



HNBA 2021 RESOLUTION SUPPORTING MEASURES ADDRESSING PUERTO RICO'S ECONOMIC RECOVERY

WHEREAS, the Hispanic National Bar Association (“HNBA”) is an association created to represent the interests of Hispanic legal professionals and the Hispanic community, acting as a collective voice for issues of common concern to its members; and

WHEREAS, the HNBA is the national voice of its legal community and Hispanics in the United States and its territories and possessions; and

WHEREAS, Puerto Rico is in a deep recession with severe fiscal, economic, and liquidity challenges that have placed immediate and growing hardships on the Island’s more than three million U.S. citizens, including, but not limited to, continuously increasing unemployment and poverty rates; and

WHEREAS, a series of natural disasters has significantly exacerbated its economic recession, decreased revenues, increased unemployment, suppressed wages, and caused Puerto Rico to sink into a deeper financial crisis; and

WHEREAS, under the current tax code Puerto Rico is treated as a foreign country and U.S. companies with subsidiaries on the island are taxed at a higher rate than their operations on the mainland; and

WHEREAS, Puerto Rico’s fiscal crisis will continue to undermine the Island’s ability to recover from its overall economic recovery; and

WHEREAS, studies estimate that the adverse effects of the Jones Act are costing Puerto Rico an estimated \$537 Million per year which has significantly contributed to the Island’s fiscal crisis; and

WHEREAS, Puerto Rico does not currently receive the same Medicaid funds afforded to U.S. states and the Medicaid funds currently allocated to Puerto Rico under the Affordable Care Act are projected to run out in federal FY 2018, which will cause a significant shortfall in the Island’s Medicaid budget going forward; and

WHEREAS, Section 404 of the Stafford Act allows the President to authorize the federal government to cover up to 75% of the cost of hazard mitigation measures that “reduce the risk of

future damage, hardship, loss or suffering in an area affected by a major disaster,” capped at not more than 7.5% of total costs of major disasters costing \$10 Billion; and

WHEREAS, most residents of Puerto Rico do not currently qualify for the Earned Income Tax Credit; and

WHEREAS, U.S. citizens living on the Island are not currently allowed to receive Supplemental Security Income (SSI); and

NOW THEREFORE BE IT RESOLVED, that the HNBA supports action by Puerto Rico to take the structural and fiscal reforms that would allow Puerto Rico to recover from a series of natural disaster, including Hurricane Maria, by repairing, rebuilding and improving its infrastructure, providing humanitarian relief to the residents of Puerto Rico, and improving its economic efficiency and growth, and that the federal government be supportive of said measures; and

NOW THEREFORE BE IT RESOLVED, that the HNBA supports the restructuring process currently underway pursuant to the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), but urges the Governor of Puerto Rico, the Commonwealth’s Legislature, and the fiscal oversight board to revise the current fiscal plan to further eliminate austerity measures, and implement comprehensive restructuring or forgiveness of Puerto Rico’s debt; and

NOW THEREFORE BE IT RESOLVED, that the HNBA calls on Congress to take the following immediate actions:

- (1) Enact legislation that assists Puerto Rico’s recovery and rebuilding and places Puerto Rico on a path towards economic growth including, but not limited to Congressional appropriation for additional funding for improvement of the Island’s existing infrastructure for purposes of hazard mitigation, hurricane readiness, and climate adaption.
- (2) Authorize a permanent waiver or exemption of the Jones Act for Puerto Rico that affords Puerto Rico more access to building supplies and lowers the cost of all imported goods needed for reconstruction efforts and future economic recovery and growth.
- (3) Make immediate changes to the current tax reform plan to classify Puerto Rico as a domestic territory, thereby removing the 20% tax on U.S. mainland businesses operating on the island and saving up and around 250,000 jobs that lay in the balance. The HNBA supports legislation that will help remedy the implications of unfair treatment of Puerto Rico under the tax code, including Senator Menendez’s Territory Economic Development Tax Credit Act and Congresswoman Plaskett’s Territorial Economic Recovery Act.
- (4) Approve a temporary waiver of the local matching requirement for federal Medicaid funding and enact legislation that eliminates the annual Medicaid/Mi Salud funding cap on Puerto Rico and replaces those funding caps with the Federal Match for Medicaid (FMAP) funding calculation used for the 50 states and the District of Columbia.

- (5) Enact legislation or include a provision that would permanently permit families in Puerto Rico with one or two children to claim the Child Tax Credit and extend the Earned Income Tax Credit to Puerto Rican residents under the same criteria under which mainland U.S. citizens can claim it.
- (6) HNBA strongly supports the right of the residents of Puerto Rico to determine the status of Puerto Rico. HNBA urges Congress to pass legislation that would provide for a binding path to self-determination.

And,

NOW THEREFORE BE IT RESOLVED, that the HNBA calls on the President of the United States and the Executive Branch agencies under his authority to take the following immediate actions:

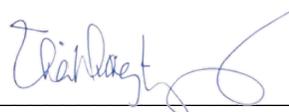
- (1) Instruct the Solicitor General of the United States to support the equal treatment of Puerto Rican residents with respect to federal benefits to which all Americans are entitled in any matter before the Supreme Court of the United States.
- (2) Work with stakeholders in the diaspora community and Puerto Rican officials to prepare a roadmap for the Administration's role in Puerto Rico's recovery, including additional economic development funding and ways to remedy the healthcare funding shortfalls that continue to hamper Puerto Rico's recovery.

NOW THEREFORE BE IT FURTHER RESOLVED, that the HNBA authorizes its officers and staff to communicate the content of this resolution to other bar associations, members of the U.S. Congress, the press, and to whomever else suited to receive the information in order to affect this Resolution; and

BE IT FINALLY RESOLVED, that this resolution shall be the policy of the HNBA until it is withdrawn or modified by subsequent resolution.

CERTIFICATION

I, **Elia Diaz Yaeger**, National President of the Hispanic National Bar Association, hereby certify that the foregoing resolution was duly enacted by the Executive Committee pursuant to the authority delegated to it by a duly-noticed meeting of the Board of Governors.



Elia Diaz Yaeger
HNBA National President