

Association Charter of the Costa Rican Tourist Board

No. 1917 of July 29 of 1955, published in
La Gaceta No. 175 of August 9 of 1955.

ASSOCIATION CHARTER OF THE COSTA RICAN TOURIST BOARD

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Chapter I

Article 1.- The Costa Rican Tourist Board, hereby created, has as its goal the fulfillment of the objectives pointed out in the present law.

Article 2.- As an autonomous institution of the State, the Tourist Board shall have its own legal representation and capacity and patrimony: it will exert its administrative and commercial proceedings in absolute independence, solely guided by the decisions of its Board of Directors, that shall act according to its judgment, within the Constitution, laws and regulations pertaining, and the most convenient commercial norms for the promotion of tourism in Costa Rica. The Board of Directors shall be totally and unavoidably responsible of its management.

Article 3.-The legal residence of the Tourist Board will be the city of San José, but it may establish branch offices or agencies in any place of the Republic, as well as abroad, by agreement of its Board of Directors.

Chapter II Purposes

Article 4.-The main purpose of the Tourist Board will be to increase the tourism to the country, by:

- a) Promoting the entry and pleasant stay in the country of foreign visitors searching for rest, amusement or entertainment;
- b) Furthering the construction and maintenance of places for lodging and recreation to be used by tourists,
- c) Developing the necessary advertising campaign abroad, so that the country is known, in order to attract tourism; and
- d) Promoting and watching over the private activity of tourist attention.

Chapter III Functions

Article 5. -The Tourist Board shall have the following functions:

- a) Build, lease and manage hotels, and other constructions, sport and entertainment areas, suitable for relaxation and recreation of visitors, as well as roads of access to the same,

- provided that the private initiative does not act adequately. To comply with the above, it may, if necessary, bargain public or private loans, municipal or national, and negotiate foreign loans, in agreement with the Constitution and laws;
- b) Carry out and manage the necessary advertising abroad, by all adequate means, so that the country is known, with the purpose of increasing the number of visitors. To achieve such purpose it will count with the collaboration of all governmental dependencies, especially the Ministry of Foreign Affairs.
 - c) Promote and stimulate any commercial, industrial, transport, sports, and artistic or cultural activities, aimed to attract tourism, that offer the conveniences and amenities, or that promote the country in its diverse aspects, especially as to its folklore.
 - d) Operate the necessary transport means when it becomes necessary to do so;
 - e) Protect and promote buildings or sites of historical interest, as well as places of natural beauty or scientific relevance, conserving them untouched and preserving autochthonous flora and fauna in its own environment. The Tourist Board may purchase or manage the constructions or territorial extensions, if necessary to comply with the above;
 - f) Annulled¹
 - g) Protect the interests of visitors, by all means available, to assure them a pleasant sojourn in the country; and
 - h) Assuming whichever other functions appointed by law.

The Tourist Board will adhere at all moments to any relevant arrangements, dictated by the country's municipal governments or the National Institution for Housing and Urbanism, if not otherwise expressed in this law or in any subsequent ones.

Article 6.- Annulled²

Chapter IV Capital, reserves and utilities

Article 7.- The Tourist Board's capital will be constituted by:

- a) All real estate acquired, be it through private donations or of public institutions, purchase or any other means authorized by the laws;
- b) The remnants, once expenses of the institution have been deducted, product of the taxes indicated in article 46; and the approval that will be given by the Government, through the corresponding entry in the General Budget, of the necessary amount to complete one million colones per year, if those taxes should not generate the minimum sum. This entry will be included in the budget of the following year when the deficit is dissolved or fixed, and to that aim the institution will suggest

¹ Tacitly annulled by articles 75 and 109 of Law No. 4465 of November 25 of 1969

² Tacitly annulled by articles 75 and 109 of Law No. 4465 of November 25 of 1969

- to the Executive Power the new revenues that cover the indicated expenses;³
- c) Annulled⁴

Article 8.-The institution's reserves will be constituted by:

- a) The total amount of net profits; and
- b) Additional government contributions or grants, of the municipalities or whichever person or entity, as well as those amounts collected by its own initiative.

