

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

9150--A

I N A S S E M B L Y

January 30, 2012

Introduced by M. of A. BRENNAN, CUSICK, TITONE, COOK, KELLNER, MILLMAN, ROSENTHAL, MALLIOTAKIS, TOBACCO, ROBINSON, KAVANAGH, ABINANTI, WEPRIN -- Multi-Sponsored by -- M. of A. ABBATE, ARROYO, BENEDETTO, BOYLAND, BRONSON, CASTRO, COLTON, CRESPO, GALEF, GLICK, GOLDFEDER, GOTTFRIED, GUNTHER, JAFFEE, MAGNARELLI, MAISEL, MENG, MOYA, ORTIZ, PAULIN, REILLY, P. RIVERA, ROBERTS, RYAN, SCARBOROUGH, SCHIMEL, SIMOTAS, SWEENEY, TITUS, WEISENBERG, ZEBROWSKI -- read once and referred to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend chapter 154 of the laws of 1921, relating to the Port Authority of New York and New Jersey, in relation to the functioning of the port authority as an open, transparent and accountable interstate public authority

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

1 Section 1. Legislative findings. The legislature finds and declares
2 that:
3 In 2005 and 2009, the state of New York enacted comprehensive legis-
4 lation to improve the practices of, and increase oversight over, the
5 state's public authorities. As entities that are mostly publicly funded
6 and are created to provide an important public service or good, it was
7 important to increase and enhance the accountability and transparency of
8 the public authorities.
9 The public authority of New York and New Jersey is a multi-billion
10 dollar company that performs and provides vital transportation and
11 infrastructure functions and services in the state of New York. Since
12 the state of New York has jurisdiction over the port authority, the
13 legislature believes that the port authority should abide by and be
14 subject to the same laws as are currently imposed on all other New York
15 state public authorities.
16 It is in the best interest of the public that the states of New York
17 and New Jersey enact substantially identical legislation to ensure that

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

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1 the port authority functions as an open, transparent and accountable
2 interstate public authority.

3 S 2. Article IV of section 1 of chapter 154 of the laws of 1921,
4 relating to the Port Authority of New York and New Jersey, as amended by
5 chapter 419 of the laws of 1930, is amended to read as follows:

6 ARTICLE IV

7 S 1. COMMISSIONERS. The port authority shall consist of twelve commis-
8 sioners, six resident voters from the state of New York, at least four
9 of whom shall be resident voters of the city of New York, and six resi-
10 dent voters from the state of New Jersey, at least four of whom shall be
11 resident voters within the New Jersey portion of the district[, the New
12 York members to be chosen by the state of New York and the New Jersey
13 members by the state of New Jersey in the manner and for the terms fixed
14 and determined from time to time by the legislature of each state
15 respectively, except as herein provided]. THE GOVERNOR OF EACH STATE
16 SHALL APPOINT THE MEMBERS FROM HIS OR HER STATE, BY AND WITH THE ADVICE
17 AND CONSENT OF THE STATE SENATE THEREOF. COMMISSIONERS SHALL SERVE FOR
18 OVERLAPPING SIX-YEAR TERMS, WITHOUT SALARY OR OTHER COMPENSATION, BUT
19 SHALL BE REIMBURSED FOR ALL ACTUAL AND NECESSARY EXPENSES INCURRED IN
20 THE DISCHARGE OF THEIR OFFICIAL DUTIES. Each commissioner may be removed
21 or suspended from office as provided by the law of the state from which
22 he shall be appointed.

