his/her powers pursuant to Chapter X of this Act, he/she may request the revocation of the permit or the stay of the construction work or use allegedly not authorized by the Permit Management Office, the Adjudicatory Board, the Authorized Professional or the Autonomous Municipality with I to V granted hierarchy, provided that the same is not in conflict with Section 10.10 of this Act, shall resort to the Court of First Instance to request a court order to such effect. However, if the Chief Permit Inspector fails to take action within the term of fifteen (15) calendar days provided herein, the complainant may resort to

the Court of First Instance to request the above mentioned remedies. In any case, the Court of First Instance shall hold a hearing within a term not to exceed ten (10) calendar days following the filing of the recourse and prior to granting the remedies requested, and shall pronounce sentence within a term not greater than twenty (20) calendar days as of the filing of the complaint. In the event that for any reason the Court issues a court order granting the remedies requested without issuing due notice to the parties and/or having previously held a hearing, the court order shall not be valid nor shall have any effect or be enforceable until the petitioner posts a bond sufficient to cover any damages that it may cause to the complainee, if at the end of the judicial process, the cause for action initiated by him/her is not in order. In any case, the computation of the damages to be covered by the bond shall be made based on all the factors established in the Joint Permit Regulation, following reasonable criteria, and the Court of First Instance may not accept the posting of a bond from an insurance or bonding company that fails to establish clearly that it has sufficient solvency and financial capacity to respond for all damages, according to the computation of possible damages made by the Court.

Section 14.3.—**Applicable Procedure in Cases of Serious, Imminent, and Immediate Danger to Public Health or Safety; Immediate Cease and Desist Orders; Agencies and Other Public Instrumentalities**.—

In cases in which there is serious, imminent, and immediate danger to the health or safety of persons or the environment, that may not be otherwise prevented but by taking immediate action, the Concerned Government Entities and the Office of the Inspector may issue provisional cease and desist orders when deemed necessary, without the previous intervention or authorization of the Court or the Chief Permit Inspector, following the criteria to be established by regulation. The order shall be subject to the following: a provisional administrative cease and desist order issued under such circumstances shall lose effectiveness, efficiency

and value and shall not be enforceable ten (10) calendar days after its issuance by the Concerned Government Entity or the Chief Permit Inspector, except that the Court of First Instance of the Government of Puerto Rico, by petition of the Concerned Government Entity or the Chief Permit Inspector, holds an evidentiary hearing and determines the need for extending the effectiveness thereof for up to a maximum additional term of twenty (20) calendar days through a Court Order or Resolution. If the circumstances and conditions that led the Court to issue a stay or cease and desist order continue, the interested party may request such forum an extension thereof, before the previous order expires. In all other cases, the procedure established in Sections 14.1 and 14.2 or in other Chapters of this Act, as applicable, shall be followed.

Section 14.4.—**Complaints on Compliance and Fines**.—

The general public may file complaints before the Office of the Chief Permit Inspector, the Concerned Government Entities or the Autonomous Municipalities with I to V granted hierarchy. Such complaints shall address alleged noncompliance with: (a) the provisions of the permits issued; (b) the alleged absence of a required permit; or (c) noncompliance with any provision of this Act, the Joint Permit Regulation adopted thereunder, the Enabling Acts of the Concerned Government Entities, the Autonomous Municipalities Act or the Regulations, as the case may be.

In those cases where the complaint on compliance refers to one of those overseen by the Chief Permit Inspector within his/her jurisdiction, the same shall be investigated within fifteen (15) work days after its filing before the Office of the Chief Permit Inspector. If the investigation shows that the allegations are true, the Chief Permit Inspector shall proceed to issue an administrative fine. The Chief Permit Inspector shall also, if applicable, refer the issue to the Secretary of Justice,

for him/her to take the necessary steps to impose the penalties established in this Act.

In those cases where the complaint on compliance refers to one of those overseen by the Concerned Government Entities or the Autonomous Municipalities with I to V granted hierarchy, according to their jurisdiction, the latter shall investigate the same within fifteen (15) work days after the filing thereof. If the investigation shows that the allegations are true, the Concerned Government Entities or the Autonomous Municipalities shall proceed to issue a fine, the amount of which is to be established pursuant to the provisions of the Enabling Act of the Concerned Government Entity, the Autonomous Municipalities with I to V granted hierarchy, special laws and regulations. The term settle said complaint shall be established through Regulations.

The Concerned Government Entities or the Autonomous Municipalities with I to V granted hierarchy shall, in their discretion, remit complaints to oversee compliance filed before them and under their jurisdiction to the Chief Permit Inspector for the investigation thereof, according to the procedure established in this Section.

Any party adversely affected by a fine issued by the Chief Permit Inspector, Concerned Government Entity or the Autonomous Municipalities with I to V granted hierarchy may request review before the Court of First Instance.

These fines shall constitute a real lien on the ownership title involved in the violation or violations. The fines imposed by the Concerned Government Entities or the Autonomous Municipalities with I to V granted hierarchy, and adjudicated by the Chief Permit Inspector, shall be payable to the Secretary of the Treasury in the case of the Concerned Government Entity or the Autonomous Municipality, as the case may be. The Office of the Chief Permit Inspector shall be entitled to receive a payment for processing the case, as determined by regulations.

