S T A T E   O F   N E W   Y O R K

7977--A

2009-2010 Regular Sessions

I N   A S S E M B L Y

May 1, 2009

Introduced by M. of A. HOYT, GOTTFRIED, MORELLE, DESTITO, JOHN, MAGEE, McENENY, MAGNARELLI, KOON, CHRISTENSEN, P. RIVERA, CAHILL, DelMONTE -- Multi-Sponsored by -- M. of A. BARRON, BRADLEY, BROOK-KRASNY, COLTON, COOK, GABRYSZAK, JACOBS, LIFTON, MAISEL, McDONOUGH, QUINN, SCHROEDER, STIRPE, WEISENBERG -- read once and referred to the Committee on Corporations, Authorities and Commissions -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law, in relation to establishing the New York state rail authority; and to amend the executive law, in relation to participation by minority group members and women with respect to contracts of the New York state rail authority

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The public authorities law is amended by adding a new article 2-A to read as follows:

ARTICLE 2-A
NEW YORK STATE RAIL
AUTHORITY

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD09076-05-9

S 400. LEGISLATIVE INTENT. IT IS THE INTENT OF THE LEGISLATURE IN ESTABLISHING A NEW YORK STATE RAIL AUTHORITY THAT SUCH AUTHORITY SHALL REVIEW THE RECOMMENDATIONS PUT FORTH BY THE NEW YORK STATE SENATE HIGH SPEED RAIL TASK FORCE IN JANUARY TWO THOUSAND SIX AND USE SUCH RECOMMENDATIONS AS GUIDELINES FOR FUTURE IMPROVEMENTS, ENHANCEMENTS AND ADDITIONAL RECOMMENDATIONS TO RAIL SERVICE IN THE STATE.

S 401. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "NEW YORK STATE RAIL AUTHORITY ACT".

S 402. DEFINITIONS. AS USED OR REFERRED TO IN THIS ARTICLE, UNLESS A DIFFERENT MEANING CLEARLY APPEARS FROM THE CONTEXT:

1. THE TERM "AUTHORITY" SHALL MEAN THE PUBLIC AUTHORITY CREATED BY SECTION FOUR HUNDRED THREE OF THIS ARTICLE.

2. THE TERMS "BONDS" AND "NOTES" SHALL MEAN BONDS AND NOTES, RESPECTIVELY, ISSUED BY THE AUTHORITY PURSUANT TO THIS ARTICLE.

3. THE TERM "MUNICIPALITY" SHALL MEAN A COUNTY, TOWN, CITY, VILLAGE, SPECIAL DISTRICT OR OTHER POLITICAL SUBDIVISION.

4. THE TERM "REAL PROPERTY" SHALL MEAN LANDS, WATERS, RIGHTS IN LANDS OR WATERS, STRUCTURES, FRANCHISES AND INTERESTS IN LAND, INCLUDING LANDS UNDER WATER, RIPARIAN RIGHTS, RAILROAD CAPITAL FACILITIES, INCLUDING STATIONS, BRIDGES, SHOPS AND MAINTENANCE FACILITIES, PROPERTY RIGHTS IN AIR SPACE AND/OR SUBSURFACE SPACE AND ANY AND ALL OTHER THINGS AND RIGHTS USUALLY INCLUDED WITHIN THE SAID TERM AND INCLUDES ALSO ANY AND ALL INTERESTS IN SUCH PROPERTY LESS THAN FULL TITLE, SUCH AS EASEMENTS PERMANENT OR TEMPORARY, RIGHTS-OF-WAY, USES, LEASES, LICENSES AND ALL OTHER INCORPOREAL HEREDITAMENTS AND EVERY ESTATE, INTEREST OR RIGHT LEGAL OR EQUITABLE.

5. RAILS OR RAILROAD CAPITAL FACILITY SHALL BE DEFINED PURSUANT TO THE TRANSPORTATION LAW.

6. "BUSINESS PLAN" SHALL MEAN A DOCUMENT SUBMITTED BY THE AUTHORITY TO THE LEGISLATURE AND GOVERNOR WHICH SHALL INCLUDE ALL OF THE FOLLOWING: THE TYPE OF SERVICE THE AUTHORITY ANTICIPATES IT WILL DEVELOP, A DESCRIPTION OF THE PRIMARY BENEFITS THE SYSTEM WILL PROVIDE; A FORECAST OF THE ANTICIPATED PATRONAGE, OPERATING COSTS, AND CAPITAL COSTS FOR THE

SYSTEM; AN ESTIMATE AND DESCRIPTION OF THE TOTAL ANTICIPATED FEDERAL, STATE, LOCAL, AND OTHER FUNDS THE AUTHORITY INTENDS TO ACCESS TO FUND THE CONSTRUCTION AND OPERATION OF THE SYSTEM; AND THE PROPOSED CHRONOLOGY FOR THE CONSTRUCTION OF THE ELIGIBLE CORRIDORS OF THE STATEWIDE HIGH-SPEED TRAIN SYSTEM. THE BUSINESS PLAN SHALL ALSO INCLUDE A DISCUSSION OF ALL REASONABLY FORESEEABLE RISKS THE PROJECT MAY ENCOUNTER, INCLUDING, BUT NOT LIMITED TO, RISKS ASSOCIATED WITH THE PROJECT'S FINANCES, PATRONAGE, CONSTRUCTION, EQUIPMENT, AND TECHNOLOGY, AND OTHER RISKS ASSOCIATED WITH THE PROJECT'S DEVELOPMENT. THE PLAN SHALL DESCRIBE THE AUTHORITY'S STRATEGIES.

S 403. NEW YORK STATE RAIL AUTHORITY. 1. (A) A BOARD, TO BE KNOWN AS THE "NEW YORK STATE RAIL AUTHORITY" IS HEREBY CREATED. THE BOARD SHALL CONSIST OF SEVENTEEN MEMBERS APPOINTED AS FOLLOWS:

(I) ELEVEN BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE;

(II) TWO BY THE TEMPORARY PRESIDENT OF THE SENATE;

(III) TWO BY THE SPEAKER OF THE ASSEMBLY;

(IV) ONE BY THE MINORITY LEADER OF THE SENATE; AND

(V) ONE BY THE MINORITY LEADER OF THE ASSEMBLY.

(B) OF THE ELEVEN MEMBERS APPOINTED BY THE GOVERNOR, ONE SHALL BE APPOINTED AS THE CHAIR OF THE BOARD. OF THE REMAINING TEN MEMBERS, A MEMBER SHALL BE APPOINTED FROM EACH OF THE FOLLOWING REGIONS, AS ESTABLISHED BY THE EMPIRE STATE DEVELOPMENT CORPORATION:

(I) THE CAPITAL DISTRICT;

(II) CENTRAL NEW YORK;

(III) THE FINGER LAKES REGION;

(IV) THE MID-HUDSON REGION;

(V) THE MOHAWK VALLEY;

(VI) THE SOUTHERN TIER;

(VII) WESTERN NEW YORK;

(VIII) TWO MEMBERS WITH AT LEAST FIVE YEARS EXPERIENCE IN THE PASSENGER RAIL INDUSTRY, INCLUDING AT LEAST ONE MEMBER OF A STATEWIDE RAIL PASSENGER ADVOCACY ORGANIZATION; AND

(IX) THE CHAIR OF THE METROPOLITAN TRANSIT AUTHORITY OR THE CHAIR'S DESIGNEE.

(C) THE MEMBERS OF THE BOARD SHALL SERVE FIVE YEAR TERMS, EXCEPT THAT THE INITIAL APPOINTMENTS SHALL SERVE TERMS AS FOLLOWS:

(I) THREE MEMBERS INITIALLY APPOINTED BY THE GOVERNOR, ONE MEMBER INITIALLY APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE, AND ONE MEMBER INITIALLY APPOINTED BY THE SPEAKER OF THE ASSEMBLY SHALL SERVE A ONE YEAR TERM.

(II) FOUR MEMBERS INITIALLY APPOINTED BY THE GOVERNOR, ONE MEMBER INITIALLY APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE, AND ONE MEMBER INITIALLY APPOINTED BY THE SPEAKER OF THE ASSEMBLY SHALL SERVE A TWO YEAR TERM.

(III) FOUR MEMBERS INITIALLY APPOINTED BY THE GOVERNOR, INCLUDING THE CHAIR, THE MEMBER INITIALLY APPOINTED BY THE MINORITY LEADER OF THE SENATE AND THE MEMBER INITIALLY APPOINTED BY THE MINORITY LEADER OF THE ASSEMBLY SHALL SERVE A THREE YEAR TERM.

D. ANY VACANCIES OCCURRING PRIOR TO THE EXPIRATION OF A TERM SHALL BE FILLED AS PRESCRIBED PURSUANT TO THIS SUBDIVISION FOR THE PERIOD OF THE UNEXPIRED TERM. A MEMBER APPOINTED AS CHAIR SHALL REMAIN CHAIR UNTIL THE EXPIRATION OF HIS OR HER TERM.

E. ALL MEMBERS OF THE BOARD SHALL SERVE WITHOUT SALARY OR OTHER COMPENSATION, BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR THEIR ACTUAL, NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

2. NOTWITHSTANDING ANY INCONSISTENT PROVISIONS OF LAW, GENERAL, SPECIAL OR LOCAL, NO OFFICER OR EMPLOYEE OF THE STATE, OR OF ANY CIVIL DIVISION THEREOF, SHALL BE DEEMED TO HAVE FORFEITED OR SHALL FORFEIT HIS OFFICE OR EMPLOYMENT BY REASON OF HIS ACCEPTANCE OF MEMBERSHIP ON THE BOARD CREATED BY THIS SECTION.

3. THE POWER OF SUCH CORPORATION SHALL BE VESTED IN AND EXERCISED BY A MAJORITY OF THE MEMBERS OF THE BOARD THEN IN OFFICE. SUCH BOARD MAY DELEGATE TO ONE OR MORE OF ITS MEMBERS OR ITS OFFICERS, AGENTS AND EMPLOYEES SUCH POWERS AND DUTIES AS IT MAY DEEM PROPER.

4. ALL MEMBERS OF THE BOARD SHALL DISCHARGE EACH OF THEIR DUTIES AS BOARD MEMBERS, INCLUDING BUT NOT LIMITED TO THOSE IMPOSED BY THIS SECTION, IN GOOD FAITH AND WITH THAT DEGREE OF INDEPENDENCE, DILIGENCE, CARE AND SKILL WHICH AN ORDINARILY PRUDENT PERSON WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES IN LIKE POSITIONS, AND IN ALL WAYS CONSISTENT WITH THEIR FIDUCIARY DUTIES OF LOYALTY AND DUE CARE TO THE ORGANIZATION AND OBEDIENCE TO THE AUTHORITY'S CORPORATE PURPOSES, PROVIDED, HOWEVER, THAT ANY ACTION TAKEN BY A BOARD MEMBER SERVING EX OFFICIO AFTER DISCLOSURE OF SUCH MEMBER'S CONFLICT OF INTEREST BASED ON HIS OR HER PUBLIC OFFICE SHALL NOT BE EVIDENCE OF ANY FAILURE TO FULFILL HIS OR HER FIDUCIARY DUTIES. AT THE TIME THAT THE MEMBER TAKES AND SUBSCRIBES HIS OR HER OATH OF OFFICE, HE OR SHE SHALL EXECUTE AN ACKNOWLEDGMENT IN WHICH THE BOARD MEMBER ACKNOWLEDGES THAT HE OR SHE UNDERSTANDS HIS OR HER ROLE, RESPONSIBILITIES, INDEPENDENCE AND FIDUCIARY DUTIES IMPOSED PURSUANT TO THIS SECTION AND AN ACKNOWLEDGMENT IN WHICH THE BOARD MEMBER ACKNOWLEDGES THAT HE OR SHE UNDERSTANDS HIS OR HER INDEPENDENCE AND FIDUCIARY DUTIES, INCLUDING THE DUTY OF LOYALTY AND CARE TO THE ORGANIZATION AND COMMITMENT TO THE AUTHORITY'S MISSION.

5. SUCH BOARD AND ITS CORPORATE EXISTENCE SHALL CONTINUE SO LONG AS IT SHALL HAVE NOTES, BONDS OR OTHER OBLIGATIONS OUTSTANDING (INCLUDING NOTES, BONDS OR OBLIGATIONS HEREAFTER ISSUED OR INCURRED) AND UNTIL ITS EXISTENCE SHALL BE TERMINATED BY LAW. UPON THE TERMINATION OF THE EXISTENCE OF THE AUTHORITY, ALL ITS RIGHTS AND PROPERTIES SHALL PASS TO AND BE VESTED IN THE STATE.

S 404. PURPOSES OF THE AUTHORITY AND BENEFITS THEREFROM. THE AUTHORITY IS CREATED TO AND SHALL HAVE POWER TO FINANCE, OWN, CONSTRUCT, RECONSTRUCT, IMPROVE, DEVELOP, MAINTAIN AND/OR OPERATE A RAIL SYSTEM AS PROVIDED BY AND SUBJECT TO THE PROVISIONS OF THIS ARTICLE TOGETHER WITH FACILITIES FOR THE PUBLIC INCIDENTAL THERETO. IT IS HEREBY FOUND AND DECLARED THAT SUCH PURPOSES ARE IN ALL RESPECTS FOR THE BENEFIT OF THE PEOPLE OF THE STATE OF NEW YORK FOR THE INCREASE OF THEIR PLEASURE, CONVENIENCE AND WELFARE, FOR THE IMPROVEMENT OF THEIR HEALTH, TO FACILITATE TRANSPORTATION FOR THEIR RECREATION AND COMMERCE AND FOR THE COMMON DEFENSE; AND THE AUTHORITY SHALL BE REGARDED AS PERFORMING A GOVERNMENTAL FUNCTION IN CARRYING OUT ITS CORPORATE PURPOSE AND IN EXERCISING THE POWERS GRANTED BY THIS ARTICLE. IN CARRYING OUT THIS PURPOSE, THE AUTHORITY SHALL PRODUCE SHORT-TERM GOALS TO BE CARRIED OUT BEFORE THE END OF THE CALENDAR YEAR IN WHICH THIS ARTICLE BECOMES EFFECTIVE, MID-TERM GOALS TO BE COMPLETED BEFORE THE END OF CALENDAR YEAR TWO THOUSAND FIFTEEN AND LONG-TERM GOALS TO BE COMPLETED BEFORE CALENDAR YEAR TWO THOUSAND TWENTY-NINE. EACH OF THESE GOALS SHALL ANTICIPATE IMPROVEMENTS IN SERVICE, SPEED AND RELIABILITY.