Article 9.-The institute's financial exercise will be the calendar year, but at the end of each semester a complete paying in full of its revenues and losses will be done. The net losses that could be experienced by the institution during a semester will be charged to its reserves.

Chapter V

Vigilance, Balances and Publications

Article 10.-The Tourist Board will be subject to the Comptrollership General of the Republic's inspection, according to the arrangements included in its association charter.

Article 11.-The balances, accounts and statements of the Tourist Board that are forwarded to the General Comptroller of the Republic, shall be signed by the Head of the Accounting Department and the General Manager, and authenticated by the Tourist Board's Auditor.

Article 12.-The Tourist Board will publish on the Official Journal, within the first thirty workdays of each semester, a general balance of its economic situation, that shall include its assets and liabilities to the last day of the preceding semester.

Article 13.-Within the first six months of each year the Tourist Board will publish an Annual Report to disclose its financial situation and the labors performed the former year. The Report will include at least the following:

- a) An analytic account of the institution's finances, its economic operations and results, as well as the internal activities, during the year accounted;
- b) A summarized statement of the main activities related to tourism, carried out that year in the country; and
- c) An analysis that sums up the advantages received by the national economic activity from tourism, as well as an analysis of the income produced by such activity for the country.

³ As reformed by article 1º of Law No. 2763 of June 22 of 1961

⁴ Annulled tacitly by Law No. 4071 of January 22 of 1968.

Likewise, the numerical charts, graphs and statistical annexes considered convenient, and the complete text of legal requirements dictated during the period accounted, in relation to the functions and operations of the Tourist Board.

Chapter VI Of the Board of Directors

Article 14.- The Tourist Board will operate under the general management of a Board of Directors, integrated by five members, as follows:

1) Executive President of acknowledged experience and knowledge in the field of activities of the corresponding institution, designated by a Council of Government whose administration will be guided by the following norms:

- a) He/she will be the highest rank official, for the purposes of the government of the institution he (she) will mainly ensure that the decisions made by the Board of Directors are executed, as well as coordinate the entity's action whose board he (she) governs, with the other institutions of the State. Likewise, he (she) shall assume the other functions reserved to the President of the Board of Directors by law, as well as others that the Board itself may assign;
- b) He/she will be a full-time servant, with **exclusive dedication** to these functions, consequently he may not occupy any other public charge, nor practice any liberal trade;
- c) He may be freely removed by the Council of Government, in which case he/she will have the right to labor compensation, corresponding to the time served in such charge.

For determining such compensation, the rules fixed by articles 28 and 29 of the Labor Code will be followed, with the amount limits determined by such article.

2) Six persons with wide knowledge or ample experience in the field of activities of the corresponding institution, or with a professor's title acknowledged by the State, appointed by the Council of Government.

The Council of Government, if requested by the Board of Directors, may provisionally appoint, those members indicated in the preceding clause 2), in case of their due and justified absence from the sessions and those cases not foreseen in article 18.⁵

Article 15.- The members of the Board of Directors should be persons characterized by their correction, integrity of character and responsibility, which will be considered as essential. Besides the

⁵ Tacitly reformed by article 4º of Law No. 4646 of October 20 of 1970 modified by article 3º of law No. 5507 of April 19 of 1974

conditions of clause 2) of the preceding article, they should also meet the following:

- a) Being twenty-five years old or more; and
- b) Being Costa Rican by birth or naturalization, with at least ten years of residing in the country.

Article 16.- The following persons will not be eligible as members to the Board of Directors:

- a) Debtors with the institution;
- b) Those declared in state of bankruptcy or insolvency; and
- c) Those related between them by some consanguinity or kinship relationships up to and including third degree.

Article 17.-The charge of member of the Board of Directors is incompatible with:

- a) Member or employee of the Supreme Powers, with exception of the Minister of Foreign Relations;⁶
- b) Manager, Auditor, agent or employee of the institution; and
- c) The Director, Manager or Assistant Manager, agent or employee of another autonomous institution, with the exception of the University of Costa Rica.