23 S 2. ROLE AND RESPONSIBILITIES OF COMMISSIONERS. A. COMMISSIONERS
24 SHALL (1) EXECUTE DIRECT OVERSIGHT OF THE AUTHORITY'S CHIEF EXECUTIVE
25 AND OTHER MANAGEMENT IN THE EFFECTIVE AND ETHICAL MANAGEMENT OF THE
26 AUTHORITY; (2) UNDERSTAND, REVIEW AND MONITOR THE IMPLEMENTATION OF
27 FUNDAMENTAL FINANCIAL AND MANAGEMENT CONTROLS AND OPERATIONAL DECISIONS
28 OF THE AUTHORITY; (3) ESTABLISH POLICIES REGARDING THE PAYMENT OF SALA-
29 RY, COMPENSATION AND REIMBURSEMENTS TO, AND ESTABLISH RULES FOR THE TIME
30 AND ATTENDANCE OF, THE CHIEF EXECUTIVE AND MANAGEMENT; (4) ADOPT A CODE
31 OF ETHICS APPLICABLE TO EACH OFFICER, DIRECTOR AND EMPLOYEE THAT, AT A
32 MINIMUM, INCLUDES THE APPLICABLE STANDARDS ESTABLISHED IN THE ETHICS LAW
33 OF BOTH STATES; (5) ESTABLISH WRITTEN POLICIES AND PROCEDURES ON PERSON-
34 NEL INCLUDING POLICIES PROTECTING EMPLOYEES FROM RETALIATION FOR
35 DISCLOSING INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT,
36 MALFEASANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD
37 MEMBER OF THE AUTHORITY, INVESTMENTS, TRAVEL, THE ACQUISITION OF REAL
38 PROPERTY AND THE DISPOSITION OF REAL AND PERSONAL PROPERTY AND THE
39 PROCUREMENT OF GOODS AND SERVICES; (6) ADOPT A DEFENSE AND INDEMNIFICA-
40 TION POLICY AND DISCLOSE SUCH PLAN TO ANY AND ALL PROSPECTIVE BOARD
41 MEMBERS; (7) PERFORM EACH OF THEIR DUTIES AS BOARD MEMBERS, INCLUDING
42 BUT NOT LIMITED TO THOSE IMPOSED BY THIS SECTION, IN GOOD FAITH AND WITH
43 THAT DEGREE OF DILIGENCE, CARE AND SKILL WHICH AN ORDINARILY PRUDENT
44 PERSON IN LIKE POSITION WOULD USE UNDER SIMILAR CIRCUMSTANCES, AND MAY
45 TAKE INTO CONSIDERATION THE VIEWS AND POLICIES OF ANY ELECTED OFFICIAL
46 OR BODY, OR OTHER PERSON AND ULTIMATELY APPLY INDEPENDENT JUDGMENT IN
47 THE BEST INTEREST OF THE AUTHORITY, ITS MISSION AND THE PUBLIC; (8) AT
48 THE TIME THAT EACH MEMBER TAKES AND SUBSCRIBES HIS OR HER OATH OF
49 OFFICE, OR WITHIN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH
50 IF THE MEMBER HAS ALREADY TAKEN AND SUBSCRIBED HIS OR HER OATH OF
51 OFFICE, EXECUTE AN ACKNOWLEDGMENT, IN A FORM CONSISTENT WITH THE ONE
52 PRESCRIBED BY THE NEW YORK INDEPENDENT AUTHORITIES BUDGET OFFICE ESTAB-
53 LISHED PURSUANT TO TITLE TWO OF ARTICLE ONE OF THE PUBLIC AUTHORITIES
54 LAW IN WHICH THE BOARD MEMBER ACKNOWLEDGES THAT HE OR SHE UNDERSTANDS
55 HIS OR HER ROLE, AND FIDUCIARY RESPONSIBILITIES AS SET FORTH IN PARA-
56 GRAPH SEVEN OF THIS SUBDIVISION, AND ACKNOWLEDGES THAT HE OR SHE UNDER-

1 STANDS HIS OR HER DUTY OF LOYALTY AND CARE TO THE ORGANIZATION AND
2 COMMITMENT TO THE AUTHORITY'S MISSION AND THE PUBLIC INTEREST.

3 B. INDIVIDUALS APPOINTED TO THE BOARD OF COMMISSIONERS SHALL PARTIC-
4 IPATE IN TRAINING APPROVED BY THE INSPECTOR GENERAL REGARDING THEIR
5 LEGAL, FIDUCIARY, FINANCIAL AND ETHICAL RESPONSIBILITIES AS DIRECTORS OF
6 AN AUTHORITY WITHIN ONE YEAR OF APPOINTMENT TO A BOARD. BOARD MEMBERS
7 SHALL PARTICIPATE IN SUCH CONTINUING TRAINING AS MAY BE REQUIRED TO
8 REMAIN INFORMED OF BEST PRACTICES, REGULATORY AND STATUTORY CHANGES
9 RELATING TO THE EFFECTIVE OVERSIGHT OF THE MANAGEMENT AND FINANCIAL
10 ACTIVITIES OF PUBLIC AUTHORITIES AND TO ADHERE TO THE HIGHEST STANDARDS
11 OF RESPONSIBLE GOVERNANCE.

12 C. NO BOARD MEMBER, INCLUDING THE CHAIRPERSON, SHALL SERVE AS THE PORT
13 AUTHORITY'S CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR, CHIEF FINANCIAL
14 OFFICER, COMPTROLLER, OR HOLD ANY OTHER EQUIVALENT POSITION WHILE SERV-
15 ING AS A MEMBER OF THE BOARD.

16 D. THE COMMISSIONERS SHALL ESTABLISH AN AUDIT COMMITTEE TO BE
17 COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTI-
18 TUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY
19 SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE AUDIT COMMITTEE;
20 PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE
21 INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO
22 THE AUDIT COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST CONSTI-
23 TUTE A MAJORITY OF THE MEMBERS OF THE AUDIT COMMITTEE. MEMBERS OF THE
24 AUDIT COMMITTEE SHALL BE FAMILIAR WITH CORPORATE FINANCIAL AND ACCOUNT-
25 ING PRACTICES. THE COMMITTEE SHALL RECOMMEND TO THE BOARD THE HIRING OF
26 A CERTIFIED INDEPENDENT ACCOUNTING FIRM FOR SUCH AUTHORITY, ESTABLISH
27 THE COMPENSATION TO BE PAID TO THE ACCOUNTING FIRM AND PROVIDE DIRECT
28 OVERSIGHT OF THE PERFORMANCE OF THE INDEPENDENT AUDIT PERFORMED BY THE
29 ACCOUNTING FIRM HIRED FOR SUCH PURPOSES.