S 405. POWERS AND RESPONSIBILITIES OF THE AUTHORITY. 1. EXCEPT AS OTHERWISE LIMITED BY THIS ARTICLE, THE AUTHORITY SHALL HAVE POWER:

(A) TO SUE AND BE SUED;

(B) TO HAVE A SEAL AND TO ALTER THE SAME AT PLEASURE;

(C) TO ACQUIRE, HOLD AND DISPOSE OF PERSONAL PROPERTY AND EQUIPMENT FOR ITS CORPORATE PURPOSES;

(D) TO ACQUIRE AND HOLD IN THE NAME OF THE STATE BY PURCHASE OR APPROPRIATION REAL PROPERTY OR RIGHTS OR EASEMENTS THEREIN AND TO SELL, EXCHANGE, OR OTHERWISE DISPOSE OF ANY REAL PROPERTY NOT NECESSARY FOR ITS CORPORATE PURPOSES OR WHENEVER THE BOARD SHALL DETERMINE THAT IT IS IN THE INTEREST OF THE AUTHORITY; AND UPON SUCH TERMS AND CONDITIONS AND USES AS THE BOARD SHALL DETERMINE, TO LEASE OR TO GRANT PERMITS TO OCCUPY REAL PROPERTY NOT PRESENTLY REQUIRED FOR RAIL PURPOSES BUT HELD FOR FUTURE USE IN CARRYING OUT ITS CORPORATE PURPOSES;

(E) TO MAKE BY-LAWS FOR ITS ORGANIZATION AND INTERNAL MANAGEMENT AND, SUBJECT TO AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS, RULES AND REGULATIONS GOVERNING THE USE OF THE RAILS AND ALL OTHER PROPERTIES AND FACILITIES UNDER ITS JURISDICTION, WHICH SHALL BE FILED WITH THE DEPARTMENT OF STATE IN THE MANNER PROVIDED BY SECTION ONE HUNDRED TWO OF THE EXECUTIVE LAW;

(F) TO APPOINT OFFICERS, AGENTS AND EMPLOYEES AND FIX THEIR COMPENSATION;

(G) TO MAKE CONTRACTS, INCLUDING FRANCHISES, AND TO EXECUTE ALL INSTRUMENTS NECESSARY OR CONVENIENT;

(H) SUBJECT TO AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS, TO FIX AND COLLECT SUCH FEES, RENTALS AND CHARGES FOR THE USE OF THE RAIL SYSTEM OR ANY PART THEREOF NECESSARY OR CONVENIENT, WITH AN ADEQUATE MARGIN OF SAFETY, TO PRODUCE SUFFICIENT REVENUE TO MEET THE EXPENSE OF MAINTENANCE AND OPERATION AND TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF ITS NOTES OR BONDS, AND TO ESTABLISH THE RIGHTS AND PRIVILEGES GRANTED UPON PAYMENT THEREOF;

(I) TO RETAIN AND EMPLOY PRIVATE CONSULTANTS ON A CONTRACT BASIS FOR RENDERING PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE IF COST EFFECTIVE TO DO SO;

(J) TO CONSTRUCT, RECONSTRUCT OR IMPROVE ON OR ALONG THE RAIL SYSTEM IN THE MANNER HEREIN PROVIDED, SUITABLE FACILITIES FOR RESTAURANTS AND OTHER FACILITIES FOR THE PUBLIC, OR TO LEASE THE RIGHT TO CONSTRUCT, RECONSTRUCT OR IMPROVE AND OPERATE SUCH FACILITIES; SUCH FACILITIES SHALL BE PUBLICLY OFFERED FOR LEASING FOR OPERATION, OR THE RIGHT TO CONSTRUCT, RECONSTRUCT OR IMPROVE AND OPERATE SUCH FACILITIES SHALL BE PUBLICLY OFFERED UNDER RULES AND REGULATIONS TO BE ESTABLISHED BY THE AUTHORITY;

(K) TO CONSTRUCT AND MAINTAIN OVER, UNDER, ALONG OR ACROSS A RAIL SYSTEM UNDER ITS JURISDICTION TELEPHONE, TELEGRAPH, TELEVISION, ELECTRIC POWER AND OTHER WIRES OR CABLES, PIPE LINES, WATER MAINS AND OTHER CONDUITS AND MECHANICAL EQUIPMENT, NOT INCONSISTENT WITH THE APPROPRIATE USE OF THE RAIL SYSTEM, OR TO CONTRACT FOR SUCH CONSTRUCTION; AND UPON SUCH TERMS AND CONDITIONS AS THE BOARD SHALL DETERMINE, TO LEASE ALL OR ANY PART OF SUCH PROPERTY AND FACILITIES OR THE RIGHT TO USE THE SAME, WHETHER SUCH FACILITIES ARE CONSTRUCTED BY THE AUTHORITY OR UNDER A CONTRACT FOR SUCH CONSTRUCTION, OR TO LEASE THE RIGHT TO CONSTRUCT AND USE SUCH FACILITIES OR TO GRANT PERMITS OR EASEMENTS FOR SUCH PURPOSES TO ANY GOVERNMENTAL AGENCY OF THE STATE OR TO ANY PUBLIC CORPORATION, OR TO THE UNITED STATES OF AMERICA OR ANY GOVERNMENTAL AGENCY THEREOF FOR ANY PUBLIC PURPOSES OR TO INDIVIDUALS, PARTNERSHIPS AND CORPORATIONS, PROVIDED, HOWEVER, THAT NO LEASE OR RENEWAL THEREOF SHALL BE GRANTED FOR A PERIOD OF MORE THAN THIRTY YEARS FROM THE DATE WHEN SUCH LEASE IS MADE;

(L) TO BORROW MONEY AND ISSUE NEGOTIABLE NOTES, BONDS OR OTHER OBLIGATIONS AND TO PROVIDE FOR THE RIGHTS OF THE HOLDERS THEREOF;

(M) TO ENTER ON ANY LANDS, WATERS, OR PREMISES FOR THE PURPOSE OF MAKING BORINGS, SOUNDINGS, AND SURVEYS;

(N) TO ACCEPT GRANTS, FEES, AND ALLOCATIONS FROM THE STATE, FROM POLITICAL SUBDIVISIONS OF THE STATE OR FROM THE FEDERAL GOVERNMENT, FOREIGN GOVERNMENTS, AND PRIVATE SOURCES;

(O) TO PROVIDE SUCH INFORMATION, ANALYSIS AND OTHER DOCUMENTS AS MAY BE REASONABLY REQUESTED BY THE LEGISLATURE AND STATE COMPTROLLER;

(P) TO ENTER INTO COOPERATIVE AGREEMENTS WITH OTHER GOVERNMENT OFFICES TO EFFICIENTLY CARRY OUT ITS WORK AND NOT DUPLICATE RESOURCES;

(Q) TO ENTER INTO COOPERATIVE AGREEMENTS WITH OTHER AUTHORITIES, MUNICIPALITIES, UTILITY COMPANIES, INDIVIDUALS, FIRMS OR CORPORATIONS, AND THE DOMINION OF CANADA AND ITS POLITICAL SUBDIVISIONS, FOR THE INTERCONNECTION OF FACILITIES AND THE EXCHANGE OR INTERCHANGE OF CONNECTED SERVICES, UPON SUCH TERMS AND CONDITIONS AS SHALL BE DETERMINED TO BE REASONABLE; AND

(R) TO DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT ITS PURPOSES AND EXERCISE THE POWERS EXPRESSLY GIVEN IN THIS ARTICLE.

2. EXCEPT AS OTHERWISE LIMITED BY THIS ARTICLE, THE AUTHORITY SHALL HAVE THE FOLLOWING RESPONSIBILITIES:

(A) TO CONDUCT IN-HOUSE ENGINEERING AND OTHER STUDIES RELATED TO THE SELECTION AND ACQUISITION OF RIGHTS-OF-WAY AND THE SELECTION OF A FRANCHISEE, INCLUDING, BUT NOT LIMITED TO, ENVIRONMENTAL IMPACT STUDIES, SOCIOECONOMIC IMPACT STUDIES, AND FINANCIAL FEASIBILITY STUDIES;

(B) TO EVALUATE ALTERNATIVE HIGH SPEED RAIL TECHNOLOGIES, SYSTEMS AND OPERATORS, AND SELECT AN APPROPRIATE HIGH SPEED RAIL SYSTEM WHICH MAY BUILD UPON RAIL SYSTEMS ALREADY IN EXISTENCE;

(C) TO ESTABLISH CRITERIA FOR THE AWARD OF A FRANCHISE;

(D) TO SELECT A PROPOSED FRANCHISEE, A PROPOSED ROUTE, AND PROPOSED TERMINAL SITES;

(E) TO PREPARE AND SUBMIT AN ANNUAL REPORT AS DESIGNED ABOVE;

(F) TO PREPARE A BUSINESS PLAN WHICH SHALL BE SUBMITTED AS PART OF THE AUTHORITY'S ANNUAL REPORT AND REVISED AS NEEDED;

(G) TO PREPARE A DETAILED FINANCING PLAN, INCLUDING ANY NECESSARY TAXES, FEES, OR BONDS TO PAY FOR THE CONSTRUCTION OF THE HIGH SPEED TRAIN NETWORK AND TO ENTER INTO CONTRACTS WITH PUBLIC AND PRIVATE ENTITIES FOR THE PREPARATION OF THE PLAN;

(H) TO DEVELOP A PROPOSED HIGH SPEED RAIL FINANCIAL PLAN, INCLUDING NECESSARY TAXES, BONDS, OR BOTH, OR OTHER INDEBTEDNESS, AND SUBMIT THE PLAN TO THE LEGISLATURE AND TO THE GOVERNOR;

(I) TO KEEP THE PUBLIC INFORMED OF ITS ACTIVITIES THROUGH ESTABLISHMENT OF AN AUTHORITY WEBSITE;

(J) TO INVESTIGATE, IMPLEMENT AND INTEGRATE, TO THE FULLEST EXTENT PRACTICABLE AND ECONOMICALLY FEASIBLE, RESOURCE CONSERVATION AND ENERGY EFFICIENCY MEASURES AND EQUIPMENT INTENDED TO REDUCE POWER DEMAND AND USAGE, AND TO UTILIZE GREEN TECHNOLOGIES AND ALTERNATIVE AND RENEWABLE FUELS, ALL AS INTEGRAL ELEMENTS IN ITS INVESTMENTS IN NEW FACILITIES AND EQUIPMENT FOR OPERATIONS, AND IN MARKETING AND SALE OF SERVICES TO CONSUMERS; AND

(K) TO CREATE AN AFFORDABLE, HIGH SPEED PASSENGER RAIL NETWORK ACROSS NEW YORK STATE.

S 406. ROLE AND RESPONSIBILITIES OF BOARD MEMBERS. 1. BOARD MEMBERS OF THE AUTHORITY SHALL: (A) EXECUTE DIRECT OVERSIGHT OF THE AUTHORITY'S CHIEF EXECUTIVE AND OTHER MANAGEMENT IN THE EFFECTIVE AND ETHICAL MANAGEMENT OF THE AUTHORITY; (B) UNDERSTAND, REVIEW AND MONITOR THE IMPLEMENTATION OF FUNDAMENTAL FINANCIAL AND MANAGEMENT CONTROLS AND OPERATIONAL DECISIONS OF THE AUTHORITY; (C) ESTABLISH POLICIES REGARDING

THE PAYMENT OF SALARY, COMPENSATION AND REIMBURSEMENTS TO, AND ESTABLISH RULES FOR THE TIME AND ATTENDANCE OF, THE CHIEF EXECUTIVE AND MANAGEMENT; (D) ADOPT A CODE OF ETHICS APPLICABLE TO EACH OFFICER, DIRECTOR AND EMPLOYEE THAT, AT A MINIMUM, INCLUDES THE STANDARDS ESTABLISHED IN SECTION SEVENTY-FOUR OF THE PUBLIC OFFICERS LAW; (E) ESTABLISH WRITTEN POLICIES AND PROCEDURES ON PERSONNEL INCLUDING POLICIES PROTECTING EMPLOYEES FROM RETALIATION FOR DISCLOSING INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT, MALFEASANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD MEMBER OF THE AUTHORITY, INVESTMENTS, TRAVEL, THE ACQUISITION OF REAL PROPERTY AND THE DISPOSITION OF REAL AND PERSONAL PROPERTY AND THE PROCUREMENT OF GOODS AND SERVICES; (F) ADOPT A DEFENSE AND INDEMNIFICATION POLICY AND DISCLOSE SUCH PLAN TO ANY AND ALL PROSPECTIVE BOARD MEMBERS; AND (G) AT THE TIME THAT THE MEMBER TAKES AND SUBSCRIBES HIS OR HER OATH OF OFFICE, EXECUTE AN ACKNOWLEDGMENT IN WHICH THE BOARD MEMBER ACKNOWLEDGES THAT HE OR SHE UNDERSTANDS HIS OR HER ROLE AND RESPONSIBILITIES IMPOSED PURSUANT TO THIS SECTION.

2. BOARD MEMBERS OF THE AUTHORITY, OR SUBSIDIARY THEREOF, SHALL ESTABLISH AN AUDIT COMMITTEE TO BE COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTITUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE AUDIT COMMITTEE; PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO THE AUDIT COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST CONSTITUTE A MAJORITY OF THE MEMBERS OF THE AUDIT COMMITTEE. THE COMMITTEE SHALL RECOMMEND TO THE BOARD THE HIRING OF A CERTIFIED INDEPENDENT ACCOUNTING FIRM FOR SUCH AUTHORITY, ESTABLISH THE COMPENSATION TO BE PAID TO THE ACCOUNTING FIRM AND PROVIDE DIRECT OVERSIGHT OF THE PERFORMANCE OF THE INDEPENDENT AUDIT PERFORMED BY THE ACCOUNTING FIRM HIRED FOR SUCH PURPOSES. MEMBERS OF THE AUDIT COMMITTEE SHALL BE FAMILIAR WITH CORPORATE FINANCIAL AND ACCOUNTING PRACTICES.

3. BOARD MEMBERS OF THE AUTHORITY, OR SUBSIDIARY THEREOF, SHALL ESTABLISH A GOVERNANCE COMMITTEE TO BE COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTITUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE GOVERNANCE COMMITTEE; PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO THE GOVERNANCE COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST CONSTITUTE A MAJORITY OF THE MEMBERS OF THE GOVERNANCE COMMITTEE. IT SHALL BE THE RESPONSIBILITY OF THE MEMBERS OF THE GOVERNANCE COMMITTEE TO KEEP THE BOARD INFORMED OF CURRENT BEST GOVERNANCE PRACTICES; TO REVIEW CORPORATE GOVERNANCE TRENDS; TO RECOMMEND UPDATES TO THE AUTHORITY'S CORPORATE GOVERNANCE PRINCIPLES; TO ADVISE APPOINTING AUTHORITIES ON THE SKILLS AND EXPERIENCES REQUIRED OF POTENTIAL BOARD MEMBERS; TO EXAMINE ETHICAL AND CONFLICT OF INTEREST ISSUES; TO PERFORM BOARD SELF-EVALUATIONS; AND TO RECOMMEND BY-LAWS WHICH INCLUDE RULES AND PROCEDURES FOR CONDUCT OF BOARD BUSINESS.