Article 18.-Elective members of the Board of Directors will be designated for a period of four years and may be re-elected. Their appointments will be done so that there is one of them renewed in their charges each year. Appointments of the members of the Board of Directors to substitute those ending their period shall be done thirty days prior to the expiration of such period.⁷

⁶ Tacitly annulled by articles 1^o and 3^o of Law No. 5507 of April 19 of 1974.

⁷ Tacitly reformed by article 5^o of Law 4646 of October 20 of 1970 that says "Article 5".- Elective members of the Board of Directors referred to in clause 2) of the preceding article, will be appointed by a Council of Government, for periods of eight years, as of June 1^o of the year that begins the presidential period referred to in article 134 of the Political Constitution. Their appointments should be done the last fifteen days of the month of May of the same year. Renewal of directors shall be done in halves, so that after each change of government it will proceed the appointing of three directors of each Board of Directors. Nevertheless, when the association charter of each one of the institutions mentioned in the preceding article does not establish a representation of the Executive Power with a Governmental Minister, the seven members of the Board of Directors will be appointed by a Council of Government, according to the preceding paragraph, renewing, after each change of Government, the three or four Directors as corresponds, whose period of eight years expires. Any of the members of the Boards of Directors may be reelected. Once the directors are appointed and that they have begun with their functions, the Council of Government may not revoke them, if not based on information from the Comptrollership General of the Republic, which lays evidence of the existence of a just cause for it, in conformity with legal dispositions and / or corresponding regulations. In any case the substitution or appointment by resignation, justified removal, or any other cause, will be done within the term of fifteen days and for the rest of the legal period, following the norms established in this article. In the case that the Council of Government deviates from this norm, appointments done of new directors are void and those having been removed from

Article 19.-Members of the Board of Directors will be immovable during the period for which they were designated. Nevertheless, will not be a member of the Board of Directors of the Tourist Board whom:

- a) no longer fulfills the requirements established in article 16 or is included in any of the incompatibilities of article 17;
- b) should leave the country for longer than three months without authorization of the Board of Directors, or with it, if longer than one year;
- c) for any not duly justified cause, to the judgment of the Board of Directors, has incurred in missing six ordinary consecutive sessions;
- d) is responsible by final judgment, of infringing any of the dispositions contained in the laws, decrees or regulations applicable of the institution or who has agreed to them;
- e) is responsible by final judgment, of fraudulent or illegal acts or operations;
- f) by physical incapacity has not been able to carry out the duties of his charge during six months; and
- g) Who should resign to his charge or is legally disabled.

In any of these cases and if one member of the Board of Directors dies, the Board will gather the corresponding information and notify the Council of Government so that it can determine if it proceeds to declare the separation or vacancy, designing a substitute. In such case, the appointment will be done within fifteen days, after receiving the communication and for the rest of the legal period.

The separation of any of the members of the Board of Directors does not free him/her from the legal responsibilities in which he/she may have incurred.⁸

Article 20.-The members of the Board will perform their duties in complete independence from the Executive Power and will be the only ones responsible of its administration. Without detriment to other sanctions that were applicable, they will respond personally with their goods, for losses that are cause of damage to the institution due to the authorization of operations forbidden by law or performed without the required formalities. Only those recording their vote of dissent will be exempt of that liability. Members of the Board of Directors shall provide a bail of twenty thousand colones (20,000)

their charges without that prior information, will keep their positions for the rest of the legal period or until the Comptrollership General of the Republic finds that their removal is justified. In those cases where the Association Charter of any of the mentioned institutions of the preceding article indicates special requirements for their directors, in relation to their profession or trade union representation, those requirements will be respected in **their compatibility and applicability** with the proceedings herein established for their appointments.

⁸ Tacitly reformed by article 5º of Law 4646 transcribed as footnote No. 7

before exercising their charge. This bail may be by pledge or trust, with a fidelity policy of the National Insurance Institute or cash deposit. For qualification of the pledge and granting of the deeds, the Fiscal Code's prescriptions shall be followed.

Article 21.-Members of the Board of Directors, the Manager and Auditor, are banned from taking active participation in matters of electoral policy, without damage that they comply with their civic duties in complete freedom.