30 E. THE COMMISSIONERS SHALL ESTABLISH A GOVERNANCE COMMITTEE TO BE
31 COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTI-
32 TUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY
33 SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE GOVERNANCE COMMIT-
34 TEE; PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN
35 THREE INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS
36 TO THE GOVERNANCE COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST
37 CONSTITUTE A MAJORITY OF THE MEMBERS OF THE GOVERNANCE COMMITTEE. IT
38 SHALL BE THE RESPONSIBILITY OF THE MEMBERS OF THE GOVERNANCE COMMITTEE
39 TO KEEP THE BOARD INFORMED OF CURRENT BEST GOVERNANCE PRACTICES; TO
40 REVIEW CORPORATE GOVERNANCE TRENDS; TO RECOMMEND UPDATES TO THE AUTHORI-
41 TY'S CORPORATE GOVERNANCE PRINCIPLES; TO ADVISE APPOINTING AUTHORITIES
42 ON THE SKILLS AND EXPERIENCES REQUIRED OF POTENTIAL BOARD MEMBERS; TO
43 EXAMINE ETHICAL AND CONFLICT OF INTEREST ISSUES; TO PERFORM BOARD SELF-
44 EVALUATIONS; AND TO RECOMMEND BY-LAWS WHICH INCLUDE RULES AND PROCEDURES
45 FOR CONDUCT OF BOARD BUSINESS.

46 F. THE COMMISSIONERS SHALL ESTABLISH A FINANCE COMMITTEE TO BE
47 COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTI-
48 TUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY
49 SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE COMMITTEE;
50 PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE
51 INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO
52 THE FINANCE COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST
53 CONSTITUTE A MAJORITY OF THE MEMBERS OF THE FINANCE COMMITTEE. IT SHALL
54 BE THE RESPONSIBILITY OF THE MEMBERS OF THE FINANCE COMMITTEE TO REVIEW
55 PROPOSALS FOR THE ISSUANCE OF DEBT BY THE AUTHORITY AND ITS SUBSIDIARIES
56 AND MAKE RECOMMENDATIONS.

1 G. FOR THE PURPOSES OF THIS SECTION, AN INDEPENDENT MEMBER IS ONE WHO:
2 (1) IS NOT, AND IN THE PAST TWO YEARS HAS NOT BEEN, EMPLOYED BY THE
3 AUTHORITY OR AN AFFILIATE IN AN EXECUTIVE CAPACITY;

4 (2) IS NOT, AND IN THE PAST TWO YEARS HAS NOT BEEN, EMPLOYED BY AN
5 ENTITY THAT RECEIVED REMUNERATION VALUED AT MORE THAN FIFTEEN THOUSAND
6 DOLLARS FOR GOODS AND SERVICES PROVIDED TO THE AUTHORITY OR RECEIVED ANY
7 OTHER FORM OF FINANCIAL ASSISTANCE VALUED AT MORE THAN FIFTEEN THOUSAND
8 DOLLARS FROM THE AUTHORITY;

9 (3) IS NOT A RELATIVE OF AN EXECUTIVE OFFICER OR EMPLOYEE IN AN EXECU-
10 TIVE POSITION OF THE AUTHORITY OR AN AFFILIATE; AND

11 (4) IS NOT, AND IN THE PAST TWO YEARS HAS NOT BEEN, A LOBBYIST REGIS-
12 TERED UNDER A STATE OR LOCAL LAW AND PAID BY A CLIENT TO INFLUENCE THE
13 MANAGEMENT DECISIONS, CONTRACT AWARDS, RATE DETERMINATIONS OR ANY OTHER
14 SIMILAR ACTIONS OF THE AUTHORITY OR AN AFFILIATE.

15 H. NOTWITHSTANDING ANY PROVISION OF ANY GENERAL, SPECIAL OR LOCAL LAW,
16 MUNICIPAL CHARTER OR ORDINANCE TO THE CONTRARY, THE BOARD SHALL NOT,
17 DIRECTLY OR INDIRECTLY, INCLUDING THROUGH ANY SUBSIDIARY, EXTEND OR
18 MAINTAIN CREDIT, ARRANGE FOR THE EXTENSION OF CREDIT, OR RENEW AN EXTEN-
19 SION OF CREDIT, IN THE FORM OF A PERSONAL LOAN TO OR FOR ANY OFFICER,
20 BOARD MEMBER OR EMPLOYEE (OR EQUIVALENT THEREOF) OF THE AUTHORITY.