S 407. OFFICERS AND EMPLOYEES; TRANSFER, PROMOTION AND SENIORITY. 1. UPON BOARD CONFIRMATION, OFFICERS AND EMPLOYEES OF STATE DEPARTMENTS OR AGENCIES MAY BE TRANSFERRED TO THE AUTHORITY AND OFFICERS, AGENTS AND EMPLOYEES OF THE AUTHORITY MAY BE TRANSFERRED TO STATE DEPARTMENTS OR AGENCIES, WITHOUT EXAMINATION AND WITHOUT LOSS OF ANY CIVIL SERVICE STATUS OR RIGHTS. NO SUCH TRANSFER FROM THE AUTHORITY TO ANY STATE DEPARTMENT, AGENCY OR DIVISION MAY, HOWEVER, BE MADE EXCEPT WITH THE APPROVAL OF THE HEAD OF THE STATE DEPARTMENT, AGENCY OR DIVISION INVOLVED AND THE DIRECTOR OF THE BUDGET AND IN COMPLIANCE WITH THE RULES

AND REGULATIONS OF THE STATE CIVIL SERVICE COMMISSION PROVIDED THAT, BECAUSE OF THE SPECIALIZED NATURE OF TECHNICAL EXPERTISE REQUIRED FOR POSITIONS AT THE AUTHORITY, NOTHING WITHIN THIS SECTION SHALL LIMIT AUTHORITY HIRING TO CIVIL SERVICE LISTS.

2. PROMOTIONS FROM POSITIONS IN STATE DEPARTMENTS AND AGENCIES TO POSITIONS IN THE AUTHORITY, AND VICE VERSA, MAY BE MADE FROM INTERDEPARTMENTAL PROMOTION LISTS RESULTING FROM PROMOTION EXAMINATIONS IN WHICH EMPLOYEES OF THE AUTHORITY AND EMPLOYEES OF THE STATE ARE ELIGIBLE TO PARTICIPATE.

3. IN COMPUTING SENIORITY FOR PURPOSES OF PROMOTION OR FOR PURPOSES OF SUSPENSION OR DEMOTION UPON THE ABOLITION OF POSITIONS IN THE SERVICE OF THE AUTHORITY OR IN THE SERVICE OF THE STATE, IN THE CASE OF AN EMPLOYEE OF THE AUTHORITY A PERIOD OF PRIOR EMPLOYMENT IN THE SERVICE OF THE STATE SHALL BE COUNTED IN THE SAME MANNER AS THOUGH SUCH PERIOD OF EMPLOYMENT HAD BEEN IN THE SERVICE OF THE AUTHORITY, AND IN THE CASE OF AN EMPLOYEE OF THE STATE A PERIOD OF PRIOR EMPLOYMENT IN THE SERVICE OF THE AUTHORITY SHALL BE COUNTED IN THE SAME MANNER AS THOUGH SUCH PERIOD OF EMPLOYMENT HAD BEEN IN THE SERVICE OF THE STATE. FOR THE PURPOSES OF THE ESTABLISHMENT AND CERTIFICATION OF PREFERRED LISTS, EMPLOYEES SUSPENDED FROM THE AUTHORITY SHALL BE ELIGIBLE FOR REINSTATEMENT IN THE SERVICE OF THE STATE, AND EMPLOYEES SUSPENDED FROM THE SERVICE OF THE STATE SHALL BE ELIGIBLE FOR REINSTATEMENT IN THE SERVICE OF THE AUTHORITY, IN THE SAME MANNER AS THOUGH THE AUTHORITY WERE A DEPARTMENT OF THE STATE.

S 408. ACQUISITION OF REAL PROPERTY BY THE AUTHORITY. THE AUTHORITY MAY FROM TIME TO TIME DETERMINE WHAT REAL PROPERTY IS NECESSARY FOR THE CONSTRUCTION, IMPROVEMENT AND OPERATION OF RAIL SYSTEMS OR PART THEREOF, AND THEREUPON MAY ACQUIRE SUCH REAL PROPERTY BY CONDEMNATION PURSUANT TO THE EMINENT DOMAIN PROCEDURE LAW. THE AUTHORITY MAY ALSO, AND IN ANY CASE, ACQUIRE REAL PROPERTY IN THE NAME OF THE STATE BY DEED AND MAY PAY SUCH PRICE THEREFOR AS SHALL BE AGREED WITH THE OWNER THEREOF.

S 409. DISPOSAL OF PROPERTY BY THE AUTHORITY. 1. SUPERVISION AND DIRECTION. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CONTRACTING OFFICER DESIGNATED BY THE AUTHORITY SHALL HAVE SUPERVISION AND DIRECTION OVER THE DISPOSITION OF PROPERTY OF THE AUTHORITY.

2. CUSTODY AND CONTROL. THE CUSTODY AND CONTROL OF THE PROPERTY OF THE AUTHORITY, PENDING ITS DISPOSITION, AND THE DISPOSAL OF SUCH PROPERTY, SHALL BE PERFORMED BY THE AUTHORITY OR BY THE COMMISSIONER OF GENERAL SERVICES WHEN SO AUTHORIZED UNDER THIS SECTION.

3. METHOD OF DISPOSITION. SUBJECT TO SECTION TWENTY-EIGHT HUNDRED NINETY-SIX OF THIS CHAPTER, THE AUTHORITY MAY DISPOSE OF PROPERTY FOR NOT LESS THAN THE FAIR MARKET VALUE OF SUCH PROPERTY BY SALE, EXCHANGE, OR TRANSFER, FOR CASH, CREDIT, OR OTHER PROPERTY, WITH OR WITHOUT WARRANTY, AND UPON SUCH OTHER TERMS AND CONDITIONS AS THE CONTRACTING OFFICER DEEMS PROPER, AND IT MAY EXECUTE SUCH DOCUMENTS FOR THE TRANSFER OF TITLE OR OTHER INTEREST IN PROPERTY AND TAKE SUCH OTHER ACTION AS IT DEEMS NECESSARY OR PROPER TO DISPOSE OF SUCH PROPERTY UNDER THE PROVISIONS OF THIS SECTION; PROVIDED, HOWEVER, THAT NO DISPOSITION OF REAL PROPERTY, OR ANY INTEREST IN REAL PROPERTY, SHALL BE MADE UNLESS AN APPRAISAL OF THE VALUE OF SUCH PROPERTY HAS BEEN MADE BY AN INDEPENDENT APPRAISER AND INCLUDED IN THE RECORD OF THE TRANSACTION, AND, PROVIDED FURTHER, THAT NO DISPOSITION OF ANY OTHER PROPERTY, WHICH BECAUSE OF ITS UNIQUE NATURE OR THE UNIQUE CIRCUMSTANCES OF THE PROPOSED TRANSACTION IS NOT READILY VALUED BY REFERENCE TO AN ACTIVE MARKET FOR SIMILAR PROPERTY, SHALL BE MADE WITHOUT A SIMILAR APPRAISAL.

4. SALES BY THE COMMISSIONER OF GENERAL SERVICES. WHEN IT SHALL BE DEEMED ADVANTAGEOUS TO THE STATE, THE AUTHORITY MAY ENTER INTO AN AGREEMENT WITH THE COMMISSIONER OF GENERAL SERVICES WHERE UNDER SUCH COMMISSIONER MAY DISPOSE OF PROPERTY OF THE AUTHORITY UNDER TERMS AND CONDITIONS AGREED TO BY THE AUTHORITY AND THE COMMISSIONER OF GENERAL SERVICES. IN DISPOSING OF ANY SUCH PROPERTY OF THE AUTHORITY, THE COMMISSIONER OF GENERAL SERVICES SHALL BE BOUND BY THE TERMS OF THIS ARTICLE AND REFERENCES TO THE CONTRACTING OFFICER SHALL BE DEEMED TO REFER TO SUCH COMMISSIONER.

5. VALIDITY OF DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT. A DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT EXECUTED BY OR ON BEHALF OF THE AUTHORITY, PURPORTING TO TRANSFER TITLE OR ANY OTHER INTEREST IN PROPERTY OF THE AUTHORITY UNDER THIS ARTICLE SHALL BE CONCLUSIVE EVIDENCE OF COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE INSOFAR AS CONCERNS TITLE OR OTHER INTEREST OF ANY BONA FIDE GRANTEE OR TRANSFEREE WHO HAS GIVEN VALUABLE CONSIDERATION FOR SUCH TITLE OR OTHER INTEREST AND HAS NOT RECEIVED ACTUAL OR CONSTRUCTIVE NOTICE OF LACK OF SUCH COMPLIANCE PRIOR TO THE CLOSING.

6. BIDS FOR DISPOSAL; ADVERTISING; PROCEDURE; DISPOSAL BY NEGOTIATION; EXPLANATORY STATEMENT. (A) ALL DISPOSALS OR CONTRACTS FOR DISPOSAL OF PROPERTY OF THE AUTHORITY MADE OR AUTHORIZED BY THE CONTRACTING OFFICER SHALL BE MADE AFTER PUBLICLY ADVERTISING FOR BIDS EXCEPT AS PROVIDED IN PARAGRAPH (C) OF THIS SUBDIVISION.

(B) WHENEVER PUBLIC ADVERTISING FOR BIDS IS REQUIRED UNDER PARAGRAPH (A) OF THIS SUBDIVISION:

(I) THE ADVERTISEMENT FOR BIDS SHALL BE MADE AT SUCH TIME PRIOR TO THE DISPOSAL OR CONTRACT, THROUGH SUCH METHODS, AND ON SUCH TERMS AND CONDITIONS AS SHALL PERMIT FULL AND FREE COMPETITION CONSISTENT WITH THE VALUE AND NATURE OF THE PROPERTY;

(II) ALL BIDS SHALL BE PUBLICLY DISCLOSED AT THE TIME AND PLACE STATED IN THE ADVERTISEMENT; AND

(III) THE AWARD SHALL BE MADE WITH REASONABLE PROMPTNESS BY NOTICE TO THE RESPONSIBLE BIDDER WHOSE BID, CONFORMING TO THE INVITATION FOR BIDS, WILL BE MOST ADVANTAGEOUS TO THE STATE, PRICE AND OTHER FACTORS CONSIDERED; PROVIDED, THAT ALL BIDS MAY BE REJECTED WHEN IT IS IN THE PUBLIC INTEREST TO DO SO.

(C) DISPOSALS AND CONTRACTS FOR DISPOSAL OF PROPERTY MAY BE NEGOTIATED OR MADE BY PUBLIC AUCTION WITHOUT REGARD TO PARAGRAPHS (A) AND (B) OF THIS SUBDIVISION BUT SUBJECT TO OBTAINING SUCH COMPETITION AS IS FEASIBLE UNDER THE CIRCUMSTANCES, IF:

(I) THE PERSONAL PROPERTY INVOLVED HAS QUALITIES SEPARATE FROM THE UTILITARIAN PURPOSE OF SUCH PROPERTY, SUCH AS ARTISTIC QUALITY, ANTIQUITY, HISTORICAL SIGNIFICANCE, RARITY, OR OTHER QUALITY OF SIMILAR EFFECT, THAT WOULD TEND TO INCREASE ITS VALUE, OR IF THE PERSONAL PROPERTY IS TO BE SOLD IN SUCH QUANTITY THAT, IF IT WERE DISPOSED OF UNDER PARAGRAPHS (A) AND (B) OF THIS SUBDIVISION, WOULD ADVERSELY AFFECT THE STATE OR LOCAL MARKET FOR SUCH PROPERTY, AND THE ESTIMATED FAIR MARKET VALUE OF SUCH PROPERTY AND OTHER SATISFACTORY TERMS OF DISPOSAL CAN BE OBTAINED BY NEGOTIATION;

(II) THE FAIR MARKET VALUE OF THE PROPERTY DOES NOT EXCEED FIFTEEN THOUSAND DOLLARS;

(III) BID PRICES AFTER ADVERTISING THEREFOR ARE NOT REASONABLE, EITHER AS TO ALL OR SOME PART OF THE PROPERTY, OR HAVE NOT BEEN INDEPENDENTLY ARRIVED AT IN OPEN COMPETITION;

(IV) THE DISPOSAL WILL BE TO THE STATE OR ANY POLITICAL SUBDIVISION, AND THE ESTIMATED FAIR MARKET VALUE OF THE PROPERTY AND OTHER SATISFACTORY TERMS OF DISPOSAL ARE OBTAINED BY NEGOTIATION; OR

(V) SUCH ACTION IS OTHERWISE AUTHORIZED BY LAW.

(D) (I) AN EXPLANATORY STATEMENT SHALL BE PREPARED OF THE CIRCUMSTANCES OF EACH DISPOSAL BY NEGOTIATION OF:

(A) ANY PERSONAL PROPERTY WHICH HAS AN ESTIMATED FAIR MARKET VALUE IN EXCESS OF FIFTEEN THOUSAND DOLLARS;

(B) ANY REAL PROPERTY THAT HAS AN ESTIMATED FAIR MARKET VALUE IN EXCESS OF ONE HUNDRED THOUSAND DOLLARS, EXCEPT THAT ANY REAL PROPERTY DISPOSED OF BY LEASE OR EXCHANGE SHALL ONLY BE SUBJECT TO CLAUSES (C) AND (D) OF THIS SUBPARAGRAPH;

(C) ANY REAL PROPERTY DISPOSED OF BY LEASE, IF THE ESTIMATED ANNUAL RENT OVER THE TERM OF THE LEASE IS IN EXCESS OF FIFTEEN THOUSAND DOLLARS; AND

(D) ANY REAL PROPERTY OR REAL AND RELATED PERSONAL PROPERTY DISPOSED OF BY EXCHANGE, REGARDLESS OF VALUE, OR ANY PROPERTY ANY PART OF THE CONSIDERATION FOR WHICH IS REAL PROPERTY.

(II) EACH SUCH STATEMENT SHALL BE TRANSMITTED TO THE PERSONS ENTITLED TO RECEIVE COPIES OF THE REPORT REQUIRED UNDER SECTION TWENTY-EIGHT HUNDRED NINETY-SIX OF THIS CHAPTER NOT LESS THAN NINETY DAYS IN ADVANCE OF SUCH DISPOSAL, AND A COPY THEREOF SHALL BE PRESERVED IN THE FILES OF THE AUTHORITY.