Section 14.5.—**Administrative Fines**.—

Subject to the provisions of Section 14.4, the Office of the Chief Permit Inspector has the authority to issue administrative fines to any natural or juridical person who:

a. Violates this Act, the adopted Joint Permit Regulation, the permits or conditions of the permits issued thereunder or the Planning Regulations or any other applicable law. The administrative fines shall not exceed fifty thousand (50,000) dollars for each infraction, being it understood that every day the infraction persists shall be deemed as an independent violation;
b. Fails to comply with any resolution, order or decision issued. The administrative fines shall not exceed fifty thousand (50,000) dollars for each infraction, being it understood that every day the infraction persists shall be deemed as an independent violation;
c. Has been found to be in contempt of court in committing or continuing the actions in violation of this Act or the regulations adopted thereunder or the Planning Regulations, the Office of the Chief Permit Inspector, in the exercise of his/her discretion, may impose an additional administrative fine of up to a maximum of one hundred thousand (100,000) dollars for each violation.
d. The administrative fines imposed by means of this Act shall also apply to any person who obstructs, limits, paralyzes, or invades, without legal authorization, a building or authorized use activity pursuant to the provisions of this Act.

The Office of the Chief Permit Inspector shall establish through the Joint Permit Regulation the standards and procedures to impose the administrative fines established in subsections (a) through (d) of this Section, based on the seriousness of the violation, the duration of the violation, recidivism, or the financial benefit

derived from committing the violation, and the risk posed or the damage caused to the health and/or safety as a result of the violation. The sum of all administrative fines imposed by the Office of the Chief Permit Inspector under the provisions of this Act shall be covered into the Special Fund that the Secretary of the Department of the Treasury shall establish in favor of the Office of the Chief Permit Inspector, pursuant to Section 10.17 of this Act. The authority to impose administrative fines granted to the Office of the Chief Permit Inspector does not substitute or lessens the authority of any of the Concerned Government Entities to initiate any judicial proceeding, whether civil or criminal, that may apply.

Section 14.6.—**Procedure for Administrative Fines**.—

Subject to the provisions of Sections 14.4 and 14.5, the procedure established in this Section shall be employed by the Chief Permit Inspector, the Autonomous Municipalities with I to V granted hierarchy, and the Concerned Government Entities, subject to their corresponding jurisdiction.

a. The Chief Permit Inspector, the Concerned Government Entities, and the Autonomous Municipalities with I to V granted hierarchy, or their authorized representatives, may issue administrative fines to public entities or to natural or juridical persons who violate or fail to comply with any of the provisions of this Act, any restriction, regulation or order adopted under this Act or other laws, within their scope of jurisdiction. The procedure to issue such fines shall be established through the Joint Permit Regulation.
b. In the establishment of this procedure, the Chief Permit Inspector, the Concerned Government Entities, and the Autonomous Municipalities with I to V granted hierarchy, or their authorized representatives, may avail themselves of the services of their officials and employees, and of the police force to issue administrative fine tickets. The forms for such tickets shall be prepared, pre-printed, individually identified, and distributed according to

the regulation that the Office of the Chief Permit Inspector shall promulgate for such purposes. The person who issues the ticket shall sign it and clearly state therein the alleged administrative offense, the legal provision violated, the date on which the ticket was given, and the sum to be paid for the administrative fine.

c. The representative of the Chief Permit Inspector, the Concerned Government Entities or the Autonomous Municipalities with I to V granted hierarchy, shall give a copy of the ticket to the person in charge of the property, be it the owner, broker, employee, the person in charge, assignee, tenant or successor. The instructions on how to request reconsideration and review recourse, as well as the information required in subsection (b), shall be on the back of the copy so given.

CHAPTER XV

JOINT PERMIT REGULATION FOR CONSTRUCTION WORKS AND LAND USE

Section 15.1.—**Joint Permit Regulation**.—

In compliance with the provisions of this Act, the Permit Management Office, the Office of the Chief Permit Inspector, and the Concerned Government Entities, as applicable, shall draft and adopt a Joint Permit Regulation, subject to the provisions of this Act and the Uniform Administrative Procedures Act, to establish and apply: (a) a uniform adjudicatory system; (b) the evaluation and issue of final determinations, permits, and recommendations related to construction works and land use; (c) the green design guidelines for skill-building of Professionals and any other person interested in being certified under the green design guidelines of Puerto Rico; (d) complaint procedure before the Chief Permit Inspector, the Concerned Government Entities, and the Autonomous Municipalities with I to V granted hierarchy, as applicable; and (e) any other issue that this Act has referred

to address under the Joint Permit Regulation. The “Joint Permit Regulation for Construction Works and Land Use” shall be known as the “Joint Permit Regulation” and shall be approved by the Planning Board and signed by the Governor. The drafting of the Joint Permit Regulation shall be exempted from compliance with Act No. 416 of September 22, 2004, as amended, known as the “Environmental Public Policy Act.”

The entities above listed shall have thirty (30) days, to be counted as of the date of effectiveness of this Act, to commence the drafting process of the Joint Permit Regulation, which shall conclude within the first one hundred and eighty (180) days following the date of effectiveness of this Act. The Planning Board shall establish through bylaws, the mechanism that shall govern the drafting process of the Joint Permit Regulation. The citizenry shall be guaranteed ample participation in the approval of the Joint Permit Regulation through public hearings. Furthermore, under no circumstances shall the Permit Management Office start operations without having duly approved the Joint Permit Regulation. The Joint Permit Regulation shall be supplemental to the present Act and shall prevail over any other regulation.

The amendment of a Section or part of the Joint Permit Regulation shall not require the amendment of the entire Regulation. In the event of partial amendments to the Joint Permit Regulation, the same shall only require adoption by government entities above listed affected by the same and approval by the Planning Board.