21 S 3. Article VII of section 1 of chapter 154 of the laws of 1921,
22 relating to the Port Authority of New York and New Jersey, is amended to
23 read as follows:

24 ARTICLE VII.

25 The port authority shall have such additional powers and duties as may
26 hereafter be delegated to or imposed upon it from time to time by the
27 action of the legislature of either state concurred in by the legisla-
28 ture of the other. Unless and until otherwise provided, it shall make an
29 annual report to the legislature of both states PURSUANT TO SECTION
30 THREE OF ARTICLE VII-B OF THIS ACT, setting forth in detail the oper-
31 ations and transactions conducted by it pursuant to this agreement and
32 any legislation thereunder. The port authority shall not pledge the
33 credit of either state except by and with the authority of the legisla-
34 ture thereof.

35 S 4. Chapter 154 of the laws of 1921, relating to the Port Authority
36 of New York and New Jersey, is amended by adding two new articles VII-B
37 and VII-C to read as follows:

38 ARTICLE VII-B

39 S 1. ADDITIONAL POWERS, DUTIES AND RESPONSIBILITIES. IN ADDITION TO
40 THE POWERS AND DUTIES SET FORTH IN ARTICLE VII OF THIS ACT, THE PORT
41 AUTHORITY SHALL HAVE THE FOLLOWING POWERS, DUTIES AND RESPONSIBILITIES
42 SET FORTH IN THIS ARTICLE.

43 S 2. DISPOSITION OF PROPERTY. A. DEFINITIONS. FOR THE PURPOSES OF
44 THIS ARTICLE, UNLESS A DIFFERENT MEANING IS REQUIRED BY THE CONTEXT:

45 (1) "CONTRACTING OFFICER" SHALL MEAN THE OFFICER OR EMPLOYEE OF THE
46 PORT AUTHORITY WHO SHALL BE APPOINTED BY RESOLUTION OF THE BOARD OF THE
47 PORT AUTHORITY TO BE RESPONSIBLE FOR THE DISPOSITION OF PROPERTY.

48 (2) "DISPOSE" OR "DISPOSAL" SHALL MEAN TRANSFER OF TITLE OR ANY OTHER
49 BENEFICIAL INTEREST IN PERSONAL OR REAL PROPERTY IN ACCORDANCE WITH
50 SUBDIVISION C OF THIS SECTION.

51 (3) "PROPERTY" SHALL MEAN PERSONAL PROPERTY IN EXCESS OF FIVE THOUSAND
52 DOLLARS IN VALUE, REAL PROPERTY, AND ANY INCHOATE OR OTHER INTEREST IN
53 SUCH PROPERTY, TO THE EXTENT THAT SUCH INTEREST MAY BE CONVEYED TO
54 ANOTHER PERSON FOR ANY PURPOSE, EXCLUDING AN INTEREST SECURING A LOAN OR
55 OTHER FINANCIAL OBLIGATION OF ANOTHER PARTY.

1 B. DUTIES OF THE PORT AUTHORITY WITH RESPECT TO THE DISPOSAL OF PROP-
2 ERTY. (1) THE PORT AUTHORITY SHALL ADOPT BY RESOLUTION COMPREHENSIVE
3 GUIDELINES WHICH SHALL (A) DETAIL THE AUTHORITY'S OPERATIVE POLICY AND
4 INSTRUCTIONS REGARDING THE USE, AWARDED, MONITORING AND REPORTING OF
5 CONTRACTS FOR THE DISPOSAL OF PROPERTY, AND (B) DESIGNATE A CONTRACTING
6 OFFICER WHO SHALL BE RESPONSIBLE FOR THE AUTHORITY'S COMPLIANCE WITH,
7 AND ENFORCEMENT OF, SUCH GUIDELINES. SUCH GUIDELINES SHALL BE CONSISTENT
8 WITH, AND SHALL REQUIRE THE AUTHORITY'S CONTRACTING ACTIVITIES TO COMPLY
9 WITH THIS SECTION, THE AUTHORITY'S ENABLING LEGISLATION AND ANY OTHER
10 APPLICABLE LAW FOR THE DISPOSAL OF PROPERTY, EXCEPT THAT SUCH GUIDELINES
11 MAY BE STRICTER THAN THE PROVISIONS OF THIS SECTION, THE AUTHORITY'S
12 ENABLING LEGISLATION AND ANY OTHER APPLICABLE LAW FOR THE DISPOSAL OF
13 PROPERTY IF THE AUTHORITY DETERMINES THAT ADDITIONAL SAFEGUARDS ARE
14 NECESSARY TO ASSURE THE INTEGRITY OF ITS DISPOSITION ACTIVITIES. GUIDE-
15 LINES APPROVED BY THE AUTHORITY SHALL BE ANNUALLY REVIEWED AND APPROVED
16 BY THE BOARD OF COMMISSIONERS OF THE AUTHORITY. ON OR BEFORE THE THIR-
17 TY-FIRST DAY OF MARCH IN EACH YEAR, THE AUTHORITY SHALL FILE WITH THE
18 STATE COMPTROLLER OF EACH STATE A COPY OF THE GUIDELINES MOST RECENTLY
19 REVIEWED AND APPROVED BY THE AUTHORITY, INCLUDING THE NAME OF THE
20 AUTHORITY'S DESIGNATED CONTRACTING OFFICER. AT THE TIME OF FILING SUCH
21 GUIDELINES WITH THE STATE COMPTROLLER, THE AUTHORITY SHALL ALSO POST
22 SUCH GUIDELINES ON THE AUTHORITY'S INTERNET WEBSITE. GUIDELINES POSTED
23 ON THE AUTHORITY'S INTERNET WEBSITE SHALL BE MAINTAINED ON SUCH WEBSITE
24 AT LEAST UNTIL THE PROCUREMENT GUIDELINES FOR THE FOLLOWING YEAR ARE
25 POSTED ON SUCH WEBSITE.