S 410. CONSTRUCTION, RECONSTRUCTION AND IMPROVEMENT. 1. ON ASSUMING JURISDICTION OF A RAIL OR ANY PART THEREOF, OR OF A HIGHWAY CONNECTION, THE AUTHORITY SHALL PROCEED WITH THE CONSTRUCTION, RECONSTRUCTION OR IMPROVEMENT THEREOF. ALL SUCH WORK SHALL BE DONE PURSUANT TO A CONTRACT OR CONTRACTS WHICH SHALL BE LET TO THE LOWEST RESPONSIBLE BIDDER, BY SEALED PROPOSALS PUBLICLY OPENED, AFTER PUBLIC ADVERTISEMENT AND UPON SUCH TERMS AND CONDITIONS AS THE AUTHORITY SHALL REQUIRE; PROVIDED, HOWEVER, THAT THE AUTHORITY MAY REJECT ANY AND ALL PROPOSALS AND MAY ADVERTISE FOR NEW PROPOSALS, AS PROVIDED IN THIS ARTICLE, IF IN ITS OPINION, THE BEST INTERESTS OF THE AUTHORITY WILL THEREBY BE PROMOTED.

2. ALL CONTRACTS FOR THE CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR IMPROVEMENT OF BUILDINGS LET BY THE AUTHORITY SHALL COMPLY WITH THE PROVISIONS OF SECTION TWO HUNDRED TWENTY OF THE LABOR LAW AND SHALL ALSO BE SUBJECT TO THE PROVISIONS OF LAW APPLICABLE TO CONTRACTS LET BY A MUNICIPAL CORPORATION, EXCEPT AS OTHERWISE PROVIDED HEREIN.

3. ALL CONTRACTS FOR THE CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR IMPROVEMENT OF BUILDINGS LET BY THE AUTHORITY SHALL BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF SECTION ONE HUNDRED THIRTY-FIVE OF THE STATE FINANCE LAW.

4. THE AUTHORITY MAY, IN ITS DISCRETION, ASSIGN CONTRACTS FOR SUPERVISION AND COORDINATION TO THE SUCCESSFUL BIDDER FOR ANY SUBDIVISION OF WORK FOR WHICH THE AUTHORITY RECEIVES BIDS. ANY CONSTRUCTION CONTRACT AWARDED BY THE AUTHORITY SHALL CONTAIN SUCH OTHER TERMS AND CONDITIONS AS THE AUTHORITY MAY DEEM DESIRABLE. THE AUTHORITY SHALL AWARD ANY CONSTRUCTION CONTRACT INVOLVING AN EXPENDITURE OF MORE THAN FIVE THOUSAND DOLLARS TO THE LOWEST BIDDER WHO, IN ITS OPINION, IS QUALIFIED TO PERFORM THE WORK REQUIRED AND WHO IS RESPONSIBLE AND RELIABLE. THE AUTHORITY MAY, HOWEVER, REJECT ANY OR ALL BIDS OR WAIVE ANY INFORMALITY IN A BID IF IT BELIEVES THAT THE PUBLIC INTEREST WILL BE PROMOTED THEREBY. THE AUTHORITY MAY REJECT ANY BID, IF, IN ITS JUDGMENT, THE BUSINESS AND TECHNICAL ORGANIZATION, PLANT, RESOURCES, FINANCIAL STANDING, OR EXPERIENCE OF THE BIDDER JUSTIFIES SUCH REJECTION IN VIEW OF THE WORK TO BE PERFORMED.

5. FOR THE PURPOSES OF ARTICLE FIFTEEN-A OF THE EXECUTIVE LAW ONLY, THE AUTHORITY SHALL BE DEEMED A STATE AGENCY AS THAT TERM IS USED IN SUCH ARTICLE, AND ALL CONTRACTS FOR PROCUREMENT, DESIGN, CONSTRUCTION, SERVICES AND MATERIALS SHALL BE DEEMED STATE CONTRACTS WITHIN THE MEANING OF THAT TERM AS SET FORTH IN SUCH ARTICLE.

S 411. JURISDICTION IN CERTAIN SUITS AGAINST THE AUTHORITY. EXCLUSIVE JURISDICTION IS HEREBY CONFERRED UPON THE COURT OF CLAIMS TO HEAR AND DETERMINE THE CLAIMS OF ANY PERSON AGAINST THE AUTHORITY (1) FOR ITS TORTIOUS ACTS AND THOSE OF ITS AGENTS, AND (2) FOR BREACH OF A CONTRACT RELATING TO CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT, MAINTENANCE OR OPERATION, IN THE SAME MANNER AND TO THE EXTENT PROVIDED BY AND SUBJECT TO THE PROVISIONS OF THE COURT OF CLAIMS ACT WITH RESPECT TO CLAIMS AGAINST THE STATE, AND TO MAKE AWARDS AND RENDER JUDGMENTS THEREFOR. ALL AWARDS AND JUDGMENTS ARISING FROM SUCH CLAIMS SHALL BE PAID OUT OF MONEYS OF THE AUTHORITY.

S 412. ANNUAL REPORT. THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, TO THE LEGISLATURE, TO THE COMPTROLLER AND TO THE DIRECTOR OF THE BUDGET ON OR BEFORE THE FIRST DAY OF FEBRUARY OF EACH YEAR A DETAILED REPORT SETTING FORTH ITS OPERATIONS AND FISCAL TRANSACTIONS DURING THE PRECEDING CALENDAR YEAR WITH A STATEMENT OF ITS FINANCIAL CONDITION AS OF THE END OF SUCH YEAR AND A STATEMENT OF ALL RECEIPTS AND EXPENDITURES DURING SUCH YEAR. THE AUTHORITY SHALL SUBMIT REPORTS PURSUANT TO THIS SECTION IN ACCORDANCE WITH SECTION TWENTY-EIGHT HUNDRED OF THIS CHAPTER.

S 413. DEPOSIT AND INVESTMENT OF MONEYS OF THE AUTHORITY. ALL MONEYS OF THE AUTHORITY FROM WHATEVER SOURCE DERIVED SHALL BE PAID TO THE COMPTROLLER AS AGENT OF THE AUTHORITY, WHO SHALL NOT COMMINGLE SUCH MONEYS WITH ANY OTHER MONEYS. SUCH MONEYS SHALL BE DEPOSITED IN A SEPARATE BANK ACCOUNT OR ACCOUNTS. THE MONEYS IN SUCH ACCOUNTS SHALL BE PAID OUT ON CHECK OF THE COMPTROLLER ON REQUISITION OF THE CHAIR OF THE AUTHORITY OR OF SUCH OTHER PERSON AS THE AUTHORITY MAY AUTHORIZE TO MAKE SUCH REQUISITION. ALL DEPOSITS OF SUCH MONEYS SHALL, IF REQUIRED BY THE COMPTROLLER OR THE AUTHORITY, BE SECURED BY OBLIGATIONS OF THE UNITED STATES OR OF THE STATE OF A MARKET VALUE EQUAL AT ALL TIMES TO THE AMOUNT OF THE DEPOSIT AND ALL BANKS AND TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY FOR SUCH DEPOSITS. THE COMPTROLLER AND HIS OR HER LEGALLY AUTHORIZED REPRESENTATIVES ARE HEREBY AUTHORIZED AND EMPOWERED FROM TIME TO TIME TO EXAMINE THE ACCOUNTS AND BOOKS OF THE AUTHORITY, INCLUDING ITS RECEIPTS, DISBURSEMENTS, CONTRACTS, LEASES, SINKING FUNDS, INVESTMENTS AND ANY OTHER MATTERS RELATING TO ITS FINANCIAL STANDING.

NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE AUTHORITY SHALL HAVE POWER TO CONTRACT WITH THE HOLDERS OF ANY OF ITS NOTES OR BONDS AS TO THE CUSTODY, COLLECTION, SECURING, INVESTMENT AND PAYMENT OF ANY MONEYS OF THE AUTHORITY, OR ANY MONEYS HELD IN TRUST OR OTHERWISE FOR THE PAYMENT OF NOTES OR BONDS OR IN ANY WAY TO SECURE NOTES OR BONDS, AND TO CARRY OUT ANY SUCH CONTRACT. MONEYS HELD IN TRUST OR OTHERWISE FOR THE PAYMENT OF NOTES OR BONDS OR IN ANY WAY TO SECURE NOTES OR BONDS AND DEPOSITS OF SUCH MONEYS MAY BE SECURED IN THE SAME MANNER AS MONEYS OF THE AUTHORITY, AND ALL BANKS AND TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY FOR SUCH DEPOSITS.

MONEYS OF THE AUTHORITY NOT REQUIRED FOR IMMEDIATE USE MAY, IN THE DISCRETION OF THE AUTHORITY, BE INVESTED BY THE COMPTROLLER IN OBLIGATIONS IN WHICH THE COMPTROLLER MAY INVEST PURSUANT TO SECTION NINETY-EIGHT-A OF THE STATE FINANCE LAW.

SUBJECT TO AGREEMENTS WITH NOTEHOLDERS AND BONDHOLDERS, THE AUTHORITY SHALL PRESCRIBE A SYSTEM OF ACCOUNTS.

S 414. NOTES OR BONDS OF THE AUTHORITY. 1. (A) SUBJECT TO THE PROVISIONS OF SECTION FOUR HUNDRED FIFTEEN OF THIS ARTICLE, THE AUTHORITY SHALL HAVE THE POWER AND IS HEREBY AUTHORIZED FROM TIME TO TIME TO ISSUE ITS NEGOTIABLE NOTES AND BONDS, UP TO ONE HUNDRED FIFTY MILLION DOLLARS ANNUALLY, IN CONFORMITY WITH APPLICABLE PROVISIONS OF THE UNIFORM COMMERCIAL CODE IN SUCH PRINCIPAL AMOUNT AS, IN THE OPINION OF THE AUTHORITY, SHALL BE NECESSARY TO PROVIDE SUFFICIENT MONEYS FOR ACHIEVING THE CORPORATE PURPOSES THEREOF, TOGETHER WITH SUITABLE FACILITIES AND APPURTENANCES, THE PAYMENT OF ALL INDEBTEDNESS TO THE STATE, THE COST OF ACQUISITION OF ALL REAL PROPERTY, THE EXPENSE OF MAINTENANCE AND OPERATION, INTEREST ON NOTES AND BONDS DURING CONSTRUCTION AND FOR A REASONABLE PERIOD THEREAFTER, ESTABLISHMENT OF RESERVES TO SECURE NOTES OR BONDS, AND ALL OTHER EXPENDITURES OF THE AUTHORITY INCIDENT TO AND NECESSARY OR CONVENIENT TO CARRY OUT ITS CORPORATE PURPOSES AND POWERS.

(B) THE AUTHORITY SHALL HAVE POWER FROM TIME TO TIME TO ISSUE RENEWAL NOTES, TO ISSUE BONDS TO PAY NOTES, AND WHENEVER IT DEEMS REFUNDING EXPEDIENT, TO REFUND ANY BONDS BY THE ISSUANCE OF NEW BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED, AND MAY ISSUE BONDS PARTLY TO REFUND BONDS THEN OUTSTANDING AND PARTLY FOR ANY OTHER PURPOSE. THE REFUNDING BONDS SHALL BE SOLD AND THE PROCEEDS APPLIED TO THE PURCHASE, REDEMPTION OR PAYMENT OF THE BONDS TO BE REFUNDED.

(C) EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED BY THE AUTHORITY, EVERY ISSUE OF THE NOTES OR BONDS SHALL BE GENERAL OBLIGATIONS PAYABLE OUT OF ANY MONEYS OR REVENUES OF THE AUTHORITY, SUBJECT ONLY TO ANY AGREEMENTS WITH THE HOLDERS OF NOTES OR BONDS PLEDGING ANY RECEIPTS OR REVENUES.

2. THE NOTES AND BONDS SHALL BE AUTHORIZED BY RESOLUTION OF THE BOARD, SHALL BEAR SUCH DATE OR DATES AND MATURE AT SUCH TIME OR TIMES, IN THE CASE OF NOTES AND ANY RENEWALS THEREOF WITHIN FIVE YEARS AFTER THEIR RESPECTIVE DATES AND IN THE CASE OF BONDS NOT EXCEEDING FORTY YEARS FROM THEIR RESPECTIVE DATES, AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE. THE NOTES AND BONDS SHALL BEAR INTEREST AT SUCH RATE OR RATES, BE IN SUCH DENOMINATIONS, BE IN SUCH FORM, EITHER COUPON OR REGISTERED, CARRY SUCH REGISTRATION PRIVILEGES, BE EXECUTED IN SUCH MANNER, BE PAYABLE IN SUCH MEDIUM OF PAYMENT, AT SUCH PLACE OR PLACES, AND BE SUBJECT TO SUCH TERMS OF REDEMPTION AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE. BONDS AND NOTES SHALL BE SOLD BY THE AUTHORITY, AT PUBLIC OR PRIVATE SALE, AT SUCH PRICE OR PRICES AS THE AUTHORITY MAY DETERMINE.

3. ANY RESOLUTION OR RESOLUTIONS AUTHORIZING ANY NOTES OR BONDS OR ANY ISSUE THEREOF MAY CONTAIN PROVISIONS, WHICH SHALL BE A PART OF THE CONTRACT WITH THE HOLDERS THEREOF, AS TO

(A) PLEDGING ALL OR ANY PART OF THE FEES, CHARGES, GIFTS, GRANTS, RENTS, REVENUES OR OTHER MONEYS RECEIVED OR TO BE RECEIVED AND LEASES OR AGREEMENTS TO SECURE THE PAYMENT OF THE NOTES OR BONDS OR OF ANY ISSUE THEREOF SUBJECT TO SUCH AGREEMENTS WITH BONDHOLDERS AS MAY THEN EXIST;

(B) THE RATES OF THE FEES OR CHARGES TO BE ESTABLISHED, AND THE AMOUNTS TO BE RAISED IN EACH YEAR THEREBY AND THE USE AND DISPOSITION OF THE FEES, CHARGES, GIFTS, GRANTS, RENTS, REVENUES OR OTHER MONEYS RECEIVED OR TO BE RECEIVED;

(C) THE SETTING ASIDE OF RESERVES OR SINKING FUNDS, AND THE REGULATION AND DISPOSITION THEREOF;

(D) LIMITATIONS ON THE PURPOSE TO WHICH THE PROCEEDS OF SALE OF ANY ISSUE OF NOTES OR BONDS THEN OR THEREAFTER TO BE ISSUED MAY BE APPLIED AND PLEDGING SUCH PROCEEDS TO SECURE THE PAYMENT OF THE NOTES OR BONDS OR OF ANY ISSUE THEREOF;

(E) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL NOTES OR BONDS; THE TERMS UPON WHICH ADDITIONAL NOTES OR BONDS MAY BE ISSUED AND SECURED; THE REFUNDING OF OUTSTANDING OR OTHER NOTES OR BONDS;

(F) THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT WITH NOTEHOLDERS OR BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF NOTES OR BONDS THE HOLDERS OF WHICH MUST CONSENT THERETO, AND THE MANNER IN WHICH SUCH CONSENT MAY BE GIVEN;

(G) LIMITATIONS ON THE AMOUNT OF MONEYS TO BE EXPENDED BY THE AUTHORITY FOR OPERATING, ADMINISTRATIVE OR OTHER EXPENSES OF THE AUTHORITY;

(H) IN THE CASE OF NOTES OR BONDS NOT GUARANTEED BY THE STATE, VESTING IN A TRUSTEE OR TRUSTEES SUCH PROPERTY, RIGHTS, POWERS AND DUTIES IN TRUST AS THE AUTHORITY MAY DETERMINE WHICH MAY INCLUDE ANY OR ALL OF THE RIGHTS, POWERS AND DUTIES OF THE TRUSTEE APPOINTED BY THE BONDHOLDERS PURSUANT TO THIS ARTICLE, AND LIMITING OR ABROGATING THE RIGHT OF THE BONDHOLDERS TO APPOINT A TRUSTEE UNDER THIS ARTICLE OR LIMITING THE RIGHTS, DUTIES AND POWERS OF SUCH TRUSTEE;

(I) THE ACQUISITION OF JURISDICTION OVER, AND OF PROPERTY FOR, RAILS AND THE CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT, MAINTENANCE OR OPERATION THEREOF;

(J) ANY OTHER MATTERS, OF LIKE OR DIFFERENT CHARACTER, WHICH IN ANY WAY AFFECT THE SECURITY OR PROTECTION OF THE NOTES OR BONDS.