If the Planning Board does not agree with any of the provisions determined to be included in the Joint Permit Regulation, whether at the time of its adoption, pursuant to the first paragraph of this Section, or during the amendment process, pursuant to the second paragraph of this Section, the Board shall issue a resolution whereby its objection is detailed and shall return it to the above listed government entities affected by the same in order for them to amend the proposed text. If the

Concerned Government Entities, the Permit Management Office, the Chief Permit Inspector, and the Planning Board are not able to reach an agreement regarding the proposed text, the suggested text shall be submitted, enclosed with the Planning Board resolution objecting such text, to the Governor, who shall make the final decision regarding the regulatory provision in dispute. The Permit Management Office, the Office of the Chief Permit Inspector, and the Concerned Government Entities shall have one hundred and eighty (180) days to adopt the Joint Permit Regulation as of the date of effectiveness of this Act.

Section 15.2.—**Participation and Intervention**.—

The Joint Permit Regulation shall establish the criteria, terms, and procedures regarding the participation in the evaluation process of final determinations, permits, as well as any other adjudicatory procedure required under the provisions of this Act and subject to provisions in Section 1.5 of this Act. For the ends and purposes of this Act and its Regulation, no one shall be entitled to intervene solely on the grounds of being part of the same industry or business; (b) participating in a proceeding without timely requesting intervention through the mechanisms provided, even when such participation is continuous, active or repeated; (c) appearing in a public proceeding; (d) giving testimony in a public proceeding; (e) furnishing documentary evidence; or (f) participating in a public proceeding as *amicus curiae*. The request for intervention shall be granted if any of the following criteria is met: (i) there are no other legal recourses for the petitioner to be able to properly protect his/her interest; (ii) the interest of the petitioner is not properly represented by the parties in the proceeding; (iii) the interest of the petitioner may be substantially affected by the proceeding; and (iv) if applicable, the petitioner represents or is the spokesperson for other community groups or entities which may be substantially affected by the action, final determination or resolution of the Permit Management Office, the Adjudicatory Board, and the Autonomous

Municipalities with I to V granted hierarchy. The Permit Management Office, the Adjudicatory Board, and the Autonomous Municipalities with I to V granted hierarchy may require the petitioner to submit additional evidence to be able to issue the corresponding determination regarding the request for intervention. If these decide to deny the request for intervention in an adjudicative proceeding, they shall notify their determination in writing to the petitioner and shall include the grounds thereof, and shall advise the petitioner of his/her right to appeal the same when the adjudicatory proceedings before the Reviewing Board on the request for intervention has ended, in compliance with the requirements established in Chapter XII of this Act. The provisions of this Section shall not apply to such persons who wish to comment on an EIS relative to a permit, but rather, the provisions of Section 8.5 of this Act shall apply in these cases.

CHAPTER XVI

CERTIFICATION OF PLANS AND DOCUMENTS

Section 16.1.—**Certification of Plans and Documents**.—

The Chief Permit Inspector is hereby empowered to adjudicate any complaint and impose fines and sanctions related to the certification of plans and documents for such actions that contravene the applicable laws and regulations, including Act No. 135 of June 15, 1967, as amended. Such fines, sanctions, and penalties to be imposed for such actions shall be provided for in this Act.

The Green Permit application shall enclose a plan certifying and proving that the design complies with the green design pre-qualification established in the Joint Permit Regulation guidelines.

Section 16.2.—**Duty to Report**.—

Provided that the Office of the Chief Permit Inspector establishes the liability for any violation of this Act or any applicable law by any professional who certifies plans or documents or the inspection of a construction work, the Chief

Permit Inspector shall notify the Department of Justice, the Planning Board, the College of Engineers and Land Surveyors of Puerto Rico, the Board of Examiners of Engineers and Land Surveyors of Puerto Rico, the Board of Examiners of Architects and Landscape Architects of Puerto Rico, the Board of Examiners of Geologists, the Board of Examiners of Professional Planners, the Bar Association, the Permit Management Office, and any other professional entity, as it may apply, so as to proceed with the actions applicable under the law. Failure to make such notice shall not relieve the certifying professional from his/her liability.

CHAPTER XVII

PENALTIES

Section 17.1.—**Penalties**.—

a. Any person who violates any of the provisions of this Act, any regulation adopted, permit or denied permit or recommendation, whether granted or denied under this or any other applicable law, shall be guilty of a fourth-degree felony, and upon conviction, he/she shall be punished by imprisonment for a term not exceeding one hundred and eighty (180) days, or a fine which shall not exceed ten thousand (10,000) dollars, or both penalties, at the discretion of the Court. In the event of recidivism, he/she shall incur a third-degree felony, in addition to any other penalty. This penalty shall be extended to those persons who paralyze, obstruct, invade or interrupt without legal authority any construction activities pr works, or uses authorized by virtue of this Act;

b. Any person who violates a closing order or resolution issued by the Office of the Chief Permit Inspector, shall be guilty of a fourth degree felony and, upon conviction, he/she shall be punished by imprisonment not exceeding one hundred and eighty days (180) or a fine which shall not exceed ten thousand (10,000) dollars for each day in which the infraction of this Act or regulations is maintained; or both penalties, in the discretion of the Court;

c. Any person who, during the process of applying for a permit, whether intentionally or by gross negligence with the purpose of obtaining the issue of a final determination, a recommendation or approval of the construction works: (a) furnishes false information or facts; (b) or the design of the works does not adjust to the act and regulations; (c) or states facts or dimensions that are not true or correct; (d) or withholds information when submitting a certification, shall incur a fourth-degree felony and, upon conviction, shall be punished by imprisonment for a term of not less than six (6) months and one (1) day nor more than three (3) years or a fine not exceeding ten thousand (10,000) dollars for each infraction of this Act, or both penalties, in the discretion of the Court. Furthermore, the Court shall establish the period for which the person shall be barred from submitting plans or documents for the purposes of this Act, which period shall not be less than six (6) months nor more than five (5) years. If the person were to be convicted a second time for the offense herein established, or if his/her first offense shall cause damages to the life or property of others, he/she shall be permanently barred from submitting plans or documents for the purposes of this Act. The Court shall also impose the penalty of license suspension or revocation in the event of recidivism, without being it understood as a limitation for the Professional Association of which the sanctioned professional is a member to act regardless of the outcome or ruling of such Court;

d. Any person who, without the due authorization of the Management Office or by gross negligence, alters the construction of a work in such a way that the plans or documents or the project as approved pursuant to the provisions of this Act, varies, shall incur a fourth-degree felony and, upon conviction, shall be punished by imprisonment for a term of not less than six (6) months and one (1) day nor more than three (3) years and/or a fine not exceeding twenty thousand