26 (2) THE PORT AUTHORITY SHALL:

27 (A) MAINTAIN ADEQUATE INVENTORY CONTROLS AND ACCOUNTABILITY SYSTEMS
28 FOR ALL PROPERTY UNDER ITS CONTROL;

29 (B) PERIODICALLY INVENTORY SUCH PROPERTY TO DETERMINE WHICH PROPERTY
30 SHALL BE DISPOSED OF;

31 (C) PRODUCE A WRITTEN REPORT OF SUCH PROPERTY IN ACCORDANCE WITH PARA-
32 GRAPH THREE OF THIS SUBDIVISION;

33 (D) TRANSFER OR DISPOSE OF SUCH PROPERTY AS PROMPTLY AS POSSIBLE IN
34 ACCORDANCE WITH SUBDIVISION C OF THIS SECTION.

35 (3)(A) THE PORT AUTHORITY SHALL PUBLISH, NOT LESS FREQUENTLY THAN
36 ANNUALLY, A REPORT LISTING ALL REAL PROPERTY OF THE AUTHORITY. SUCH
37 REPORT SHALL INCLUDE A LIST AND FULL DESCRIPTION OF ALL REAL AND
38 PERSONAL PROPERTY DISPOSED OF DURING SUCH PERIOD. THE REPORT SHALL
39 CONTAIN THE PRICE RECEIVED BY THE AUTHORITY AND THE NAME OF THE PURCHAS-
40 ER FOR ALL SUCH PROPERTY SOLD BY THE AUTHORITY DURING SUCH PERIOD.

41 (B) THE PORT AUTHORITY SHALL DELIVER COPIES OF SUCH REPORT TO THE
42 GOVERNOR, STATE COMPTROLLER, AND THE LEGISLATURE OF EACH STATE.

43 C. DISPOSAL OF PORT AUTHORITY PROPERTY. (1) SUPERVISION AND DIRECTION.
44 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CONTRACTING OFFICER
45 DESIGNATED BY THE PORT AUTHORITY SHALL HAVE SUPERVISION AND DIRECTION
46 OVER THE DISPOSITION OF PROPERTY OF THE AUTHORITY.

47 (2) CUSTODY AND CONTROL. THE CUSTODY AND CONTROL OF THE PROPERTY OF
48 THE PORT AUTHORITY, PENDING ITS DISPOSITION, AND THE DISPOSAL OF SUCH
49 PROPERTY, SHALL BE PERFORMED BY THE AUTHORITY.

50 (3) METHOD OF DISPOSITION. SUBJECT TO SUBDIVISION B OF THIS SECTION,
51 THE PORT AUTHORITY MAY DISPOSE OF PROPERTY FOR NOT LESS THAN THE FAIR
52 MARKET VALUE OF SUCH PROPERTY BY SALE, EXCHANGE, OR TRANSFER, FOR CASH,
53 CREDIT, OR OTHER PROPERTY, WITH OR WITHOUT WARRANTY, AND UPON SUCH OTHER
54 TERMS AND CONDITIONS AS THE CONTRACTING OFFICER DEEMS PROPER, AND IT MAY
55 EXECUTE SUCH DOCUMENTS FOR THE TRANSFER OF TITLE OR OTHER INTEREST IN
56 PROPERTY AND TAKE SUCH OTHER ACTION AS IT DEEMS NECESSARY OR PROPER TO