4. WHENEVER THE AUTHORITY PLEDGES ITS REVENUES UNDER A RESOLUTION AUTHORIZED BY THIS SECTION, SUCH RESOLUTION SHALL NOT PROHIBIT THE AUTHORITY FROM FINANCING FOR ADDITIONAL CORPORATE TRANSPORTATION PURPOSES AUTHORIZED BY LAW SECURED BY AN ADDITIONAL PLEDGE OF SUCH REVENUES. SUCH ADDITIONAL PLEDGE OF REVENUES MAY, IN THE DISCRETION OF THE AUTHORITY, BE SUBORDINATE TO THE PLEDGE OF SUCH REVENUES SECURING OTHER BONDS, NOTES OR OTHER EVIDENCE OF INDEBTEDNESS OF THE AUTHORITY. PROVIDED, HOWEVER, THE AUTHORITY SHALL NOT MAKE ANY SUCH ADDITIONAL PLEDGE IF THE SECURITY OF THE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS PREVIOUSLY ISSUED WILL BE IMPAIRED AS A RESULT THEREOF. PROVIDED, HOWEVER, THE AUTHORITY SHALL NOT MAKE ANY SUCH ADDITIONAL PLEDGE IF THE SECURITY OF THE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS PREVIOUSLY ISSUED WILL BE IMPAIRED AS A RESULT THEREOF.

5. IT IS THE INTENTION HEREOF THAT ANY PLEDGE MADE BY THE AUTHORITY SHALL BE VALID AND BINDING FROM THE TIME WHEN THE PLEDGE IS MADE; THAT THE MONEYS SO PLEDGED AND THEREAFTER RECEIVED BY THE AUTHORITY SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE WITHOUT ANY PHYSICAL DELIVERY THEREOF OR FURTHER ACT, AND THAT THE LIEN OF ANY SUCH PLEDGE SHALL BE VALID AND BINDING AS AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT OR OTHERWISE AGAINST THE AUTHORITY IRRESPECTIVE OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF. NEITHER THE RESOLUTION NOR ANY OTHER INSTRUMENT BY WHICH A PLEDGE IS CREATED NEED BE RECORDED.

6. NEITHER THE MEMBERS OF THE BOARD NOR ANY PERSON EXECUTING THE NOTES OR BONDS SHALL BE LIABLE PERSONALLY ON THE NOTES OR BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF.

7. THE AUTHORITY SHALL HAVE POWER OUT OF ANY FUNDS AVAILABLE THEREFOR TO PURCHASE NOTES OR BONDS, WHICH SHALL THEREUPON BE CANCELLED, AT A PRICE NOT EXCEEDING (A) IF THE NOTES OR BONDS ARE THEN REDEEMABLE, THE REDEMPTION PRICE THEN APPLICABLE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE THEREON, OR (B) IF THE NOTES OR BONDS ARE NOT THEN REDEEMABLE, THE REDEMPTION PRICE APPLICABLE ON THE FIRST DATE AFTER SUCH PURCHASE UPON WHICH THE NOTES OR BONDS BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO SAID DATE.

S 415. GUARANTY BY THE STATE. 1. TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AT THE TIME OF THE ISSUANCE OF NOTES OR BONDS, THE PUNCTUAL PAYMENT OF THE NOTES AND BONDS SHALL BE, AND THE SAME HEREBY IS, FULLY AND UNCONDITIONALLY GUARANTEED BY THE STATE, BOTH AS TO PRINCIPAL AND INTEREST, ACCORDING TO THEIR TERMS; AND SUCH GUARANTY SHALL BE EXPRESSED UPON THE FACE THEREOF BY THE SIGNATURE OR FACSIMILE SIGNATURE OF THE COMPTROLLER OR A DEPUTY COMPTROLLER. IN THE EVENT THAT THE AUTHORITY SHALL FAIL TO PAY WHEN DUE, THE PRINCIPAL OF, OR INTEREST ON, THE NOTES OR BONDS, THE COMPTROLLER SHALL PAY THE HOLDER THEREOF, AND THEREUPON THE STATE SHALL BE SUBROGATED TO THE RIGHTS OF THE NOTEHOLDERS OR BONDHOLDERS SO PAID.

2. THE AUTHORITY SHALL HAVE POWER TO ISSUE NOTES AND BONDS WITHOUT THE GUARANTY OF THE STATE AND MAY ISSUE SUCH NOTES OR BONDS BEFORE AND AFTER THE ISSUANCE OF NOTES OR BONDS SO GUARANTEED.

3. WHEN GUARANTEED NOTES OR GUARANTEED BONDS ARE OUTSTANDING, NOTES OR BONDS SECURED BY A PLEDGE OF RECEIPTS OR REVENUES HAVING PRIORITY OVER SUCH OUTSTANDING GUARANTEED NOTES OR GUARANTEED BONDS SHALL NOT BE ISSUED, EXCEPT WITH THE CONSENT OF THE COMPTROLLER, AND UNLESS THE AUTHORITY SHALL BY RESOLUTION FIRST FIND AND DETERMINE THAT, NOTWITHSTANDING SUCH PLEDGE, THE AUTHORITY WILL HAVE ADEQUATE MEANS TO MEET ITS OBLIGATIONS TO THE HOLDERS OF SUCH OUTSTANDING GUARANTEED NOTES OR BONDS.

4. WHEN NOTES OR BONDS ARE OUTSTANDING SECURED BY A PLEDGE OF RECEIPTS OR REVENUES, GUARANTEED NOTES OR BONDS EITHER UNSECURED, OR SECURED BY A PLEDGE OF RECEIPTS OR REVENUES SUBORDINATE TO THE PLEDGE SECURING SUCH OUTSTANDING NOTES OR BONDS, SHALL NOT BE ISSUED UNLESS THE AUTHORITY SHALL FIRST FIND AND DETERMINE BY RESOLUTION THAT NOTWITHSTANDING THE PLEDGE SECURING SUCH OUTSTANDING NOTES OR BONDS, THE AUTHORITY WILL HAVE ADEQUATE MEANS TO MEET ITS OBLIGATIONS ON THE GUARANTEED NOTES OR BONDS ABOUT TO BE ISSUED.

S 416. STATE'S RIGHT TO REQUIRE REDEMPTION OF BONDS. NOTWITHSTANDING AND IN ADDITION TO ANY PROVISIONS FOR THE REDEMPTION OF BONDS WHICH MAY BE CONTAINED IN ANY CONTRACT WITH THE HOLDERS OF THE BONDS, THE STATE MAY, UPON FURNISHING SUFFICIENT FUNDS THEREFOR, REQUIRE THE AUTHORITY TO REDEEM, PRIOR TO MATURITY, AS A WHOLE, ANY ISSUE OF BONDS ON ANY INTEREST PAYMENT DATE NOT LESS THAN FIFTEEN YEARS AFTER THE DATE OF THE BONDS OF SUCH ISSUE AT ONE HUNDRED FOUR PER CENTUM OF THEIR FACE VALUE AND ACCRUED INTEREST OR AT SUCH LOWER REDEMPTION PRICE AS MAY BE PROVIDED IN THE BONDS IN CASE OF THE REDEMPTION THEREOF AS A WHOLE ON THE REDEMPTION DATE. NOTICE OF SUCH REDEMPTION SHALL BE PUBLISHED IN AT LEAST TWO NEWSPAPERS PUBLISHED AND CIRCULATING RESPECTIVELY IN THE CITIES OF ALBANY AND NEW YORK AT LEAST TWICE, THE FIRST PUBLICATION TO BE AT LEAST THIRTY DAYS BEFORE THE DATE OF REDEMPTION.

S 417. REMEDIES OF NOTEHOLDERS AND BONDHOLDERS. 1. IN THE EVENT THAT THE AUTHORITY SHALL DEFAULT IN THE PAYMENT OF PRINCIPAL OF OR INTEREST ON ANY ISSUE OF NOTES OR BONDS AFTER THE SAME SHALL BECOME DUE, WHETHER AT MATURITY OR UPON CALL FOR REDEMPTION, AND SUCH DEFAULT SHALL CONTINUE FOR A PERIOD OF THIRTY DAYS, OR IN THE EVENT THAT THE AUTHORITY SHALL FAIL OR REFUSE TO COMPLY WITH THE PROVISIONS OF THIS ARTICLE, OR SHALL DEFAULT IN ANY AGREEMENT MADE WITH THE HOLDERS OF ANY ISSUE OF NOTES OR BONDS, THE HOLDERS OF TWENTY-FIVE PER CENTUM IN AGGREGATE PRINCIPAL AMOUNT OF THE NOTES OR BONDS OF SUCH ISSUE THEN OUTSTANDING, BY INSTRUMENT OR INSTRUMENTS FILED IN THE OFFICE OF THE CLERK OF THE COUNTY OF ALBANY AND PROVED OR ACKNOWLEDGED IN THE SAME MANNER AS A DEED TO BE RECORDED, MAY APPOINT A TRUSTEE TO REPRESENT THE HOLDERS OF SUCH NOTES OR BONDS FOR THE PURPOSES HEREIN PROVIDED.

2. SUCH TRUSTEE MAY, AND UPON WRITTEN REQUEST OF THE HOLDERS OF TWENTY-FIVE PER CENTUM IN PRINCIPAL AMOUNT OF SUCH NOTES OR BONDS THEN OUTSTANDING SHALL, IN HIS OR ITS OWN NAME:

(A) BY MANDAMUS OR OTHER SUIT, ACTION OR PROCEEDING AT LAW OR IN EQUITY ENFORCE ALL RIGHTS OF THE NOTEHOLDERS OR BONDHOLDERS, INCLUDING THE RIGHT TO REQUIRE THE AUTHORITY TO COLLECT FEES, RENTALS AND CHARGES ADEQUATE TO CARRY OUT ANY AGREEMENTS WITH THE HOLDERS OF SUCH NOTES OR BONDS AND TO PERFORM ITS DUTIES UNDER THIS ARTICLE;

(B) BRING SUIT UPON SUCH NOTES OR BONDS;

(C) BY ACTION OR SUIT IN EQUITY, REQUIRE THE AUTHORITY TO ACCOUNT AS IF IT WERE THE TRUSTEE OF AN EXPRESS TRUST FOR THE HOLDERS OF SUCH NOTES OR BONDS;

(D) BY ACTION OR SUIT IN EQUITY, ENJOIN ANY ACTS OR THINGS WHICH MAY BE UNLAWFUL OR IN VIOLATION OF THE RIGHTS OF THE HOLDERS OF SUCH NOTES OR BONDS;

(E) DECLARE ALL SUCH NOTES OR BONDS DUE AND PAYABLE, AND IF ALL DEFAULTS SHALL BE MADE GOOD THEN WITH THE CONSENT OF THE HOLDERS OF TWENTY-FIVE PER CENTUM OF THE PRINCIPAL AMOUNT OF SUCH NOTES OR BONDS THEN OUTSTANDING, TO ANNUL SUCH DECLARATION AND ITS CONSEQUENCES; PROVIDED, HOWEVER, THAT THIS CLAUSE SHALL NOT BE APPLICABLE IN THE CASE OF NOTES OR BONDS GUARANTEED BY THE STATE.

3. SUCH TRUSTEE, WHETHER OR NOT THE ISSUE OF BONDS OR NOTES REPRESENTED BY SUCH TRUSTEE HAS BEEN DECLARED DUE AND PAYABLE, SHALL BE ENTITLED AS OF RIGHT TO THE APPOINTMENT OF A RECEIVER OF ANY PART OR PARTS OF THE RAILS, THE FEES, RENTALS, CHARGES OR OTHER REVENUES OF WHICH ARE PLEDGED FOR THE SECURITY OF THE BONDS OR NOTES OF SUCH ISSUE AND SUCH RECEIVER MAY ENTER AND TAKE POSSESSION OF SUCH PART OR PARTS OF THE RAILS AND, SUBJECT TO ANY PLEDGE OR AGREEMENT WITH BONDHOLDERS, SHALL TAKE POSSESSION OF ALL MONEYS AND OTHER PROPERTY DERIVED FROM OR APPLICABLE TO THE CONSTRUCTION, OPERATION, MAINTENANCE AND RECONSTRUCTION OF SUCH PART OR PARTS OF THE RAILS AND PROCEED WITH ANY CONSTRUCTION THEREON WHICH THE AUTHORITY IS UNDER OBLIGATION TO DO AND SHALL OPERATE, MAINTAIN AND RECONSTRUCT SUCH PART OR PARTS OF THE RAILS, AND COLLECT AND RECEIVE ALL FEES, RENTALS, CHARGES AND OTHER REVENUES THEREAFTER ARISING THEREFROM SUBJECT TO ANY PLEDGE THEREOF OR AGREEMENT WITH BONDHOLDERS OR NOTEHOLDERS RELATING THERETO AND PERFORM THE PUBLIC DUTIES AND CARRY OUT THE AGREEMENTS AND OBLIGATIONS OF THE AUTHORITY UNDER THE DIRECTION OF THE COURT. IN ANY SUIT, ACTION OR PROCEEDING BY THE TRUSTEE THE FEES, COUNSEL FEES AND EXPENSES OF THE TRUSTEE AND OF THE RECEIVER, IF ANY, SHALL CONSTITUTE TAXABLE DISBURSEMENTS AND ALL COSTS AND DISBURSEMENTS ALLOWED BY THE COURT SHALL BE A FIRST CHARGE ON ANY TOLLS, RENTALS AND OTHER REVENUES DERIVED FROM SUCH PART OR PARTS OF THE RAILS.