Article 22.-The Board of Directors shall meet in ordinary session once a week and in extraordinary session, each time it is summoned to such effect, according to internal regulations. Quorum of ordinary and extraordinary sessions is formed with three members and agreements will be taken, save legal disposition ruling the contrary, by a majority of votes. For each session, members of the Board of Directors will earn one hundred colones (100) and for each month only four extraordinary sessions may be remunerated.⁹

Article 23.- Are invalidated by absolute nullity and taken as nonexistent, whichever kind of contracts or operations celebrated directly or indirectly by the institution with members of the Board of Directors or any of their relatives up to second degree by consanguinity or kinship, all in conformity with what's established by the Law of Financial Administration of the Republic.¹⁰

Article 24.-No member of the Board of Directors could be present when resolving operations in which any of his relatives up to fourth degree of consanguinity or third by kinship, both inclusive, are

⁹ In conformity with Law No. 3065 of November 20 of 1962 no more than eight sessions may be remunerated monthly counting ordinary and extraordinary ones. Likewise, adjustment to daily stipends of the members of the Board of Directors **will be done** in conformity with the consumers' inflationary index, following Costa Rica's Central Bank Indexes, by external modification.

¹⁰ Reformed by articles 22 of the Administrative Contracting Law **which** establishes the system of prohibitions in matters of administrative contracting, that **establishes** "In proceedings of administrative contracting promoted by **institutions** under this law, are banned of participating as **offerors**, directly or indirectly, the following persons: a) The President and **Vice-presidents** of the Republic, Ministers and **Vice ministers**, Deputies to the Legislative Assembly, Judges of the Supreme Court of Justice, and those of the Supreme Board of Elections, the Comptroller and Assistant Comptroller General of the Republic, the **Attorney General and the Attorney General's Assistant** of the Republic, the Ombudsman and Assistant Ombudsman, the National Treasurer and Assistant National Treasurer and the National Supplier and Assistant National Supplier. b) With the same entity they serve in, executive presidents, managers and **sub managers** of decentralized institutions as well as public companies and civil servants who are decision-makers or who can intervene in any stage of the process of administrative contracting. c) Companies in whose social capital participates any of the functionaries mentioned in the preceding clauses. d) Relatives by consanguinity or kinship up to third degree, including, of the functionaries covered by the ban. e) Companies in which the relatives indicated in the above clause are title holders of more than twenty five per cent (25%) of the social capital or exercise a directive position or representation. f) Physical or legal persons who have participated as advisors, in any stage of the contracting procedure or have participated in the creation of specifications, designs and respective plans. This prohibition will not apply in the joint bidding of the design and construction of the works or alternative variants to the specifications or plans supplied by the Administration (...)"

interested, or in which may be interested societies in which he or his mentioned relatives are collective partners, silent partners, directors or managers. Such prohibition will exist when the Board of Directors has to know about a claim or conflict in which any of the mentioned persons in this article is an interested party.

Article 25.-The Manager and Auditor will be present in the Board's sessions, having voice but no vote. They may, however, when deemed necessary, record in the corresponding minutes of the meeting, their points of view regarding matters discussed. Despite the above, they will not be present in sessions when they relate to the appointment of a Manager or Auditor, or when for a special reason it is thus agreed by the Board of Directors. Also the Heads of Department of the Tourist Board may be present, and those persons who are especially invited.

Article 26.-The Board of Directors will have the following powers:

- a) Propose law projects deemed necessary to solve tourism-related problems to the Legislative Assembly;
- b) Decree, enact, amend and interpret necessary internal regulations for the better development of the purposes of the Tourist Board; and submit regulations for approval before the Executive Power. For the regulations and amends dictated by the Board of Directors to be valid, they must be published in the Official Journal;
- c) Organize the institution's dependencies and services;
- d) Agree and revoke establishment of agencies and representations;
- e) Request the expropriation of real estate deemed necessary to proceed with the purposes of the Tourist Board, through the corresponding legal procedures;
- f) Manage the policy of the Tourist Board and decide on the investment of its resources;
- g) Authorize the acquisition, mortgage, liens and transfer of goods, as well as contracting of loans in conformity with what's disposed in clause a) of article 5^o;
- h) Agree the annual budget of the institution and extraordinary budgets, submitting them for approval before the Comptrollership General of the Republic;
- i) Approve the Annual Report and general balances of the Tourist Board;
- j) Appoint and discharge the Manager and Auditor and assign their functions and duties, within the prescriptions of the present law;
- k) Know the appeals presented against the resolutions dictated by the Auditing of Management, and declare the executive proceedings as exhausted;
- l) Submit the rights of the Tourist Board to trial, or outside of it, settle or submit to arbitration the pending matters and give powers deemed necessary for it;