(20,000) dollars for each infraction, for each day that the infraction persists, or both penalties, in the discretion of the Court;

e. If as a consequence of the conduct stated in subsections (c) and (d) of this Section, an injury occurs requiring medical assistance, specialized professional assistance or outpatient treatment, the person who caused such injury shall incur a fourth-degree felony and, upon conviction, punishment by imprisonment shall be imposed for a minimum fixed term of one (1) year and a maximum of five (5) years and/or a fine of not less than fifty thousand (50,000) dollars, plus an equal sum to compensate the injured persons individually, without prejudice to the parties to claim additional compensation in the corresponding forums. If the person were to be convicted more than once for the offense set forth herein, he/she shall be permanently barred from submitting applications and documents for the purposes of this Act and the Court shall impose the revocation of the license, regardless of the decision that the Professional Association of which he/she is a member may make;

f. If as a natural consequence of the conduct stated in subsections (c) and (d) of this Section, an injury occurs requiring hospitalization or causing a permanent damage, the person who caused such injury shall incur a third-degree felony and, upon conviction, punishment by imprisonment shall be imposed for a term of not less than three (3) years and a fine of not less than one hundred thousand (100,000) dollars, and the person shall be permanently barred from submitting applications and documents for the purposes of this Act. If, on the contrary, as a natural consequence of the conduct stated in subsections (c) and (d) of this Section, by means of gross negligence a human being dies, the person who caused the death shall incur a fourth-degree felony and, upon conviction, shall be punished by imprisonment for a term of not less than five (5) years nor more than eight (8) years or a fine which shall not exceed one hundred thousand (100,000) dollars for

each infraction, or both penalties, in the discretion of the Court. The Court shall also impose a penalty of license revocation for any situation under this subsection.

g. The contractor or builder of a construction work shall be bound to perform alterations and reconstructions or revert to his/her design pursuant to the approved plans so as to correct the construction defects or flaws, or deviations from the design established in the approved plans which had been constructed in violation of the granted authorization and the applicable regulations.

h. Any person, entity, agency, instrumentality, Autonomous Municipality with I to V granted hierarchy or any other authorized to issue permits, who grants a provisional permit in violation of the provisions of this Act, a fine of ten thousand (10,000) dollars shall be imposed.

The provisions of this Section do not limit what is set forth by the laws that regulate the professions, certifications or licenses of Authorized Professionals or Inspectors, as well as those of any other trade, regarding disciplinary actions for violations of such provisions, regardless of any criminal action initiated under this Act. The Court shall notify of any pronounced judgment for violations of this Act to the College of Engineers and Land Surveyors of Puerto Rico, the Board of Examiners of Engineers and Land Surveyors of Puerto Rico, the Puerto Rico Architects and Landscape Architects Association, the Board of Examiners of Architects and Landscape Architects of Puerto Rico, the Board of Examiners of Professional Planners, the Board of Examiners of Geologists, the Bar Association, the Permit Management Office, the Office of the Chief Permit Inspector, and any other professional organization, as applicable. It is hereby provided that the criminal liability described in subsection (c) of this Section shall not prescribe; regarding subsection (d) of this Section, it is hereby provided that it shall prescribe five (5) years after the date on which the action constituting an offense was discovered. It is further provided that for the offenses described in subsections (f)

and (g) of this Section, the criminal action shall prescribe twenty (20) years as of the approval of the permit.

CHAPTER XVIII

GENERAL AND TEMPORARY PROVISIONS

Section 18.1.—**Cases Pending Before the Consideration of the Planning Board, the Permits and Regulations Administration or the Concerned Government Entities**.—

Any administrative procedure, case, complaint or accusation pending for violations of the laws or parts thereof or regulations repealed or affected by this Act, initiated prior to the date of effectiveness of this Act, shall be transferred to the Office of the Chief Permit Inspector or the Reviewing Board, as applicable, in order to continue processing them under the law in effect at the time in which the violation took place. Any civil action filed regarding the wording of any of the laws or parts thereof, whether repealed or affected by this Act, and being processed prior to the date of effectiveness of this Act, shall not remain affected by any of the repeals or modifications made by this Act.

Section 18.2.—**Applications Pending Processing**.—

Applications for permits, fire prevention certifications, or environmental health certifications, duly filed with the Permits and Regulations Administration, the Planning Board or the Concerned Government Entities prior to the date of effectiveness of this Act, shall be transferred to the Permit Management Office for the latter to issue a final determination under the provisions of the laws applicable at the time the applications were filed. However, in the event that under the provisions of this Act a permit or recommendation applied for may be issued, that would otherwise not be issued if the preceding laws acts were to be applied, then the Permit Management Office shall issue the same under this Act or the Joint Permit Regulation to be adopted thereunder.