4. SUCH TRUSTEE SHALL IN ADDITION TO THE FOREGOING HAVE AND POSSESS ALL OF THE POWERS NECESSARY OR APPROPRIATE FOR THE EXERCISE OF ANY FUNCTIONS SPECIFICALLY SET FORTH HEREIN OR INCIDENT TO THE GENERAL REPRESENTATION OF BONDHOLDERS OR NOTEHOLDERS IN THE ENFORCEMENT AND PROTECTION OF THEIR RIGHTS.

5. THE SUPREME COURT SHALL HAVE JURISDICTION OF ANY SUIT, ACTION OR PROCEEDING BY THE TRUSTEE ON BEHALF OF SUCH NOTEHOLDERS OR BONDHOLDERS. THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE LAID IN THE COUNTY OF ALBANY.

6. BEFORE DECLARING THE PRINCIPAL OF NOTES OR BONDS NOT GUARANTEED BY THE STATE DUE AND PAYABLE, THE TRUSTEE SHALL FIRST GIVE THIRTY DAYS' NOTICE IN WRITING TO THE AUTHORITY.

S 418. LIABILITY OF STATE. THE STATE SHALL BE LIABLE ON NOTES OR BONDS GUARANTEED PURSUANT TO THIS ARTICLE BUT SHALL NOT BE LIABLE ON NOTES OR

BONDS NOT GUARANTEED BY THE STATE WHICH SHALL NOT BE A DEBT OF THE STATE.

S 419. NOTES AND BONDS LEGAL INVESTMENTS FOR PUBLIC OFFICERS AND FIDUCIARIES. THE NOTES AND BONDS ARE HEREBY MADE SECURITIES IN WHICH ALL PUBLIC OFFICERS AND BODIES OF THIS STATE AND ALL MUNICIPALITIES AND MUNICIPAL SUBDIVISIONS, ALL INSURANCE COMPANIES AND ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS, ALL BANKS, BANKERS, TRUST COMPANIES, SAVINGS BANKS AND SAVINGS ASSOCIATIONS, INCLUDING SAVINGS AND LOAN ASSOCIATIONS, BUILDING AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES AND OTHER PERSONS CARRYING ON A BANKING BUSINESS, ALL ADMINISTRATORS, GUARDIANS, EXECUTORS, TRUSTEES AND OTHER FIDUCIARIES AND ALL OTHER PERSONS WHATSOEVER WHO ARE NOW OR MAY HEREAFTER BE AUTHORIZED TO INVEST IN BONDS OR OTHER OBLIGATIONS OF THE STATE, MAY PROPERLY AND LEGALLY INVEST FUNDS INCLUDING CAPITAL IN THEIR CONTROL OR BELONGING TO THEM. THE NOTES AND BONDS ARE ALSO HEREBY MADE SECURITIES WHICH MAY BE DEPOSITED WITH AND MAY BE RECEIVED BY ALL PUBLIC OFFICERS AND BODIES OF THIS STATE AND ALL MUNICIPALITIES AND MUNICIPAL SUBDIVISIONS FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF THIS STATE IS NOW OR MAY HEREAFTER BE AUTHORIZED.

S 420. TAX EXEMPTION. THE PROPERTY OF THE AUTHORITY AND ITS INCOME AND OPERATIONS SHALL BE EXEMPT FROM TAXATION.

S 421. TAX COVENANT. THE STATE COVENANTS WITH THE PURCHASERS AND WITH ALL SUBSEQUENT HOLDERS AND TRANSFEREES OF NOTES AND BONDS ISSUED BY THE AUTHORITY, IN CONSIDERATION OF THE ACCEPTANCE OF AND PAYMENT FOR THE NOTES AND BONDS, THAT THE NOTES AND BONDS OF THE AUTHORITY ISSUED PURSUANT TO THIS ARTICLE AND THE INCOME THEREFROM AND ALL ITS FEES, CHARGES, RENTS, GIFTS, GRANTS, REVENUES, RECEIPTS AND OTHER MONEYS RECEIVED OR TO BE RECEIVED, PLEDGED TO PAY OR SECURE THE PAYMENT OF SUCH NOTES OR BONDS SHALL AT ALL TIMES BE FREE FROM TAXATION EXCEPT FOR ESTATE OR GIFT TAXES AND TAXES ON TRANSFERS.

S 422. AGREEMENT OF THE STATE. THE STATE DOES PLEDGE TO AND AGREE WITH THE HOLDERS OF NOTES, BONDS, OR OTHER OBLIGATIONS OF THE AUTHORITY NOT GUARANTEED BY THE STATE THAT THE STATE WILL NOT LIMIT OR ALTER THE RIGHTS HEREBY VESTED IN THE AUTHORITY TO ESTABLISH AND COLLECT SUCH FEES, RENTALS AND CHARGES AS MAY BE CONVENIENT OR NECESSARY TO PRODUCE SUFFICIENT REVENUE TO MEET THE EXPENSE OF MAINTENANCE AND OPERATION AND TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS THEREOF, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF SUCH HOLDERS UNTIL SUCH NOTES, BONDS, AND OTHER OBLIGATIONS, TOGETHER WITH THE INTEREST THEREON, WITH INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST, AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF SUCH HOLDERS, ARE FULLY MET AND DISCHARGED.

S 423. REPORTS BY THE AUTHORITY. 1. (A) THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, THE CHAIRMAN AND RANKING MINORITY MEMBER OF THE SENATE FINANCE COMMITTEE, THE CHAIRMAN AND RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS AND MEANS COMMITTEE AND THE STATE COMPTROLLER, WITHIN NINETY DAYS AFTER THE END OF ITS FISCAL YEAR, A COMPLETE AND DETAILED REPORT OR REPORTS SETTING FORTH: (1) ITS OPERATIONS AND ACCOMPLISHMENTS; (2) ITS FINANCIAL REPORTS, INCLUDING (I) AUDITED FINANCIALS IN ACCORDANCE WITH ALL APPLICABLE REGULATIONS AND FOLLOWING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN SUBDIVISION TEN OF SECTION TWO OF THE STATE FINANCE LAW, (II) GRANT AND SUBSIDY PROGRAMS, (III) OPERATING AND FINANCIAL RISKS, (IV) CURRENT RATINGS, IF ANY, OF ITS BONDS ISSUED BY RECOGNIZED MUNICIPAL BOND RATING AGENCIES AND NOTICE OF CHANGES IN SUCH RATINGS, AND (V) LONG-TERM LIABILITIES, INCLUDING LEASES AND EMPLOYEE BENEFIT PLANS; (3) ITS MISSION STATEMENT AND MEASUREMENTS

INCLUDING ITS MOST RECENT MEASUREMENT REPORT; (4) A SCHEDULE OF ITS BONDS AND NOTES OUTSTANDING AT THE END OF ITS FISCAL YEAR, TOGETHER WITH A STATEMENT OF THE AMOUNTS REDEEMED AND INCURRED DURING SUCH FISCAL YEAR AS PART OF A SCHEDULE OF DEBT ISSUANCE THAT INCLUDES THE DATE OF ISSUANCE, TERM, AMOUNT, INTEREST RATE AND MEANS OF REPAYMENT. ADDITIONALLY, THE DEBT SCHEDULE SHALL ALSO INCLUDE ALL REFINANCINGS, CALLS, REFUNDINGS, DEFEASEMENTS AND INTEREST RATE EXCHANGE OR OTHER SUCH AGREEMENTS, AND FOR ANY DEBT ISSUED DURING THE REPORTING YEAR, THE SCHEDULE SHALL ALSO INCLUDE A DETAILED LIST OF COSTS OF ISSUANCE FOR SUCH DEBT; (5) A COMPENSATION SCHEDULE, IN ADDITION TO THE REPORT DESCRIBED IN SECTION TWENTY-EIGHT HUNDRED SIX OF THIS CHAPTER, THAT SHALL INCLUDE, BY POSITION, TITLE AND NAME OF THE PERSON HOLDING SUCH POSITION OR TITLE, THE SALARY, COMPENSATION, ALLOWANCE AND/OR BENEFITS PROVIDED TO ANY OFFICER, DIRECTOR OR EMPLOYEE IN A DECISION MAKING OR MANAGERIAL POSITION OF SUCH AUTHORITY WHOSE SALARY IS IN EXCESS OF ONE HUNDRED THOUSAND DOLLARS; (5-A) BIOGRAPHICAL INFORMATION, NOT INCLUDING CONFIDENTIAL PERSONAL INFORMATION, FOR ALL DIRECTORS AND OFFICERS AND EMPLOYEES FOR WHOM SALARY REPORTING IS REQUIRED UNDER SUBPARAGRAPH FIVE OF THIS PARAGRAPH; (6) THE PROJECTS UNDERTAKEN BY THE AUTHORITY DURING THE PAST YEAR; (7) A LISTING AND DESCRIPTION, IN ADDITION TO THE REPORT REQUIRED BY PARAGRAPH A OF SUBDIVISION THREE OF SECTION TWENTY-EIGHT HUNDRED NINETY-SIX OF THIS CHAPTER OF ALL REAL PROPERTY OF SUCH AUTHORITY HAVING AN ESTIMATED FAIR MARKET VALUE IN EXCESS OF FIFTEEN THOUSAND DOLLARS THAT THE AUTHORITY ACQUIRES OR DISPOSES OF DURING SUCH PERIOD. THE REPORT SHALL CONTAIN THE PRICE RECEIVED OR PAID BY THE AUTHORITY AND THE NAME OF THE PURCHASER OR SELLER FOR ALL SUCH PROPERTY SOLD OR BOUGHT BY THE AUTHORITY DURING SUCH PERIOD; (8) THE AUTHORITY'S CODE OF ETHICS; (9) AN ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES; (10) A COPY OF THE LEGISLATION THAT FORMS THE STATUTORY BASIS OF THE AUTHORITY; (11) A DESCRIPTION OF THE AUTHORITY AND ITS BOARD STRUCTURE, INCLUDING (I) NAMES OF COMMITTEES AND COMMITTEE MEMBERS, (II) LISTS OF BOARD MEETINGS AND ATTENDANCE, (III) DESCRIPTIONS OF MAJOR AUTHORITY UNITS, SUBSIDIARIES, AND (IV) NUMBER OF EMPLOYEES; (12) ITS CHARTER AND BY-LAWS; (13) A LISTING OF MATERIAL CHANGES IN OPERATIONS AND PROGRAMS DURING THE REPORTING YEAR; (14) AT A MINIMUM A FOUR-YEAR FINANCIAL PLAN, INCLUDING (I) A CURRENT AND PROJECTED CAPITAL BUDGET, AND (II) AN OPERATING BUDGET REPORT, INCLUDING AN ACTUAL VERSUS ESTIMATED BUDGET, WITH AN ANALYSIS AND MEASUREMENT OF FINANCIAL AND OPERATING PERFORMANCE; (15) ITS BOARD PERFORMANCE EVALUATIONS; PROVIDED, HOWEVER, THAT SUCH EVALUATIONS SHALL NOT BE SUBJECT TO DISCLOSURE UNDER ARTICLE SIX OF THIS CHAPTER; (16) A DESCRIPTION OF THE TOTAL AMOUNTS OF ASSETS AND/OR SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING, INCLUDING (I) THE NATURE OF THOSE ASSETS AND SERVICES, (II) THE NAMES OF THE COUNTERPARTIES, AND (III) WHERE THE CONTRACT PRICE OR FAIR MARKET VALUE FOR GOODS PURCHASED EXCEEDS A FAIR MARKET VALUE DETERMINED BY THE AUTHORITIES BUDGET OFFICE, OR WHERE THE CONTRACT PRICE FOR GOODS SOLD IS LESS THAN A FAIR MARKET VALUE, AN ATTESTATION OF THE FAIR MARKET VALUE AND A DETAILED EXPLANATION EXECUTED UNDER PENALTIES OF PERJURY BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE REASONS FOR THE HIGH PRICE PURCHASE OR THE LOAN PRICE SALE INCLUDING THE RELATIONSHIP, IF ANY, OF PERSONS ASSOCIATED WITH THE BUYER/PURCHASER AND PERSONS ASSOCIATED WITH THE AUTHORITY AND/OR THE OFFICIALS WHO APPOINTED MEMBERS TO THE AUTHORITY BOARD; AND (17) A DESCRIPTION OF ANY MATERIAL PENDING LITIGATION IN WHICH THE AUTHORITY IS INVOLVED AS A PARTY DURING THE REPORTING YEAR.

(B) THE AUTHORITY SHALL MAKE ACCESSIBLE TO THE PUBLIC, VIA ITS OFFICIAL OR SHARED INTERNET WEBSITE, DOCUMENTATION PERTAINING TO ITS MISSION, CURRENT ACTIVITIES, MOST RECENT ANNUAL FINANCIAL REPORTS, CURRENT YEAR BUDGET AND ITS MOST RECENT INDEPENDENT AUDIT REPORT UNLESS SUCH INFORMATION IS COVERED BY SUBDIVISION TWO OF SECTION EIGHTY-SEVEN OF THE PUBLIC OFFICERS LAW.

2. (A) THE AUTHORITY SHALL SUBMIT TO THE COMPTROLLER, THE DIRECTOR OF THE BUDGET AND THE CHAIRPERSONS OF THE LEGISLATIVE FISCAL COMMITTEES, FOR THEIR INFORMATION, ANNUALLY, ON OR BEFORE THE FIFTEENTH DAY OF JANUARY OF EACH CALENDAR YEAR, PERSONNEL INFORMATION SETTING FORTH PERSONAL SERVICE SCHEDULES BY SUBSIDIARY, DIVISION AND UNIT WHICH INDICATE POSITION, GRADE, SALARY AND TITLE FOR EACH EMPLOYEE AND IN SUMMARY FORM.

(B) IF THE AUTHORITY HAS PROVIDED THE INFORMATION REQUIRED BY THIS SECTION IN THE ANNUAL REPORT REQUIRED UNDER SECTION TWENTY-EIGHT HUNDRED OF THIS CHAPTER, SUCH AUTHORITY MAY COMPLY WITH THE PROVISIONS OF THIS SECTION BY REFERENCES TO SUCH INFORMATION WITH ANY NECESSARY UPDATES.