- m) Enforce the strict observance of laws and regulations related with tourism. To this aim it is understood that all activities related with tourism are under the control or vigilance of the Tourist Board; and
- n) Perform the other functions, faculties and duties that correspond to it, in accordance to the laws, and in general, a high prosecution of the services and functions entrusted by this law to it, and adopt the rest of the resolutions necessary to comply with its purposes.

Of the Presidency of the Board of Directors

Article 27.-The Board of Directors will select among the members indicated in clause b) of article 14, by majority of votes, a President and Vice-president, who shall remain one year in their functions, being re-eligible.¹¹

Article 28.-The President of the Board is the main managing public official of the Tourist Board, and has the following functions:

- a) Ensure observance of the duties and goals of the Tourist Board and inform of the institution's progress.
- b) Submit those matters of whose knowledge corresponds, to the Board of Directors, lead the debates and gather the voting;
- c) Authorize with his signature, jointly with the Manager, the bearer securities issued by the Tourist Board, as well as the Annual Report, and other documents determined by the laws, and regulations of the institution and agreement of the Board of Directors; and
- d) Practice the other functions and faculties that correspond, in conformity with the law, the institutions regulations and other pertinent dispositions.¹²

Article 29.- In case of absence or temporary impediment of the President, he will be replaced by the Vice-president, who in such case will have all of his powers, faculties and duties. When in a session both were absent, the Board of Directors will name one of its members as President pro-témpore.¹³

Of Management

Article 30.-The Board of Directors will designate, with a favorable voting of at least four of its members, a Manager who will be in charge of the general management of the Tourist Board, according to the law and with the instructions

¹¹ Tacitly reformed by article 5 of Law No. 4646, norm that was formerly transcribed as footnote No. 7 by article 6 second paragraph of Law No. 5507 that disposes that in autonomous institutions, the temporary absences of the Executive President, shall be covered by a **Vice-President**, having the same faculties; of designation by the Board of Directors of the respective institution.

¹² Tacitly reformed by article 4º of Law No. 4646 of October 20 of 1970, in its turn modified by article 3º of Law No. 5507. See article 14 of this Law and footnote No. 5.

¹³ Reformed by article 6 second paragraph of Law No. 5507, see footnote no. 10.

given by the Board of Directors. In case of absence or temporary impediment of the Manager, it will appoint in the same way, a pro-tém-pore manager, with his same powers, faculties and duties of the titleholder. The Manager and who substitutes him temporarily must fulfil the same requirements exacted to members of the Board of Directors.

Article 31.-The Manager is subject to the same dispositions than the members of the Board, established in articles 14 through 24 of the present law, as rationally applicable, given the nature of their position and origin of their appointment. The said functionary will be appointed for five years and can be re-elected. It will be immovable, save if proven that he has not performed adequately, according to the Board criteria and based in the previously rendered information. His removal must be accorded with the same number of votes required for his appointment.¹⁴

Article 32.-The Manager is responsible before the Board of Directors, of an efficient and correct administrative functioning of the institution, and will have the following powers:

- a) Practice the functions inherent to his condition of General Manager and highest leader of the institution, watching over the organization, functioning and coordination of all the dependencies, and observing the laws, regulations and resolutions of the Board of Directors;
- b) Provide the Board of Directors the regular, exact and complete information necessary to ensure the good government and high management of the Tourist Board;
- c) Propose general norms of the institution's policy to the Board of Directors, which he considers convenient;
- d) Present the annual budget of the Tourist Board to the Board of Directors, as well as a work plan and extraordinary budgets if necessary;
- e) Propose the creation of work positions and necessary services for the proper functioning of the Tourist Board;
- f) Name, promote, grant permits, impose sanctions and remove employees from the Tourist Board, in conformity with the Roll of Employees and applicable dispositions that apply to the institution's staff, which in no case may be of inferior condition than those established by the work laws and civil service of the Republic.
- g) Ensure observance for the correct development of the policy adopted by the Board of Directors, the execution

¹⁴ As reformed by the article 6º of Law No. 4646, in the sense that the appointment of a Manager will be for periods of six years, **with possible reelection**.