Section 18.3.—**Administrative Orders, Circular Letters, and Memoranda**.—

Any administrative order, circular letter, memorandum or interpretative document from the Planning Board, the Permits and Regulations Administration, the Concerned Government Entities, and the Autonomous Municipalities with I to V granted hierarchy on any issue covered by this Act should be evaluated and amended, as the case may be, within the terms established for the approval and adoption of the regulations created under this Act. Any administrative order, circular letter, memorandum or interpretative document which is inconsistent with the provisions of this Act or the regulations adopted thereunder shall lack validity and effectiveness.

Section 18.4.—**Collection of Information and Creation of Database**.—

By petition of the Executive Director of the Permit Management Office, in coordination with the Planning Board, the Concerned Government Entities shall obtain, compile, and furnish the Management Office with such information or documentation whether on paper, digital or any other kind of format as necessary for the discharge of the authorities and duties assigned to the Permit Management Office under this Act.

Section 18.5.—**Cooperation with and Access to the Information and the Database**.—

The Concerned Government Entities have the ongoing duty of furnishing the Permit Management Office with such information or documentation whether on paper, digital or any other kind of format as necessary for the discharge of the authorities and duties assigned to the Permit Management Office under this Act.

Section 18.6.—**Exemption from the Uniform Administrative Procedures Act**.—

All procedures for the evaluation, granting and denial of final determinations and permits, recommendations, certifications, licenses, certificates or any other similar authorization granted by the Permit Management Office, the Adjudicatory Board, the Autonomous Municipalities with I to V granted hierarchy, the Authorized Professionals, and the Authorized Inspectors, as well as the adjudication of complaints or administrative orders by the Chief Permit Inspector, the Concerned Government Entities or the Autonomous Municipalities with I to V granted hierarchy under the provisions of the present Act, shall be exempted from all of the provisions of the Uniform Administrative Procedures Act.

Section 18.7.—**General Regulation Review**.—

Within the term of one hundred and eighty (180) days counted as of the effectiveness of this Act, the Concerned Government Entities and all of the departments, agencies, municipalities, corporations, and public instrumentalities of the Government of Puerto Rico and its political subdivisions shall review, amend, or repeal their administrative regulations and orders and memoranda in order to establish permit procedures, policies, and forms intended to simplify, clarify, and streamline the permit procedures so as to temper them with the public policy established through this Act. Such review seeks to make more specific, clear, and accurate the requirements established in the regulations, to eradicate the habits and customs used outside the bounds of regulations, to simplify to the utmost extent the number of permits and authorizations required to the regulatory organization. This review must eliminate such deficiencies and inconsistencies that do not allow for the truthful and full compliance with the purposes and provisions of this Act. Within a term of thirty (30) days counted as of the conclusion of the above stated

period, the Planning Board shall submit a report to the Governor and the Legislature of Puerto Rico.

Section 18.8.—**Liability**.—

The Management Office, the Office of the Chief Permit Inspector, the Adjudicatory Board, the Reviewing Board, the Permit Officers and their individual directors, and the officers, agents or employees thereof, shall not incur civil liability for any action taken in good faith in the discharge of their duties and responsibilities, pursuant to the provisions of this Act, and shall be compensated for expenses incurred in relation to any claim for which they have immunity, pursuant to the provisions herein and under the laws of Puerto Rico and the United States of America. Authorized Professionals shall not be covered under this provision and shall answer individually in any legal action originated against the Commonwealth.

Section 18.9.—**Transition Budgets**.—

The funds necessary for the creation and the implementation of the Management Office and the Office of the Chief Permit Inspector shall come among other sources from the funds earmarked by the Office of Management and Budget at the Permits and Regulations Administration and the Concerned Government Entities, which funds shall be deposited in a Special Fund of the Permits and Regulations Administration. The funds deposited in such account shall be disbursed by the Secretary of the Treasury per request from the Executive Director and the Chief Permit Inspector to fulfill the purposes of this Act.

Section 18.10.—**Provisions Relative to Municipalities**.—

In harmony with the autonomic authorities granted to the Autonomous Municipalities by Act No. 81 of August 30, 1991, as amended, known as the "Autonomous Municipalities Act of Puerto Rico," such Autonomous Municipalities that, by virtue of the provisions in Chapters XIII and XIV of the

said statute have acquired or are in the process of acquiring the required competencies for permit granting or denial from the Permits and Regulations Administration, the succeeding Agency and/or the Planning Board, shall be subject only to such Sections of this Act where it is specifically so provided. Such Municipalities shall continue to issue their decisions following the procedures instituted for such purposes by the Mayors and the Municipal Legislatures through the Permit Office or the Administrative Units created at a municipal level to address this endeavor, all of which is subject to the Autonomous Municipalities Act and the Competency Delegation Agreement. In the case of Municipalities in the process of acquiring the competency or of designing their ordination plans, or in such cases in which they have the design plans and the future implementation, the exception shall be equally applicable, except that the transfer of competencies shall be governed by the agreements entered into by each Municipality and the Management Office and the Planning Board following the provisions of Act No. 81, *supra*. Although the authorities of the Municipalities above described are acknowledged, the municipal governments shall examine their regulations and procedures so as to adopt the provisions of this Act aimed at modernizing, automating, and expediting the granting and denial of permits.

CHAPTER XIX

AMENDMENTS, REPEALS; EFFECTIVE DATE

Section 19.1.—Section 6 of Act No. 374 of May 14, 1949, as amended, is hereby amended to read as follows:

"Section 6.—

In harmony with the provisions of Act No. 374 of May 14, 1949, as amended, no action may be implemented in an old or historic zone or in a tourist-interest zone which may modify traffic or alter buildings, structures, property, places, squares, parks or areas of the zone by private persons or government agencies,

including the municipalities, without the previous approval of the Planning Board or the Permit Management Office, as the case may be. The corresponding agency may not approve any of the actions above noted without a written recommendation from the Institute of Puerto Rican Culture, in the case of old or historic zones, and by the Tourism Company in the case of a tourist-interest zone.