S 424. SUBSIDIARIES OF THE AUTHORITY. 1. NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE AUTHORITY SHALL NOT HAVE THE POWER TO ORGANIZE ANY SUBSIDIARY CORPORATION UNLESS THE LEGISLATURE SHALL HAVE ENACTED A LAW GRANTING THE AUTHORITY SUCH POWER FOR THE ORGANIZATION OF A SPECIFIC CORPORATION, PROVIDED, HOWEVER, THAT THE AUTHORITY MAY ORGANIZE A SUBSIDIARY CORPORATION PURSUANT TO THE FOLLOWING REQUIREMENTS:

(A) THE PURPOSE FOR WHICH THE SUBSIDIARY CORPORATION SHALL BE ORGANIZED SHALL BE FOR A PROJECT OR PROJECTS WHICH THE AUTHORITY HAS THE POWER TO PURSUE PURSUANT TO ITS CORPORATE PURPOSES;

(B) THE PRIMARY REASON FOR WHICH THE SUBSIDIARY CORPORATION SHALL BE ORGANIZED SHALL BE TO LIMIT THE POTENTIAL LIABILITY IMPACT OF THE SUBSIDIARY'S PROJECT OR PROJECTS ON THE AUTHORITY OR BECAUSE STATE OR FEDERAL LAW REQUIRES THAT THE PURPOSE OF A SUBSIDIARY BE UNDERTAKEN THROUGH A SPECIFIC CORPORATE STRUCTURE; AND

(C) THE SUBSIDIARY CORPORATION SHALL MAKE THE REPORTS AND OTHER DISCLOSURES AS ARE REQUIRED OF THE AUTHORITY, UNLESS THE SUBSIDIARY CORPORATION'S OPERATIONS AND FINANCES ARE CONSOLIDATED WITH THOSE OF THE AUTHORITY.

2. IN SUCH CASES WHERE THE AUTHORITY HAS THE POWER TO ORGANIZE A SUBSIDIARY CORPORATION PURSUANT TO SUBDIVISION ONE OF THIS SECTION, THE AUTHORITY SHALL FILE, NO LESS THAN SIXTY DAYS PRIOR TO THE FORMATION OF SUCH SUBSIDIARY, NOTICE TO THE AUTHORITY'S BUDGET OFFICE, THE GOVERNOR, THE COMPTROLLER, AND THE LEGISLATURE THAT IT WILL BE CREATING A SUBSIDIARY.

3. SUBSIDIARY CORPORATIONS FORMED UNDER SUBDIVISION ONE OF THIS SECTION SHALL NOT HAVE THE AUTHORITY TO ISSUE BONDS, NOTES OR OTHER DEBTS, PROVIDED, HOWEVER, THAT SUCH SUBSIDIARY CORPORATIONS MAY ISSUE NOTES OR OTHER DEBT TO THE AUTHORITY. NO SUCH DEBT ISSUED BY THE SUBSIDIARY TO THE AUTHORITY SHALL IN TOTAL EXCEED, AT ANY TIME, A PRINCIPAL AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS OR, DURING THE NINE MONTHS AFTER THE FORMATION OF THE SUBSIDIARY, ONE MILLION DOLLARS.

4. THE CERTIFICATE OF INCORPORATION OR OTHER DOCUMENT FILED TO ORGANIZE A SUBSIDIARY CORPORATION UNDER THIS SECTION SHALL STATE THAT THE AUTHORITY IS THE PERSON ORGANIZING THE CORPORATION.

5. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO GRANT THE AUTHORITY THE POWER TO CREATE A SUBSIDIARY WHERE THE AUTHORITY DOES NOT OTHERWISE HAVE THE POWER TO DO SO.

6. ON OR BEFORE THE FIRST DAY OF JANUARY, TWO THOUSAND TEN, AND ANNUALLY ON SUCH DAY THEREAFTER, ANY SUBSIDIARY PUBLIC BENEFIT CORPORATION, IN COOPERATION WITH THE AUTHORITY, SHALL PROVIDE TO THE CHAIR AND RANK-

ING MINORITY MEMBER OF THE SENATE FINANCE COMMITTEE AND THE CHAIR AND RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, A REPORT ON THE SUBSIDIARY PUBLIC BENEFIT CORPORATION. SUCH REPORT SHALL INCLUDE FOR EACH SUBSIDIARY:

(A) THE COMPLETE LEGAL NAME, ADDRESS AND CONTACT INFORMATION OF THE SUBSIDIARY;

(B) THE STRUCTURE OF THE ORGANIZATION OF THE SUBSIDIARY, INCLUDING THE NAMES AND TITLES OF EACH OF ITS MEMBERS, DIRECTORS AND OFFICERS, AS WELL AS A CHART OF ITS ORGANIZATIONAL STRUCTURE;

(C) THE COMPLETE BYLAWS AND LEGAL ORGANIZATION PAPERS OF THE SUBSIDIARY;

(D) A COMPLETE REPORT OF THE PURPOSE, OPERATIONS, MISSION AND PROJECTS OF THE SUBSIDIARY, INCLUDING A STATEMENT OF JUSTIFICATION AS TO WHY THE SUBSIDIARY IS NECESSARY TO CONTINUE ITS OPERATIONS FOR THE PUBLIC BENEFIT FOR THE PEOPLE OF THE STATE OF NEW YORK; AND

(E) ANY OTHER INFORMATION THE AUTHORITY DEEMS IMPORTANT TO INCLUDE IN SUCH REPORT.

S 425. AUTHORITY CONTRACTS; LIMITATIONS. 1. PRIOR TO THEIR PUBLICATION FOR BIDS OR PROPOSALS, THE AUTHORITY SHALL SUBMIT TO THE STATE COMPTROLLER, PROPOSALS FOR CONTRACTS FOR PROCUREMENT, PUBLIC WORK, CONSTRUCTION, OR REVENUE THAT INCLUDE THE PAYMENT OF MONEY, THE EXCHANGE OF PERSONAL OR REAL PROPERTY, THE EXCHANGE OF SERVICES, OR ANY COMBINATION THEREOF, WHICH IN THE AGGREGATE MAY REASONABLY BE VALUED IN EXCESS OF ONE MILLION DOLLARS. IF THE COMPTROLLER WITHIN FORTY-FIVE DAYS OF SUCH SUBMISSION NOTIFIES THE AUTHORITY THAT, PURSUANT TO HIS OR HER AUTHORITY TO SUPERVISE THE ACCOUNTS OF PUBLIC AUTHORITIES, HE OR SHE WILL REVIEW AND APPROVE SUCH CONTRACT, SUCH CONTRACT OR AGREEMENT SHALL NOT BE A VALID ENFORCEABLE CONTRACT UNLESS SUCH CONTRACT SHALL FIRST BE APPROVED BY THE COMPTROLLER. IN THE EVENT THAT THE COMPTROLLER NOTIFIES THE AUTHORITY THAT FINAL APPROVAL SHALL BE REQUIRED AS PROVIDED BY THIS SUBDIVISION, THEN THE AUTHORITY SHALL INCLUDE A PROVISION IN ALL SUCH INVITATIONS TO BID OR SOLICITATIONS FOR PROPOSALS, INFORMING THE OTHER PARTIES TO SUCH CONTRACTS THAT THE SAME ARE NOT VALID AND ENFORCEABLE WITHOUT THE COMPTROLLER'S APPROVAL.

2. NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION, IF THE COMPTROLLER HAS NOT APPROVED OR DISAPPROVED ANY CONTRACT SUBJECT TO THE PROVISIONS OF SUCH SUBDIVISION WITHIN NINETY DAYS OF SUBMISSION OF SUCH CONTRACT TO HIS OR HER OFFICE, SUCH CONTRACT SHALL BE VALID AND ENFORCEABLE.

3. IF THE COMPTROLLER DETERMINES THAT ANY CONTRACT OR CATEGORY OF CONTRACTS OF THE AUTHORITY, WHICH ARE NOT SUBJECT TO THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION, REQUIRE DIRECT SUPERVISION IN THE FORM OF PRE-APPROVAL OF SUCH CONTRACTS, AND THE COMPTROLLER SO NOTIFIES SUCH STATE AUTHORITY OF SUCH DETERMINATION, THEN NO SUCH CONTRACT OR AGREEMENT BY SUCH STATE AUTHORITY SELECTED FOR REVIEW BY THE COMPTROLLER SHALL BE A VALID ENFORCEABLE CONTRACT UNLESS SUCH CONTRACT SHALL FIRST BE APPROVED BY THE COMPTROLLER. IN THE EVENT THAT THE COMPTROLLER NOTIFIES THE AUTHORITY THAT APPROVAL SHALL BE REQUIRED AS PROVIDED BY THIS SUBDIVISION, THEN THE AUTHORITY SHALL INCLUDE A PROVISION IN ALL SUCH CONTRACTS SELECTED FOR REVIEW, INFORMING THE OTHER PARTIES TO SUCH CONTRACTS THAT THE SAME ARE NOT VALID AND ENFORCEABLE WITHOUT THE COMPTROLLER'S APPROVAL.

4. NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION THREE OF THIS SECTION, IF THE COMPTROLLER HAS NOT APPROVED OR DISAPPROVED ANY CONTRACT SUBJECT TO THE PROVISIONS OF SUCH SUBDIVISION WITHIN NINETY DAYS OF

SUBMISSION OF SUCH CONTRACT TO HIS OR HER OFFICE, SUCH CONTRACT SHALL BE VALID AND ENFORCEABLE.

5. THIS SECTION SHALL NOT APPLY TO: (A) CONTRACTS ENTERED INTO FOR THE ISSUANCE OF BONDED INDEBTEDNESS, EXCEPT CONTRACTS FOR PERSONAL SERVICES; OR (B) CONTRACTS ENTERED INTO FOR THE PROCUREMENT OF GOODS AND/OR SERVICES MADE TO MEET EMERGENCIES ARISING FROM UNFORESEEN CAUSES. FOR THE PURPOSE OF THIS PARAGRAPH "EMERGENCY" SHALL MEAN AN URGENT AND UNEXPECTED REQUIREMENT WHERE HEALTH AND PUBLIC SAFETY OR THE CONSERVATION OF PUBLIC RESOURCES IS AT RISK. THE AUTHORITY SHALL DOCUMENT IN THE PROCUREMENT RECORD, SUBJECT TO REVIEW BY THE STATE COMPTROLLER, THE NATURE OF THE EMERGENCY GIVING RISE TO THE PROCUREMENT; OR (C) CONTRACTS OF PURCHASE OR SALE MADE ON A RECOGNIZED MARKET FOR THE GOODS, SERVICES, OR COMMODITIES IN QUESTION IN ACCORDANCE WITH STANDARD TERMS AND CONDITIONS OF SALE AT A MARKET PRICE.

6. THE PROVISIONS OF THIS SECTION DO NOT GRANT OR DIMINISH ANY POWER OR RIGHT TO REVIEW CONTRACTS BEYOND OR FROM THAT WHICH THE COMPTROLLER MAY HAVE PURSUANT TO HIS OR HER AUTHORITY TO SUPERVISE THE ACCOUNTS OF PUBLIC AUTHORITIES. IF ANY PROVISIONS OF THIS SECTION OR ITS APPLICATION TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID BY A COURT OF LAST RESORT, THEN THIS SECTION SHALL BE DEEMED TO BE INVALID IN ITS ENTIRETY AND SHALL BE DEEMED REPEALED.

S 426. PREVAILING WAGES. WHENEVER THE AUTHORITY ENTERS INTO ANY CONTRACT, SUBCONTRACT, LEASE, GRANT, BOND, COVENANT OR OTHER AGREEMENT FOR OR IN CONNECTION WITH ANY CONSTRUCTION, DEMOLITION, RECONSTRUCTION, EXCAVATION, REHABILITATION, REPAIR, RENOVATION, ALTERATION, OR IMPROVEMENT PROJECT, SUCH PROJECT SHALL BE DEEMED TO BE A PUBLIC WORKS PROJECT FOR THE PURPOSES OF ARTICLE EIGHT OF THE LABOR LAW, AND ALL OF THE PROVISIONS OF ARTICLE EIGHT OF THE LABOR LAW SHALL BE APPLICABLE TO ALL THE WORK INVOLVED IN THE CONSTRUCTION, DEMOLITION, RECONSTRUCTION, EXCAVATION, REHABILITATION, REPAIR, RENOVATION, ALTERATION, OR IMPROVEMENT OF SUCH PROJECT. FUNDS, FINANCIAL ASSISTANCE, OR ANY OTHER BENEFITS PROVIDED PURSUANT TO THIS ARTICLE SHALL NOT BE UTILIZED FOR OR IN CONNECTION WITH THE CONSTRUCTION, DEMOLITION, RECONSTRUCTION, EXCAVATION, REHABILITATION, REPAIR, RENOVATION, ALTERATION, OR IMPROVEMENT OF ANY PROJECT TO WHICH THE PROVISIONS OF ARTICLE EIGHT OF THE LABOR LAW ARE NOT APPLICABLE.

S 427. EQUAL EMPLOYMENT OPPORTUNITY. ALL CONTRACTS ENTERED INTO BY THE AUTHORITY PURSUANT TO THIS ARTICLE OF WHATEVER NATURE AND ALL DOCUMENTS SOLICITING BIDS OR PROPOSALS THEREFOR SHALL CONTAIN OR MAKE REFERENCE TO THE FOLLOWING PROVISION:

THE CONTRACTOR SHALL NOT DISCRIMINATE AGAINST EMPLOYEES OR APPLICANTS FOR EMPLOYMENT BECAUSE OF RACE, CREED, COLOR, NATIONAL ORIGIN, SEX, AGE, DISABILITY OR MARITAL STATUS, AND WILL UNDERTAKE OR CONTINUE EXISTING PROGRAMS OF AFFIRMATIVE ACTION TO ENSURE THAT MINORITY GROUP PERSONS AND WOMEN ARE AFFORDED EQUAL OPPORTUNITY WITHOUT DISCRIMINATION. SUCH PROGRAMS SHALL INCLUDE, BUT NOT BE LIMITED TO, RECRUITMENT, EMPLOYMENT, JOB ASSIGNMENT, PROMOTION, UPGRADING, DEMOTION, TRANSFER, LAYOFF, TERMINATION, RATES OF PAY OR OTHER FORMS OF COMPENSATION, AND SELECTION FOR TRAINING AND RETRAINING, INCLUDING APPRENTICESHIP AND ON-THE-JOB TRAINING.