1 DISPOSE OF SUCH PROPERTY UNDER THE PROVISIONS OF THIS SECTION.
2 PROVIDED, HOWEVER, THAT NO DISPOSITION OF REAL PROPERTY, OR ANY INTEREST
3 IN REAL PROPERTY, SHALL BE MADE UNLESS AN APPRAISAL OF THE VALUE OF SUCH
4 PROPERTY HAS BEEN MADE BY AN INDEPENDENT APPRAISER AND INCLUDED IN THE
5 RECORD OF THE TRANSACTION, AND, PROVIDED FURTHER, THAT NO DISPOSITION OF
6 ANY OTHER PROPERTY, WHICH BECAUSE OF ITS UNIQUE NATURE OR THE UNIQUE
7 CIRCUMSTANCES OF THE PROPOSED TRANSACTION IS NOT READILY VALUED BY
8 REFERENCE TO AN ACTIVE MARKET FOR SIMILAR PROPERTY, SHALL BE MADE WITH-
9 OUT A SIMILAR APPRAISAL.

10 (4) VALIDITY OF DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT. A
11 DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT EXECUTED BY OR ON BEHALF
12 OF THE PORT AUTHORITY, PURPORTING TO TRANSFER TITLE OR ANY OTHER INTER-
13 EST IN PROPERTY OF THE AUTHORITY UNDER THIS SECTION SHALL BE CONCLUSIVE
14 EVIDENCE OF COMPLIANCE WITH THE PROVISIONS OF THIS SECTION INSOFAR AS
15 CONCERNS TITLE OR OTHER INTEREST OF ANY BONA FIDE GRANTEE OR TRANSFEREE
16 WHO HAS GIVEN VALUABLE CONSIDERATION FOR SUCH TITLE OR OTHER INTEREST
17 AND HAS NOT RECEIVED ACTUAL OR CONSTRUCTIVE NOTICE OF LACK OF SUCH
18 COMPLIANCE PRIOR TO THE CLOSING.

19 (5) BIDS FOR DISPOSAL; ADVERTISING; PROCEDURE; DISPOSAL BY NEGOTI-
20 ATION; EXPLANATORY STATEMENT. (A) ALL DISPOSALS OR CONTRACTS FOR
21 DISPOSAL OF PROPERTY OF THE PORT AUTHORITY MADE OR AUTHORIZED BY THE
22 CONTRACTING OFFICER SHALL BE MADE AFTER PUBLICLY ADVERTISING FOR BIDS
23 EXCEPT AS PROVIDED IN SUBPARAGRAPH (C) OF THIS PARAGRAPH.

24 (B) WHENEVER PUBLIC ADVERTISING FOR BIDS IS REQUIRED UNDER SUBPARA-
25 GRAPH (A) OF THIS PARAGRAPH:

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

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

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

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

41 (I) THE PERSONAL PROPERTY INVOLVED HAS QUALITIES SEPARATE FROM THE
42 UTILITARIAN PURPOSE OF SUCH PROPERTY, SUCH AS ARTISTIC QUALITY, ANTIQUI-
43 TY, HISTORICAL SIGNIFICANCE, RARITY, OR OTHER QUALITY OF SIMILAR EFFECT,
44 THAT WOULD TEND TO INCREASE ITS VALUE, OR IF THE PERSONAL PROPERTY IS TO
45 BE SOLD IN SUCH QUANTITY THAT, IF IT WERE DISPOSED OF UNDER SUBPARA-
46 GRAPHS (A) AND (B) OF THIS PARAGRAPH, WOULD ADVERSELY AFFECT THE STATE
47 OR LOCAL MARKET FOR SUCH PROPERTY, AND THE ESTIMATED FAIR MARKET VALUE
48 OF SUCH PROPERTY AND OTHER SATISFACTORY TERMS OF DISPOSAL CAN BE
49 OBTAINED BY NEGOTIATION;

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

52 (III) BID PRICES AFTER ADVERTISING THEREFOR ARE NOT REASONABLE, EITHER
53 AS TO ALL OR SOME PART OF THE PROPERTY, OR HAVE NOT BEEN INDEPENDENTLY
54 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;

(V) UNDER THOSE CIRCUMSTANCES PERMITTED BY PARAGRAPH SIX OF THIS SUBDIVISION; OR

(VI) 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 SUBCLAUSES (C) AND (D) OF THIS CLAUSE;

(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;

(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 SUBDIVISION B OF THIS SECTION NOT LESS THAN NINETY DAYS IN ADVANCE OF SUCH DISPOSAL, AND A COPY THEREOF SHALL BE PRESERVED IN THE FILES OF THE AUTHORITY.

