

# NEWSLETTER

## Editor's Note:

Welcome to this supplemental Q3 2025 edition of the PRPA Newsletter. This issue connects the developments of Q3 with the new priorities taking shape as Puerto Rico's legislature enters its final weeks of session. We remain closely focused on how local reforms and federal actions intersect, and how these combined pressures may reshape Puerto Rico's regulatory environment. As always, your insights and feedback are invaluable. We encourage you to share any areas of legislative interest—whether local or federal—so we can continue to tailor our monitoring and analysis to the issues that matter most to you.

## LEGISLATIVE REVIEW

### Docket Overview: What stalled?

By late 2025, most measures highlighted in earlier editions of the Newsletter are still in committee or show minimal legislative progress. Examples include:

- **PS 70** proposes the creation of a uniform procedure for the government's debt-collection efforts. Its objective is to standardize how agencies identify, notify, and collect outstanding public debts.
- **PS 24** focuses on cybersecurity training requirements. The measure seeks to mandate cybersecurity education for public agencies and, in some cases, private entities that interface with government systems. Its stated purpose is to promote a baseline level of cyber preparedness across critical operations.
- **PC 427** addresses the integration of artificial intelligence tools into English-language instruction within the public education system.
- **PC 454** expands the government's open-data obligations by requiring agencies to publish compensation information for key employees and contractors.

- **PC 2136** amends the Incentives Code to prohibit public-private partnerships funded with 75 percent or more federal dollars from receiving new tax incentives.

Given the timing and the typical legislative rush toward the end of the term, it is likely that the session will conclude before these bills make substantial further progress.

At the federal level, **H.R. 4763** – Financial Innovation and Technology for the 21<sup>st</sup> Century Act (FIT21) is also unlikely to clear the Senate before year-end.

### What's new?

As 2025 moves into its final legislative weeks, the newly filed **PS 63** purports to expand the scope of the Transparency Law through "technological tools." This bill would double the time government agencies have to respond to information requests, allow them to refuse requests, and impose additional hurdles on requesters. The Bill also establishes sanctions for government entities that fail to meet disclosure obligations.

Along with **PS 63**, other measures such as **PC 364** (*Integration of Blockchain Technology in Public Administration*), **PC 387** (*Unified*

*Digital File for Individuals with Functional Diversity*, **PC 427** (Artificial Intelligence in English Language Programs), and **PS 70** (Artificial Intelligence Officer Act) discover the Legislature's interest in the technology agenda.

The public must remain vigilant as the government rushes forward with initiatives that invoke "technology" and "innovation" to garner support, often without a clear understanding of these highly specialized subject areas. Such measures risk trampling privacy rights and weakening long-standing transparency safeguards. This moment demands close oversight to ensure data protection and privacy.

Further, the trajectory of these measures suggests that 2026 will be a defining year for Puerto Rico's digital governance model. If these proposals move through final committee stages, the focus will shift from conceptual to operational. PRITS seems to be positioned to become *a de facto* repository of the citizens' information. Continued monitoring will provide insight into how these policies affect privacy interest and public trust.

## **Public Safety and Citizen Protection Measures**

The past quarter also underscored the role of technology in strengthening Puerto Rico's broader security and emergency infrastructure. Building on this wave of digital modernization, legislative focus has also turned toward measures that extend innovation into public safety and emergency response.

### **PC 21 - Forensic Evidence Tracking Portal for Sexual Violence Cases**

Creates a digital tracking system under the Department of Health allowing victims of sexual violence to monitor the status and location of their forensic evidence kits (*SAFE Kits*). The measure seeks greater transparency, interagency coordination, and trust in forensic justice processes.

**Status:** Approved by the House; pending final action in the Senate.

### **PC 246 - "Cuéntamelo" Digital Platform for Vulnerable Populations**

Authorizes PRITS to develop a mobile application enabling confidential reporting of abuse or emergencies, with direct connection to law enforcement and social service agencies. This tool strengthens the island's technological response to vulnerable populations.

**Status:** Signed into law as Act 104-2025; effective immediately.

The upcoming quarter will focus on the implementation and effectiveness of these platforms and their reach across municipalities and their integration with existing emergency networks. Continuous follow-up will determine whether these advances translate into tangible safety outcomes for citizens.

## ***Incentives, Economic Development, and Fiscal Reform***

The current wave of measures targets streamlined incentive programs, expanded municipal authority, and clearer tax frameworks aimed at restoring investor confidence. Collectively, these measures signal a short-term stimulus toward sustainable growth anchored in fiscal discipline and regional innovation.

### **PC 319 - Amendment to the Government Open Data Act**

Clarifies exceptions to approval processes for technology projects funded exclusively with federal funds, streamlining redundant procedures.

**Status:** Approved by the House; pending Senate review.

### **PC 846 and PC 881 - Extension and Clarification of Incentives**

PC 846 extends the property tax exemption through 2030, while PC 881 expands the definition of "microenterprise" to include part-time and self-employed workers.

**Status:** Both bills remain in legislative process.

### **PS 734 - Technological Innovation Zone**

Establishes special zones in municipalities with high unemployment rates to attract tech investment and promote regional economic growth.

**Status:** In public hearings before the Finance Committee.

## **Update on FinCEN Rule for Residential Real Estate Transfers**

On August 29, 2024, **FinCEN** issued a final rule imposing new anti-money laundering reporting requirements on certain non-financed residential real estate transfers to legal entities and trusts. That rule remains in place, but on September 30, 2025, FinCEN announced that implementation would be postponed until March 1, 2026, giving industry participants additional time to prepare for compliance. The rule will require reporting persons to file detailed reports on covered transactions, including information on the transferee entity or trust and its beneficial owners. As this framework moves toward implementation, **PRPA** is evaluating potential constitutional challenges to the reporting regime, as well as broader concerns with the Bank Secrecy Act's expansive definition of "financial institution."

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