For those actions of the nature indicated hereinabove that have been implemented prior to the approval of this Act, or to be implemented in the future, the Planning Board, *motu proprio*, and with the advice of the Institute of Puerto Rican Culture in the case of old or historic zones, and of the Tourism Company, in the case of tourist-interest zones, or by request by any of said agencies, or any official, body or interested person, may initiate the corresponding investigation to determine if the action in question conforms to the purposes and objectives of this Act. The Planning Board may request the needed information from all sources it may deem pertinent, shall offer the parties a reasonable period of time to express themselves concerning the information received or generated, and may hold an administrative or public hearing to obtain information in the cases it may deem it is necessary. After evaluating the information and evidence obtained, the Planning Board, among other things, may order the stay of the implementation of the action in question, and the restoring of the zone to its original state, require the modification of the action that is or to be implemented, or condition the implementation of the action to the compliance with the corresponding requirements so as to guarantee the purposes and objectives of this Act.

Any party affected by the determination of the Planning Board or the Permit Management Office may resort to the Reviewing Board for review, unless otherwise provided by Law, pursuant to the provisions of Section 5 of this Act.”

Section 19.2.— Section 5 of Act No. 374 of May 14, 1949, as amended, is hereby amended to read as follows:

"Section 5.—

In the event that a building permit or a permit for the development of a project is so denied, the applicant may resort directly to the Reviewing Board for review within the term of twenty (20) days as of the date notice is served of such resolution or agreement of the Permit Management Office or of the Authorized Professional following the procedure provided for in Chapter XII of this Act."

Section 19.3.—Section 4 of Act No. 135 of June 15, 1967, as amended, is hereby repealed.

Section 19.4.—Section 8 of Act No. 84 of July 13, 1988, as amended, is hereby amended to read as follows:

"Section 8.—

As of the effective date of the School Zone Regulations, no building or use permit may be approved nor any action taken that modifies the use of lands, buildings, structures, properties or sites by private persons or government agencies within the school zone limits designated according to this Chapter, without providing the Secretary of Education with an opportunity to issue his/her recommendation. If he/she states no objection within thirty (30) days following the date on which the recommendation was requested, it shall be understood that the Secretary of Education has no recommendations on the matter."

Section 19.5.—Sections 6 and 7 of Act No. 10 of August 7, 1987, as amended, known as "Act for the Protection, Conservation, and Study of the Underwater Archaeological Sites and Resources," stating that every power, duty and obligation as to the evaluation for the granting or denial of final determinations or permits that such Act imposes on the Council for the Conservation and Study of Underwater Archaeological Sites and Resources that are not in conflict with the

obligations, duties, and powers conferred by the present Act to the Management Office, are hereby transferred to the Institute of Puerto Rican Culture in order to strengthen the primary jurisdiction of such Council. The duties and powers relative to the granting of building permits are hereby transferred to the Permit Management Office. In the event that a case requires a site assessment or mitigation due to its great complexity and importance for the preservation of the Archeological Patrimony of Puerto Rico, such assessment or mitigation must be established and coordinated through the Permit Officer of the Institute of Puerto Rican Culture.

Section 19.6.—Sections 2 and 3 of Act No. 112 of July 20, 1988, as amended, known as the "Act for the Protection of Archeological Lands Patrimony of Puerto Rico," in order to transfer to the Institute of Puerto Rican Culture every power, duty or obligation as to the evaluation for the granting or denial of final determinations or permits that such Act imposes on the Council for the Protection of Archeological Lands Patrimony of Puerto Rico that are not in conflict with the obligations, duties and powers conferred by this Act to the Management Office, for the purpose of strengthening the primary jurisdiction of such Council. The duties and powers relative to the granting of building permits are hereby transferred to the Permit Management Office. In the event that a case requires a site assessment or mitigation due to its great complexity and importance for the preservation of the Archeological Patrimony of Puerto Rico, such assessment or mitigation must be established and coordinated through the Permit Officer of the Institute of Puerto Rican Culture.

Section 19.7.— Subsections (c) and (d) of Section 10 of Act No. 8 of January 8, 2004, as amended, known as the "Sports and Recreation Department Organic Act," are hereby amended to read as follows:

"Section 10.—

(a) …

(c) Licenses to Operate Facilities

The Secretary shall delegate on the Permit Management Office the authority and duty to evaluate and issue such permits and recommendations under his/her jurisdiction which regulate the activities directly or indirectly related to the development and use of lands in Puerto Rico, pursuant to the provisions of subsection (d)(2) of this Section.

(d) Planning and Authorization

1. The Secretary shall establish through regulations the rules for planning, location and construction of sports and recreational facilities, in addition to any other rules established by law, which shall be strictly complied with by all natural or juridical persons, public or private entity, constructing or ordering the construction of recreational and sports facilities in the Island, with the exception of the Legislature of the Commonwealth of Puerto Rico. Such regulations shall be submitted before the Planning Board prior to the adoption thereof in order to receive comments that shall be adopted by the Secretary.
2. The Permit Management Office shall have the authority and duty to evaluate and issue such permits and recommendations that regulate activities related, directly or indirectly, to the development and use of land in Puerto Rico. The Permit Management Office shall evaluate and issue or deny such recommendations and permits, pursuant to the provisions established by the applicable laws and regulations. The Secretary shall oversee the petitioners' compliance with the permits and recommendations, whose evaluation and issue has been delegated to the Permit Management Office, and such violations determined to

have occurred shall be addressed and adjudicated by the Office of the Chief Permit Inspector.