(6) DISPOSAL OF PROPERTY FOR LESS THAN FAIR MARKET VALUE. (A) NO ASSET OWNED, LEASED OR OTHERWISE IN THE CONTROL OF THE PORT AUTHORITY MAY BE SOLD, LEASED, OR OTHERWISE ALIENATED FOR LESS THAN ITS FAIR MARKET VALUE EXCEPT IF:

(I) THE TRANSFEREE IS A GOVERNMENT OR OTHER PUBLIC ENTITY, AND THE TERMS AND CONDITIONS OF THE TRANSFER REQUIRE THAT THE OWNERSHIP AND USE OF THE ASSET WILL REMAIN WITH THE GOVERNMENT OR ANY OTHER PUBLIC ENTITY;

(II) THE PURPOSE OF THE TRANSFER IS WITHIN THE PURPOSE, MISSION OR GOVERNING STATUTE OF THE AUTHORITY; OR

(III) IN THE EVENT THE AUTHORITY SEEKS TO TRANSFER AN ASSET FOR LESS THAN ITS FAIR MARKET VALUE TO OTHER THAN A GOVERNMENTAL ENTITY, WHICH DISPOSAL WOULD NOT BE CONSISTENT WITH THE AUTHORITY'S MISSION, PURPOSE OR GOVERNING STATUTES, SUCH AUTHORITY SHALL PROVIDE WRITTEN NOTIFICATION THEREOF TO THE GOVERNOR OF EACH STATE, AND SUCH PROPOSED TRANSFER SHALL BE SUBJECT TO DENIAL BY EITHER GOVERNOR. DENIAL BY THE GOVERNOR SHALL TAKE THE FORM OF A SIGNED CERTIFICATION BY THE GOVERNOR. THE GOVERNOR SHALL TAKE ANY SUCH ACTION WITHIN SIXTY DAYS OF RECEIVING NOTIFICATION OF SUCH PROPOSED TRANSFER. IF NO SUCH CERTIFICATION IS PERFORMED WITHIN SIXTY DAYS OF SUCH NOTIFICATION OF THE PROPOSED TRANSFER TO THE GOVERNOR, THE AUTHORITY MAY EFFECTUATE SUCH TRANSFER.

(B) IN THE EVENT A BELOW FAIR MARKET VALUE ASSET TRANSFER IS PROPOSED, THE FOLLOWING INFORMATION MUST BE PROVIDED TO THE BOARD OF COMMISSIONERS AND THE PUBLIC:

(I) A FULL DESCRIPTION OF THE ASSET;

(II) AN APPRAISAL OF THE FAIR MARKET VALUE OF THE ASSET AND ANY OTHER INFORMATION ESTABLISHING THE FAIR MARKET VALUE SOUGHT BY THE BOARD;

(III) A DESCRIPTION OF THE PURPOSE OF THE TRANSFER, AND A REASONABLE STATEMENT OF THE KIND AND AMOUNT OF THE BENEFIT TO THE PUBLIC RESULTING FROM THE TRANSFER, INCLUDING BUT NOT LIMITED TO THE KIND, NUMBER, LOCATION, WAGES OR SALARIES OF JOBS CREATED OR PRESERVED AS REQUIRED BY THE TRANSFER, THE BENEFITS, IF ANY, TO THE COMMUNITIES IN WHICH THE ASSET IS SITUATED AS ARE REQUIRED BY THE TRANSFER;

1 (IV) A STATEMENT OF THE VALUE TO BE RECEIVED COMPARED TO THE FAIR
2 MARKET VALUE;

3 (V) THE NAMES OF ANY PRIVATE PARTIES PARTICIPATING IN THE TRANSFER,
4 AND IF DIFFERENT THAN THE STATEMENT REQUIRED BY CLAUSE (IV) OF THIS
5 SUBPARAGRAPH, A STATEMENT OF THE VALUE TO THE PRIVATE PARTY; AND

6 (VI) THE NAMES OF OTHER PRIVATE PARTIES WHO HAVE MADE AN OFFER FOR
7 SUCH ASSET, THE VALUE OFFERED, AND THE PURPOSE FOR WHICH THE ASSET WAS
8 SOUGHT TO BE USED.

9 (C) BEFORE APPROVING THE DISPOSAL OF ANY PROPERTY FOR LESS THAN FAIR
10 MARKET VALUE, THE BOARD OF COMMISSIONERS SHALL CONSIDER THE INFORMATION
11 DESCRIBED IN SUBPARAGRAPH (B) OF THIS PARAGRAPH AND MAKE A WRITTEN
12 DETERMINATION THAT THERE IS NO REASONABLE ALTERNATIVE TO THE PROPOSED
13 BELOW-MARKET TRANSFER THAT WOULD ACHIEVE THE SAME PURPOSE OF SUCH TRANS-
14 FER.