- of the work plans and of ordinary and extraordinary budgets;
- h) Execute or see that they are carried out, the agreements and resolutions dictated by the Board of Directors. If appraising that they are contrary to the legal dispositions or to the institution's interests, he must present in writing, the bases of his thesis, within the following eight days after they were dictated. In case the Board of Directors insists, he will fulfill what has been resolved and will be exempt from any liability related to the matter;
 - i) Authorize, with his signature, jointly with the President of the Board of Directors, the bearer securities issued by the Tourist Board, as well as the Annual Report and other documents determined by the laws and regulations of the institution and agreements of the Board of Directors;
 - j) Assign his powers to other functionaries of the Tourist Board, except when his personal intervention may be legally mandatory;
 - k) Practice the administrative, legal, judicial and extra judicial representation of the institution, with the faculties determined by article 1253 of the Civil Code to proxy holders;
 - l) Exercise the other functions and faculties that correspond, in conformity with the law and regulations of the Tourist Board and other pertinent dispositions.

Of the Audit

Article 33.-The Costa Rica Tourist Board will have an Audit that will practice constant vigilance and investigation of the rest of departments, sections and dependencies, including agencies and representations.

Article 34.-The Audit will function under the responsibility and immediate guidance of the Auditor, who shall be a Public Accountant, named by the Board of Directors with the favorable vote of at least four of its members. To be an Auditor, the same conditions are necessary as for being member of the Board of Directors. The Auditor is immovable, save in such cases when according to the Board of Directors, and with prior information, it's shown that he does not fulfil his duties, being liable to the dispositions established by articles 14 and 24 of the present law for members of the Board of Directors, as applicable, given the nature of his charge and the origin of his appointment; he must equally abide to what's disposed in article 32 clause h) of the present law. Removal of

an Auditor may be agreed only with the same number of votes necessary for his appointment.¹⁵

Article 35.-Besides of what is established by the Board of Directors, the Auditor will have the following functions and powers:

- a) Watch over and investigate the goods, operations, obligations and capital of the Tourist Board;
- b) Investigate, as relates to his position, all the acts, operations and activities of the institution, verifying the bookkeeping and inventories, appraising the assets and other audits and balance sheets, verify them with the corresponding books or documents and certificates (sic) or authenticate when finding them to be correct. Will appraise the assets and other verifications deemed convenient, by himself or with other public officials of the Department, at least twice a year, with irregular intervals and without prior notice. These inspections, at his decision, may be partial or general, they may refer to only one branch office or to certain class of business operations or include all the dependencies, businesses and operations;
- c) Present summarized reports of his inspection and investigation activities to the Board of Directors, which may ask of him, if considered appropriate, the complete report and any other information considered relevant;
- d) Communicate of any irregularities or violations in the operations and functioning of the Tourist Board to the Manager. In case that the Manager does not dictate the measures that according to the Auditor, apply to correct the shortcomings, in what he deems a reasonable time, he shall expose the situation before the Board of Directors and propose the adequate measures to fix the stated situation;
- e) Make any suggestions, observations, and recommendations deemed convenient to correct errors and deficiencies or irregularities found;
- f) Gather the information requested by the Board of Directors, freely examine all books and files of the Tourist Board and demand, in the form, conditions and terms that he determines, the presentation of balances, balance sheets and of

¹⁵ According to article 7º of Law No. 4646 the auditor of an autonomous institution may not have occupied a position as member of the Board of Directors of the corresponding institution, during all the years or part of the two preceding ones.

- accounts, and other information and details considered relevant; and
- g) Exercise the other functions and powers that correspond, according to the laws and regulations, and other pertinent dispositions.