3. The location and construction of facilities in violation of the planning rules of the Department shall entail the fines and sanctions provided in Section 25 of this Act."

Section 19.8.—Act No. 313 of December 19, 2003, is hereby repealed.

Section 19.9.—Section 4 of Act No. 416 of September 22, 2004, as amended, the "Environmental Public Policy Act," is hereby amended to read as follows:

"Section 4.—Duties and Responsibilities of the Government of the Commonwealth of Puerto Rico.—

A. In order to carry out the policy established under Section 3 of this Act, it shall be the ongoing responsibility of the Commonwealth to use all practical means, tempered with other essential public policy considerations, to improve and coordinate the plans, functions, programs, and resources of the Commonwealth so that Puerto Rico may be able to:

1. Fulfill the responsibilities of each generation as the custodian of the environment for the benefit of subsequent generations, as provided in the Constitution of Puerto Rico;
2. Secure safe, healthy, productive, and aesthetically and culturally pleasing landscapes for all Puerto Ricans;
3. Procure the fullest enjoyment of the beneficial uses of an environment free from degradation, health or safety risks or other undesirable consequences;
4. Preserve major historical, architectural, archeological, cultural and natural aspects of our patrimony and maintain, whenever possible, an

environment that affords diversity and variety for individual selection for present and future generations alike;

5. Strike a balance between population and use of resources so as to allow for high standards of living and wide participation in life's amenities; and
6. Improve the quality of renewable resources and see to the wise use of those resources liable to become depleted.

B. All departments, agencies, municipalities, public corporations, and instrumentalities of the Government of Puerto Rico and its political subdivisions shall, to the broadest extent possible, interpret, apply, and administer all current laws and regulatory bodies, as well as those instituted in the future in strict conformance with the public policy set forth in Section 3 of this Act. Likewise, the departments, agencies, municipalities, public corporations and instrumentalities of the Government of Puerto Rico and its political subdivisions are hereby directed to observe the following norms in implementing the public policy stated in this Act:

1. To use a systematic interdisciplinary approach to assure the integrated employment of natural and social sciences and the art of natural landscaping when making plans and decisions that might have an impact in the human environment.
2. To identify and develop methods and procedures, in consultation and coordination with the Environmental Quality Board established in this Act, in order to assure not only the consideration of economic and technical factors, but likewise, established value and amenity factors, even if these have not been economically assessed and evaluated.

3. To enclose with all recommendations or reports on proposed legislation, and to issue, before taking any government action or promulgating any government decision which significantly affects environmental quality, a written and detailed statement on:

   a. The environmental impact of the legislation thus proposed, the action to be taken or the decision to be promulgated;

   b. Any adverse effects on the environment that can not be prevented if such proposed legislation is approved and applied, if such government action is taken or if such government decision is promulgated;

   c. Alternatives for such proposed legislation, government action or government decision;

   d. The relation between the short-term local uses of the environment and the long-term conservation and improvement of productivity; and

   e. Any irrevocable or irreparable compromise of the natural resources that would be involved in the legislation proposed, if the same were to be implemented; in the government action, if it were to be taken; or in the government decision, if it were to be promulgated.

   This provision shall not apply to findings or decisions issued by the Courts and the Governing Board of the Environmental Quality Board, in adjudicative cases. Neither shall the same apply to rule-making proceedings conducted by the Governing Board of the Environmental Quality Board by virtue of the powers and responsibilities conferred thereto by this or other Acts.

Before the Proponent Agency makes the final decision on the proposed action, it shall comply with the environmental planning process and issue an environmental impact statement, whereby such body finds that the action in question shall either have a significant impact or have no such impact, the official responsible therefor shall consult with and obtain from any other government body with jurisdiction or participative interest its opinion concerning the legislation proposed, the government action to be taken or the government decision to be promulgated.

A copy of such environmental document shall be remitted to the Environmental Compliance Evaluation Division of the Permit Management Office. Such Division shall be the one in charge of obtaining recommendations from the units and issuing its recommendations to the Executive Director of the Permit Management Office. Furthermore, these shall be made available to the public and shall be enclosed with the proposed legislation, action or decision, in order for government bodies to conduct the corresponding inspection and study.

The official responsible for issuing the environmental impact statement shall submit a copy thereof in electronic media, in the format to be established by the Environmental Quality Board. The Permit Management Office and the Environmental Quality Board shall publish in electronic media such environmental impact statement on readily accessible media, free of charge, such as the Internet. The electronic publication of the environmental impact statement and its availability to the public shall coincide with the date on which such document shall be available to the public in hard copy.

4. To study, develop, and describe the alternatives proper to the courses of action recommended in any proposal involving unresolved conflicts relative to alternate uses of available resources.
5. To apply the precautionary principle, in the awareness that whenever and wherever there are threats of inflicting severe or irreversible harm, lack of full scientific certainty shall not constitute grounds for postponing cost-effective measures in order to prevent environmental degradation. Such application shall be predicated on the following premises: (1) natural and juridical persons are under the obligation to take action in advance to prevent harm or hazards; (2) the burden of proof concerning the absence of hazards that might be posed by a new technology, process, activity or chemical substance, shall fall on its proponent, not on the citizenry; (3) prior to using a new technology, process or chemical substance or before engaging in a new activity, persons are under the obligation to evaluate a wide array of alternatives, including the non-action alternative; and (4) decisions whereupon this principle is applied shall be made public, informed, and democratic, and include the parties affected thereby.
6. To recognize the far-reaching, world-embracing nature of environmental issues, and whenever in harmony with the foreign policy of the United States, lend proper support to initiatives, resolutions, and programs designed to maximize international cooperation in forestalling and preventing deterioration in the world's environment wherein humankind thrives.
7. Furnish useful advice and information to municipalities, institutions, and individuals concerning environmental quality restoration, conservation, and improvement.