S 428. CONTRACTS FOR PROFESSIONAL, MAINTENANCE, CLERICAL, OR TECHNICAL SERVICES. 1. DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS HAVE THE FOLLOWING MEANINGS, UNLESS OTHERWISE SPECIFIED:

(A) "AUTHORITY" MEANS ANY PUBLIC AUTHORITY COMMISSION CREATED BY THIS ARTICLE;

(B) "CONTRACT" MEANS AN ENFORCEABLE AGREEMENT, ENTERED INTO BY A CONTRACTOR AND THE AUTHORITY, WHICH EXCEEDS TWO HUNDRED FIFTY THOUSAND DOLLARS. A SINGLE CONTRACT WHICH IS DIVIDED INTO SEPARATE CONTRACTS SOLELY TO AVOID THE APPLICATION OF THIS TITLE SHALL BE DEEMED A SINGLE CONTRACT FOR PURPOSES OF THIS SECTION;

(C) "CONTRACTOR" MEANS ANY PERSON, PARTNERSHIP, FIRM, CORPORATION, ASSOCIATION, LIMITED LIABILITY COMPANY, OR OTHER ENTITY RENDERING OR PROVIDING PROFESSIONAL, MAINTENANCE, CLERICAL, OR TECHNICAL SERVICES PURSUANT TO A CONTRACT WITH A PUBLIC AUTHORITY;

(D) "SERVICES" MEANS ANY PROFESSIONAL, MAINTENANCE, CLERICAL, OR TECHNICAL SERVICES CURRENTLY PERFORMED BY MEMBERS OF THE PROFESSIONAL, MAINTENANCE, CLERICAL, AND TECHNICAL BARGAINING UNIT OF A PUBLIC AUTHORITY OR WHICH COME WITHIN THE SCOPE OF THE PROFESSIONAL PRACTICE OF THE MEMBERS OF SUCH BARGAINING UNIT;

(E) "CHANGE ORDER" MEANS A WRITTEN ORDER BY A PUBLIC AUTHORITY DIRECTING THE CONTRACTOR TO MAKE CHANGES IN A CONTRACT; AND

(F) "CONTRACT MODIFICATION" MEANS ANY WRITTEN ALTERATION TO SPECIFICATIONS, DELIVERY POINT, RATE OF DELIVERY, PERIOD OF PERFORMANCE, PRICE, QUALITY, OR OTHER PROVISIONS OF ANY CONTRACT ACCOMPLISHED BY MUTUAL ACTION OF THE PARTIES TO THE CONTRACT.

2. GUIDELINES FOR CONTRACTING FOR SERVICES. NO CONTRACT WITH A CONTRACTOR FOR SERVICES SHALL BE ENTERED INTO BY THE AUTHORITY UNLESS CONTRACTING FOR SUCH SERVICES IS:

(A) COST EFFECTIVE WHEN COMPARED TO THE COST OF HAVING THE AUTHORITY PERFORM THE WORK; OR

(B) REQUIRED FOR A SHORT DURATION, MAKING IT IMPRACTICAL TO HIRE BARGAINING UNIT EMPLOYEES TO PERFORM THE SERVICE; OR

(C) REQUIRED FOR SPECIAL EXPERTISE NOT CURRENTLY AVAILABLE IN THE BARGAINING UNIT; OR

(D) REQUIRED DUE TO AN URGENT NEED SUCH THAT THE DELAY IN HIRING EMPLOYEES WOULD FRUSTRATE THE PUBLIC INTEREST; OR

(E) REQUIRED TO AVOID A CONFLICT OF INTEREST; OR

(F) OTHERWISE REQUIRED TO BE SO CONTRACTED; OR

(G) IN COMPLIANCE WITH THE AUTHORITY'S AFFIRMATIVE ACTION EFFORTS AND WILL NOT CAUSE THE PUBLIC AUTHORITY TO FAIL TO MEET ITS AFFIRMATIVE ACTION GOALS. A CONTRACTOR MUST ALSO MEET OR EXCEED THE AUTHORITY'S GOALS FOR AFFIRMATIVE ACTION; OR

(H) IN COMPLIANCE WITH THE REQUIREMENTS OF APPLICABLE STATE, LOCAL, AND FEDERAL LAW.

3. COST BENEFIT ANALYSIS. IN DETERMINING IF A CONTRACT IS COST EFFECTIVE, THE AUTHORITY SHALL PERFORM A COST BENEFIT ANALYSIS WHICH SHALL EVALUATE, BUT NOT BE LIMITED TO, THE FOLLOWING FACTORS:

(A) REIMBURSEMENT FROM OTHER SOURCES;

(B) BOTH THE DIRECT AND INDIRECT COSTS OF PERFORMING THE WORK;

(C) WHETHER OR NOT THE CONTRACTOR PROVIDES WAGES AND SUPPLEMENTS TO ITS EMPLOYEES WHICH ARE COMPARABLE TO THOSE PAID TO SIMILAR EMPLOYEES PERFORMING SIMILAR WORK IN THE GEOGRAPHIC AREA WHERE THE WORK IS TO BE PERFORMED. A CONTRACT MAY NOT BE CONSIDERED COST EFFECTIVE IF SUCH WAGES AND SUPPLEMENTS ARE SUBSTANTIALLY BELOW THOSE CUSTOMARILY PAID IN THE AREA; AND

(D) THE QUALITY OF SERVICE BEING PROVIDED.

4. REVIEW OF CONTRACTS FOR SERVICES. (A) PRIOR TO EXECUTING A CONTRACT FOR SERVICES, THE AUTHORITY SHALL PREPARE A SPECIFIC STATEMENT WHICH SETS FORTH THE OBJECTIVE DATA SUPPORTING THE REASONS WHY THE PROPOSED CONTRACT MEETS THE REQUIREMENTS SET FORTH IN SUBDIVISION TWO OF THIS SECTION.

(B) (1) PRIOR TO THE SCHEDULED AWARD OF A CONTRACT FOR SERVICES, THE AUTHORITY SHALL PROVIDE TO THE EMPLOYEE ORGANIZATION THAT REPRESENTS PUBLIC AUTHORITY EMPLOYEES WHO WOULD OTHERWISE PERFORM SUCH SERVICES WITH COPIES OF THE STATEMENT RENDERED PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION AND THE PROPOSED CONTRACT SO THAT SUCH EMPLOYEE ORGANIZATION SHALL HAVE AT LEAST FIFTEEN DAYS TO OBJECT TO THE PROPOSED CONTRACT. AN EMPLOYEE ORGANIZATION WHICH PROVIDES TIMELY WRITTEN NOTICE OF OBJECTION AND THE REASONS THEREFOR SHALL, UNLESS THE PUBLIC AUTHORITY AGREES IN WRITING TO WITHDRAW THE PROPOSED CONTRACT, BE PERMITTED TO BE HEARD BY THE PUBLIC AUTHORITY ON ITS OBJECTIONS PRIOR TO THE AWARD OF THE CONTRACT. WITHIN FIFTEEN DAYS OF RECEIPT OF ANY SUCH OBJECTIONS, THE AUTHORITY, AFTER CONSIDERING THE OBJECTIONS OF THE EMPLOYEE ORGANIZATION, SHALL NOTIFY THE EMPLOYEE ORGANIZATION WHETHER THE AUTHORITY WILL WITHDRAW THE PROPOSED CONTRACT OR ENTER INTO THE CONTRACT. IF THE AUTHORITY DECIDES TO ENTER INTO THE CONTRACT, AND THE EMPLOYEE ORGANIZATION STILL BELIEVES THAT THE CONTRACT IS IN VIOLATION OF THE GUIDELINES IN SUBDIVISION TWO OF THIS SECTION, THE EMPLOYEE ORGANIZATION SHALL HAVE THE RIGHT TO BRING A PROCEEDING PURSUANT TO ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES TO DETERMINE WHETHER OR NOT THE APPROVAL WAS IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

(2) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH ONE OF THIS PARAGRAPH, THE EMPLOYEE ORGANIZATION MAY BE PROVIDED LESS THAN THE REQUIRED FIFTEEN DAYS TO OBJECT TO THE PROPOSED CONTRACT WHEN THE CONTRACT IS REQUIRED TO RESPOND TO AN EMERGENCY WITHIN THE SCOPE OF PARAGRAPH (D) OF SUBDIVISION TWO OF THIS SECTION.

5. CHANGE ORDERS AND CONTRACT MODIFICATIONS. IF THE AUTHORITY INTENDS TO CHANGE, BY USE OF A CHANGE ORDER OR CONTRACT MODIFICATION, A CONTRACT FOR SERVICES, AND SUCH CHANGE RESULTS IN CAUSING THE AMOUNT OF THE CONTRACT TO EXCEED ONE HUNDRED TWENTY-FIVE PERCENT OF THE ORIGINAL CONTRACT AMOUNT, THEN APPROVAL OF SUCH CHANGES SHALL BE SUBJECT TO THE PROVISIONS OF SUBDIVISION FOUR OF THIS SECTION.

S 429. WHISTLEBLOWER ACTION. NO STATE OR LOCAL AUTHORITY SHALL FIRE, DISCHARGE, DEMOTE, SUSPEND, THREATEN, HARASS OR DISCRIMINATE AGAINST AN EMPLOYEE BECAUSE OF THE EMPLOYEE'S ROLE AS A WHISTLEBLOWER, INSOFAR AS THE ACTIONS TAKEN BY THE EMPLOYEE ARE LEGAL.

S 430. LOBBYING CONTACTS. 1. DEFINITIONS. AS USED IN THIS SECTION:

(A) "LOBBYING" SHALL HAVE THE SAME MEANING AS DEFINED IN SECTION ONE-C OF THE LEGISLATIVE LAW.

(B) "LOBBYING CONTACT" SHALL MEAN ANY CONVERSATION, IN PERSON OR BY TELEPHONIC OR OTHER REMOTE MEANS, OR CORRESPONDENCE BETWEEN ANY LOBBYIST AND ANY PERSON WITHIN THE AUTHORITY WHO CAN MAKE OR INFLUENCE A DECISION ON ANY MATTER ON BEHALF OF THE AUTHORITY, AND SHALL INCLUDE, AT A MINIMUM, ALL MEMBERS OF THE GOVERNING BOARD AND ALL OFFICERS OF THE AUTHORITY.

(C) "LOBBYIST" SHALL MEAN ANY PERSON WHO CONTACTS THE AUTHORITY IN AN EFFORT TO OBTAIN FAVORABLE ACTION BY THE AUTHORITY ON ANY MATTER ON BEHALF OF ANOTHER PERSON.

2. THE AUTHORITY SHALL MAINTAIN A RECORD OF ALL LOBBYING CONTACTS MADE WITH THE AUTHORITY.

3. EVERY MEMBER, OFFICER OR EMPLOYEE OF THE AUTHORITY WHO IS THE PERSON CONTACTED BY A LOBBYIST SHALL MAKE A CONTEMPORANEOUS RECORD OF SUCH CONTACT CONTAINING THE DAY AND TIME OF THE CONTACT, THE IDENTITY OF THE LOBBYIST, AND A GENERAL SUMMARY OF THE SUBSTANCE OF THE CONTACT. SUCH PERSON SHALL NOT BE REQUIRED TO MAKE A RECORD OF THE RECEIPT OF DOCUMENTARY LOBBYING CONTACTS IF THE DOCUMENT OR A COPY THEREOF IS KEPT IN A FILE RELATING TO LOBBYING CONTACTS.

4. THE AUTHORITY SHALL ADOPT A POLICY IMPLEMENTING THE REQUIREMENTS OF THIS SECTION. SUCH POLICY SHALL APPOINT AN OFFICER TO WHOM ALL SUCH RECORDS SHALL BE DELIVERED. SUCH OFFICER SHALL MAINTAIN SUCH RECORDS FOR NOT LESS THAN SEVEN YEARS IN A FILING SYSTEM DESIGNED TO ORGANIZE SUCH RECORDS IN A MANNER SO AS TO MAKE SUCH RECORDS USEFUL TO DETERMINE WHETHER THE DECISIONS OF THE AUTHORITY WERE INFLUENCED BY LOBBYING CONTACTS.

S 431. ARTICLE NOT AFFECTED IF IN PART UNCONSTITUTIONAL. IF ANY SECTION, CLAUSE OR PROVISION OF THIS ARTICLE SHALL BE UNCONSTITUTIONAL OR BE INEFFECTIVE IN WHOLE OR IN PART, TO THE EXTENT THAT IT IS NOT UNCONSTITUTIONAL OR INEFFECTIVE, IT SHALL BE VALID AND EFFECTIVE AND NO OTHER SECTION, CLAUSE OR PROVISION SHALL ON ACCOUNT THEREOF BE DEEMED INVALID OR INEFFECTIVE.

S 432. INCONSISTENT PROVISIONS IN OTHER ACTS SUPERSEDED. IN SO FAR AS THE PROVISIONS OF THIS ARTICLE ARE INCONSISTENT WITH THE PROVISIONS OF ANY OTHER ACT, GENERAL OR SPECIAL, THE PROVISIONS OF THIS ARTICLE SHALL BE CONTROLLING, PROVIDED HOWEVER, THAT THE AUTHORITY SHALL COMPLY WITH ALL APPLICABLE PROVISIONS OF CHAPTER SEVEN HUNDRED SIXTY-SIX OF THE LAWS OF TWO THOUSAND FIVE, CONSTITUTING THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005.

S 2. Paragraph (b) of subdivision 11 of section 310 of the executive law, as amended by chapter 628 of the laws of 2003, is amended to read as follows:

(b) the following:

Albany County Airport Authority;
Albany Port District Commission;
Alfred, Almond, Hornellsville Sewer Authority;
Battery Park City Authority;
Cayuga County Water and Sewer Authority;
(Nelson A. Rockefeller) Empire State Plaza Performing Arts Center Corporation;
Industrial Exhibit Authority;
Livingston County Water and Sewer Authority;
Long Island Power Authority;
Long Island Rail Road;
Long Island Market Authority;
Manhattan and Bronx Surface Transit Operating Authority;
Metro-North Commuter Railroad;
Metropolitan Suburban Bus Authority;
Metropolitan Transportation Authority;
Natural Heritage Trust;
New York City Transit Authority;
New York Convention Center Operating Corporation;
New York State Bridge Authority;
New York State Olympic Regional Development Authority;
NEW YORK STATE RAIL AUTHORITY;
New York State Thruway Authority;
Niagara Falls Public Water Authority;
Niagara Falls Water Board;
Port of Oswego Authority;
Power Authority of the State of New York;
Roosevelt Island Operating Corporation;
Schenectady Metroplex Development Authority;
State Insurance Fund;
Staten Island Rapid Transit Operating Authority;
State University Construction Fund;

Triborough Bridge and Tunnel Authority.
Upper Mohawk valley regional water board.
Upper Mohawk valley regional water finance authority.
Upper Mohawk valley memorial auditorium authority.
Urban Development Corporation and its subsidiary corporations.

S 3. This act shall take effect on the one hundred eightieth day after it shall have become a law, provided that any and all actions necessary to implement the provisions of this act on its effective date are authorized to be completed on or before such effective date; and provided further that the amendments to paragraph (b) of subdivision 11 of section 310 of the executive law made by section two of this act shall not affect the expiration of such section and shall be deemed to expire therewith.