The institution's Manager, prior approval of the Auditor in all cases, will do appointments, promotions, permits, sanctions and removals of staff of the Tourist Board's Audit.

Article 36.-The information obtained by the Auditor or his co-workers, in the exercise of their functions, will be strictly confidential, they may not disclose or comment on data obtained or on the observed facts, save for complying with their legal and regulatory duties. Contravening the established prohibitions in this article may cause dismissal of the transgressor, without any liability to the Tourist Board.

General Dispositions

Article 37.-Any employee, agent or public official of the Tourist Board to which his higher rank authorities give orders that he considers to be contrary to the legal or administrative dispositions in force, or to the interest of the institution, should present the bases of his thesis in writing to the corresponding authority, forwarding a copy to the Auditor, Manager and Board of Directors-, within the following eight days. In case of not revoking what was ordered, he will follow the instructions received, being exempt of any responsibility.

Article 38.-By tourist is understood, under this law, any foreigner not residing in Costa Rica, visiting the country for a period of time not greater than six months, with the purpose of entertainment, rest, health or other legal one, provided that his purpose is not to obtain a job or work, nor performing commercial activities in the national territory. As for tourist protection contemplated by the present law, the term tourist includes any Costa Rican traveling for health, recreation or rest purposes, to other places within the national territory, different from his place of residence. For better attention of tourists, the Tourist Board will train tourist guides, and will be the sole authorized entity to extend permits authorizing for this type of work. The duties, powers and requirements for tourist guides will be established in the corresponding regulation. No one may perform these functions, if not counting with the respective permits granted by the Costa Rica Tourist Board.¹⁶

Article 39.-Restaurants, bars, pubs, coffee houses, night clubs, and other similar establishments of first or second class, as well as transport companies, travel agencies, and

¹⁶ Tacitly reformed by the article 6th of the [Law for the Promotion and the Competence of the Effective Defense](#) of Consumers, No.7472.

others, will submit a detail of the fares they charge for their services, before the Ministry of Government, for their approval, communicating it to the Tourist Board. These fares will be in effect for the stated period of time and may only be varied prior approval of the Ministry of Government, after a written notification is sent to the Tourist Board, with an anticipation of thirty days. Hotels should follow the same steps as well as any other lodging places for tourists, as to concerns to the price lists charged for the rental of rooms. Such tariffs will be in effect during two annual periods fixed by the same interested parties. To change them, the same procedure indicated in the first paragraph of this article shall be followed. The establishments previously mentioned that comply with these dispositions, will be included in the Guides published by the Costa Rica Tourist Board for the use of tourists.¹⁷

Article 40.- Any publication of guides, directories, cards, post cards, or plans for tourists, or any other tourist advertising that is meant to be passed around within or outside of the country, is forbidden, if it doesn't count with the prior and written approval of the Costa Rica Tourist Board. The one who should not comply with this will incur in a fine of five hundred colones.

Article 41.- Considered as an aggravating circumstance in the commission of any of the faults foreseen on the Police Code, is the offender profiting from an aggravated tourist's condition, and in any case the maximum penalty foreseen will be applied.

The same principle rules for crimes, the judge not being obliged to impose the maximum penalty.

Article 42.- A penalty of imprisonment of thirty to one-hundred eighty days, or a fine of sixty or three hundred sixty colones, will be imposed to the one who takes advantage from the harmed person's condition of being a tourist, by:

- a) Altering or abusively fixing prices or qualities of commodities, lodging, food and other services offered to the tourist;
- b) Charging for services that are ordinarily not remunerated in the locality;
- c) The organization or participation in any way in abusive exploitation of tourists in shows, games, services or other similar media;
- d) The promotion or any way of participation, in offering tourists shows or acts contrary to the good costumes and the morality; and

¹⁷ Tacitly reformed by articles 5 and 6 of the [Law for the Promotion and the Competence of the Effective Defense of Consumers No.7472](#), according to which Administration may regulate the prices of goods and services only in exceptional situations, and temporarily.

- e) Contravention of the dispositions dictated for the comfort, guarantee, protection and safety of tourists.