8. Initiate and use ecological information in resource-oriented project plans and developments.
9. Assist the Environmental Quality Board, established under Title II of this Act, in all projects or efforts directed to achieving the objectives of this Act, including, but not limited to being specially attentive and meeting all requirements in terms of compiling and periodically providing the Environmental Quality Board with authoritative information and data that enables the latter to assess and report on the status of the environment and natural resources.

C. The Permit Management Office shall act as the proponent agency and as the body with competence over or acknowledged expertise in relation to any action which requires compliance with the provisions of this Section. In such cases, the Environmental Compliance Evaluation Division of the Permit Management Office shall evaluate the environmental document submitted for its consideration by the proponent of the action or by the pertinent department, agency, municipality or public corporation or instrumentality of the Government of Puerto Rico and the political subdivisions thereof, and shall determine compliance with the provisions of this Section. Any recommendation required from a government body in relation to the environmental document shall be issued by the Permit Managers of the Management Office and by the Director of the Environmental Compliance Division, except for recommendations required from the municipalities, the Environmental Quality Board, and the Planning Board, as the case may be, pursuant to the applicable legal and regulatory provisions. For the purposes of this Section, the Environmental Quality Board shall establish through regulations, the

procedure that shall govern the preparation, evaluation, and processing of environmental documents. The above described regulations shall be drafted, approved, and adopted by the Environmental Quality Board upon considering the comments from the Planning Board. The assessments by the Management Office on whether a proposed action is compliant with the provisions of this Section shall be reviewable once the Permit Management Office has made a final decision on the permit applied for and the review thereof shall be conducted pursuant to the terms established in the Act whereby the Permit Management Office was created. In such cases in which the environmental compliance assessment requested from the Permit Management Office is not related to the permits issued by the same pursuant to its provisions or any other action under the law, the assessment by the Permit Management Office on this particular matter shall not be deemed to be final in nature and the same shall be a component of the final determination of the department, agency, municipality, public corporation or instrumentality of the Government of Puerto Rico or political subdivision, as the case may be, on the proposed action, and reviewable together with such final determination.

In the event that the Environmental Quality Board is the only agency with jurisdiction over the proposed action, there shall be no need to obtain an assessment from the Environmental Compliance Evaluation Division of the Permit Management Office for the purposes of this Section.

D. …”

Section 19.10.—**Repeal**.—

Act No. 76 of June 24, 1975, as amended, known as the "Organic Act of the Regulations and Permits Administration," is hereby repealed one (1) year after this Act takes effect.

Section 19.11.—**Savings Clause**.—

If any section, subsection, clause, subclause, chapter, paragraph, phrase or part of this Act were to be ruled null or unconstitutional by a Court with competent jurisdiction, the ruling to such effect shall not affect, hinder or invalidate the remainder of this Act, its effect being limited to such section, subsection, clause, subclause, chapter, paragraph, phrase or part of this Act thus ruled null or unconstitutional.

Section 19.12.—**Interpretation in Case of Conflict with Other Laws or Regulations**.—

The provisions of any other law or regulation which directly or indirectly governs the evaluation, granting or denial of permits, recommendations or activities directly or indirectly related to land development and use in Puerto Rico, the collection of service and submittal fees as well as stamps for construction plans, shall only be supplemental to this Act, insofar as its provisions are not in conflict with the provisions and purposes of this Act. Any law or regulation in which reference is made to or that mentions the Regulations and Permits Administration or its Administrator or to the Board of Appeals on Construction and Lot Division shall be deemed to be amended so as to replace all of the latter with the Permit Management Office, or the Executive Director of the Permit Management Office or the Reviewing Board, respectively, and as the case may be, provided that the provisions thereof are not in conflict with the provisions and purposes of this Act.

Section 19.13.—**Effectiveness and Transition**.—

All Sections of this Act shall take effect immediately after its approval, except for Section 19.10. Within thirty (30) days as of the approval of this Act, the Governor shall appoint, pursuant to the provisions of Sections 2.2 and 10.2 of this Act, the persons who shall hold office as Executive Director of the Permit Management Office and Chief Permit Inspector, in order for them to participate in the drafting and adoption of the regulations required by this Act, as well as in the establishment of the Permit Management Office and the Office of the Chief Permit Inspector.

However, there shall be a transition period of one (1) year, commencing as of the approval of this Act. The Governor, or the person onto whom he/she delegates, shall have the authority to adopt such provisional measures and to make any necessary decisions to conduct the transfer directed by this Act without affecting the services or the regular course of the functions so transferred.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 161 (H. B. 1649)** of the **2nd Session of the 16th Legislature** of Puerto Rico:

AN ACT to create the "Puerto Rico Permit Process Reform Act," in order to establish the legal and administrative framework that shall govern the application for and the evaluation, granting, and denial of permits by the Government of Puerto Rico; to create the Permit Management Office, define its functions, authorities, and obligations, and to provide for its organization; to create the legal construct of the Authorized Professional, define the composition, functions, authorities, and obligations thereof, and provide for his/her authorizations; to create the constructs of the Permit Manager and the Service Representative, and the construct of the Permit Officer, and provide for their authorities; to create the Office of the Chief Permit Inspector, define, etc.

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

In San Juan, Puerto Rico, on the 30th day of April of 2010.

Solange I. De Lahongrais, Esq.
Director