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Legal Update

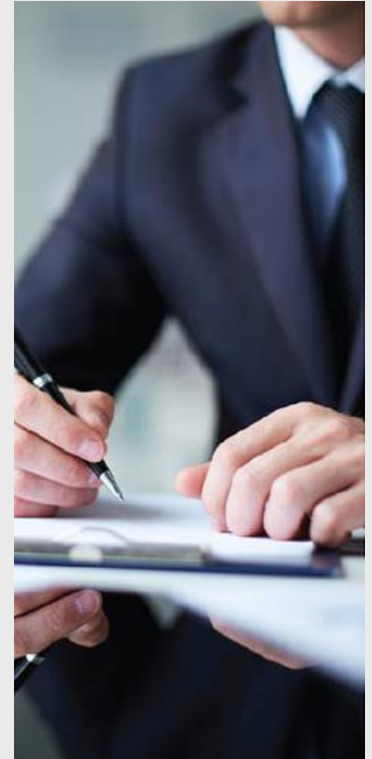
Supreme Court Reaffirms Nature of Condominium Administrative Agent as Attorney-In-Fact and Rejects Chevron-Like Deference – Vázquez v. Consejo de Titulares

On May 21, 2025, the Supreme Court of Puerto Rico issued a significant decision in *Vázquez v. Consejo de Titulares*, 2025 TSPR 56, reaffirming the principle that courts must exercise independent judicial review over agency interpretations of law. In doing so, the Court echoed the U.S. Supreme Court's ruling in *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024), which expressly overruled the Chevron doctrine that had required courts to defer to administrative agencies' interpretations of ambiguous statutes. The Puerto Rico Supreme Court emphasized that, under Puerto Rico's Uniform Administrative Procedure Act ("LPAU"), the judiciary is not bound by an agency's legal conclusions. Instead, the interpretation of the law is a function that inherently belongs to the courts. When an administrative agency's decision is subject to judicial review, it is the court's duty to examine all aspects of the agency's legal determinations, without automatic deference.

In *Vázquez*, the Supreme Court rejected the Puerto Rico Department of Consumer Affairs ("DACo", for its Spanish acronym) position that when an owner of a unit subject to Act Num. 129-2020, known as the Condominium Act, is appointed administrative agent, such owner is deemed a contractor and, thus, a professional service contract must be executed and other bids must be considered. The Supreme Court reaffirmed its precedent in *Colón Ortiz v. Asociación Cond. B.T. I*, 185 DPR 946 (2012), and held that the administrator is an attorney-in-fact of the Board of Directors and Council of Unit Owners, not a service provider or contractor under Article 58 of the Condominium Act. Thus, the agency erred by requiring competitive procurement for such an appointment. Additionally, echoing the U.S. Supreme Court's overturn of the Chevron doctrine, the Puerto Rico Supreme Court rejected DACo's argument that, given both its expertise and the primary exclusive jurisdiction doctrine, the courts should abdicate from their judicial functions and blindly defer DACo's interpretation of the law, in this case, the Condominium Act.

Rejection of Chevron-Like Deference

The Supreme Court of Puerto Rico took the opportunity to reexamine the level of judicial deference owed to an administrative agency's legal conclusions under LPAU. The Court explicitly rejected the principle of automatic deference to agency legal interpretations, citing the U.S. Supreme Court's 2024 decision in *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024), which overturned the Chevron doctrine.



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The Puerto Rico Supreme Court held that:

- Courts must independently interpret questions of law, even when they arise from agency adjudications.
- DACo's legal conclusion, that the administrative agent was a contractor, was contrary to existing precedent and thus not entitled to deference.
- The LPAU allows full judicial review of agency conclusions of law in all their aspects, meaning there is no statutory basis for Chevron-like deference in Puerto Rico.

The ruling underscores the Court's strong reaffirmation of judicial independence in statutory interpretation and signals a clear departure from any administrative law doctrine that would abdicate judicial authority in deference to agencies' legal views.

Key Takeaways

- The Court adopted the *Loper Bright* rationale to confirm that Puerto Rican courts must exercise full independent review of agency legal interpretations under LPAU.
- The Chevron doctrine is overruled in Puerto Rico. That is, courts do not have to give a deference to the interpretation of the law of an administrative agency simply because an act is ambiguous.

At Reichard & Escalera, we are closely monitoring the implications of this decision. The ruling may have wide-ranging consequences on how agencies assert their interpretive authority and how courts scrutinize those claims.

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