If in the pertinent legislation one of the cases included in this article is punished with a bigger penalty, the transgressor will receive the highest penalty and not the one here ordained.

Article 43.-Foreign tourists, who are victims of any of the faults foreseen in this law or in the Police Code, are not obliged to denounce it before the competent authorities. It will suffice to communicate the fact to the Tourist Board, which will conduct a preliminary research and formulate the corresponding complaint. In none of the stated cases will it be mandatory for the tourist to appear before the judicial authority, since it is considered as represented by the Tourist Board for legal effects.

Article 44.-The Board of Directors will establish a special system of guarantees and pensions to cover the public officials and employees of the Tourist Board. For its maintenance it will destine the necessary funds, included in the ordinary expenses budget of the institution. The amount of those funds may not exceed in any case, ten per cent of the total of salaries paid in the respective period. Such system does not detract from the legal dispositions of social security contained in the Law of the Costa Rican Social Insurance Fund, in pertinent cases.

Article 45.-The Costa Rica Tourist Board will benefit from postal and telegraph franchise, for matters related with the development of its activities. Likewise, it will be exempt of customs taxes, and rights and duties from the Register.

Article 46.- The Costa Rica Tourist Board, by means of a regulation to be prepared and submitted for approval and promulgation of the Executive Power, will manage and perceive the following taxes, created hereby to fulfill the functions assigned to it by this law:

- a) A tax of five per cent of the value of tickets sold in Costa Rica for any kind of international flights.¹⁸
- b) Annulled¹⁹

Article 47.- Law N° 91 of July 16 of 1931, constitutive of the National Board of Tourism, with its revisions, including

¹⁸ As modified by Resolution of the Constitutional Court No. 3491-94 at 14:45 hours of July 12 of 1994, that cancelled the reform made to norm 111 of Law No. 7015 of November 22 of 1985.

¹⁹ Annulled by the clause m) of article 31, of the Law of Taxpaying Simplification and Efficiency, No. 8114 of July 4 of 2001.

executive decrees Nos.347 and 368, of January 14 of 1949, respectively, is hereby abolished. Likewise are reformed or modified all legal dispositions opposing the present law.

Article 48.-For corresponding legal effects, in all kinds of laws, contracts, acts or operations, the name "National Board of Tourism" shall be substituted for "Costa Rica Tourist Board."

Articles 49 through 66. Annulled.²⁰

Article 67.-The following goods are transferred as property of the Tourist Board:

- a) All rights and obligations, as well as pending credits and real estate and movable property of the National Board of Tourism; and
- b) Shares of the company "Líneas Aéreas Costarricenses, S.A.", which are property of the State.

Details corresponding to the transfer of these goods will be resolved by the Executive Power; the Attorney General's office will grant the corresponding deeds.

Article 68.-The Board of Directors of the Costa Rica Tourist Board is bound to preparing the internal regulations this law makes reference to, as well as the roll of employees, in its first year of operations.

Article 69.-This law is in effect from its publication.

Transitory Dispositions

Transitory I.-For reasons of public interest, permits granted to the use of the lands located on the strip of land on the Maritime Mile between Chacarita of Puntarenas and one kilometer and a half of the coast southeast of Barranca's river mouth, are cancelled.

Transitory II.-During the fiscal year of 1955, the Costa Rica Tourist Board will receive the proportional amount that may correspond to it, of the annual subvention of one million colones established by article 7^o, clause b) of this law; during the term of enforcement of the present law in such period.

Transitory III.-As soon as the present law is promulgated; the Council of Government will design the four members indicated in clause b) of article 14 of this law. For renewal effects of elective members referred to in law 18 of the

²⁰ Annulled articles 49 through 53 by Law No. 4071 of January 22 of 1968

present law, the Board of Directors, in its induction session, will proceed to draw among its members, those for which the period expires the first, second, third and fourth year. Likewise, it will proceed to appoint the President and Vice-president. The legal periods of the members of the Board of Directors, as well as those of the Manager, and Auditor will begin counting as of January 1^o of 1955.

Transitory IV.-The State, through the National Geographic Institute, will, within the shortest term possible, locate the areas of national territory that according to article 5^o of this law are meant to be declared National Parks.