15 S 3. ANNUAL REPORT. A. THE PORT AUTHORITY SHALL SUBMIT TO THE GOVER-
16 NOR, THE STATE COMPTROLLER AND THE LEGISLATURE OF EACH STATE, WITHIN
17 NINETY DAYS AFTER THE END OF ITS FISCAL YEAR, A COMPLETE AND DETAILED
18 REPORT OR REPORTS SETTING FORTH: (1) ITS OPERATIONS AND ACCOMPLISHMENTS;
19 (2) ITS FINANCIAL REPORTS, INCLUDING (A) AUDITED FINANCIALS IN ACCORD-
20 ANCE WITH ALL APPLICABLE REGULATIONS AND FOLLOWING GENERALLY ACCEPTED
21 ACCOUNTING PRINCIPLES, (B) GRANT AND SUBSIDY PROGRAMS, (C) OPERATING AND
22 FINANCIAL RISKS, (D) CURRENT RATINGS, IF ANY, OF ITS BONDS ISSUED BY
23 RECOGNIZED BOND RATING AGENCIES AND NOTICE OF CHANGES IN SUCH RATINGS,
24 AND (E) LONG-TERM LIABILITIES, INCLUDING LEASES AND EMPLOYEE BENEFIT
25 PLANS; (3) A SCHEDULE OF ITS BONDS AND NOTES OUTSTANDING AT THE END OF
26 ITS FISCAL YEAR, TOGETHER WITH A STATEMENT OF THE AMOUNTS REDEEMED AND
27 INCURRED DURING SUCH FISCAL YEAR AS PART OF A SCHEDULE OF DEBT ISSUANCE
28 THAT INCLUDES THE DATE OF ISSUANCE, TERM, AMOUNT, INTEREST RATE AND
29 MEANS OF REPAYMENT. ADDITIONALLY, THE DEBT SCHEDULE SHALL ALSO INCLUDE
30 ALL REFINANCINGS, CALLS, REFUNDINGS, DEFEASEMENTS AND INTEREST RATE
31 EXCHANGE OR OTHER SUCH AGREEMENTS, AND FOR ANY DEBT ISSUED DURING THE
32 REPORTING YEAR, THE SCHEDULE SHALL ALSO INCLUDE A DETAILED LIST OF COSTS
33 OF ISSUANCE FOR SUCH DEBT; (4) A COMPENSATION SCHEDULE THAT SHALL
34 INCLUDE, BY POSITION, TITLE AND NAME OF THE PERSON HOLDING SUCH POSITION
35 OR TITLE, THE SALARY, COMPENSATION, ALLOWANCE AND/OR BENEFITS PROVIDED
36 TO ANY OFFICER, DIRECTOR OR EMPLOYEE IN A DECISION MAKING OR MANAGERIAL
37 POSITION OF SUCH AUTHORITY WHOSE SALARY IS IN EXCESS OF ONE HUNDRED
38 THOUSAND DOLLARS; (5) BIOGRAPHICAL INFORMATION, NOT INCLUDING CONFIDEN-
39 TIAL PERSONAL INFORMATION, FOR ALL DIRECTORS AND OFFICERS AND EMPLOYEES
40 FOR WHOM SALARY REPORTING IS REQUIRED; (6) THE PROJECTS UNDERTAKEN BY
41 SUCH AUTHORITY DURING THE PAST YEAR; (7) A LISTING AND DESCRIPTION, IN
42 ADDITION TO THE REPORT REQUIRED BY SUBPARAGRAPH (C) OF PARAGRAPH TWO OF
43 SUBDIVISION B OF SECTION TWO OF THIS ARTICLE, OF ALL REAL PROPERTY OF
44 THE AUTHORITY HAVING AN ESTIMATED FAIR MARKET VALUE IN EXCESS OF FIFTEEN
45 THOUSAND DOLLARS THAT THE AUTHORITY ACQUIRES OR DISPOSES OF DURING SUCH
46 PERIOD. THE REPORT SHALL CONTAIN THE PRICE RECEIVED OR PAID BY THE
47 AUTHORITY AND THE NAME OF THE PURCHASER OR SELLER FOR ALL SUCH PROPERTY
48 SOLD OR BOUGHT BY THE AUTHORITY DURING SUCH PERIOD; (8) SUCH AUTHORITY'S
49 CODE OF ETHICS; (9) AN ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL
50 CONTROL STRUCTURE AND PROCEDURES; (10) A DESCRIPTION OF THE AUTHORITY
51 AND ITS BOARD STRUCTURE, INCLUDING (A) NAMES OF COMMITTEES AND COMMITTEE
52 MEMBERS, (B) LISTS OF BOARD MEETINGS AND ATTENDANCE, (C) DESCRIPTIONS OF
53 MAJOR AUTHORITY UNITS, SUBSIDIARIES, AND (D) NUMBER OF EMPLOYEES; (11)
54 ITS CHARTER, IF ANY, AND BY-LAWS; (12) A LISTING OF MATERIAL CHANGES IN
55 OPERATIONS AND PROGRAMS DURING THE REPORTING YEAR; (13) AT A MINIMUM A
56 FOUR-YEAR FINANCIAL PLAN, INCLUDING (A) A CURRENT AND PROJECTED CAPITAL

1 BUDGET, AND (B) AN OPERATING BUDGET REPORT, INCLUDING AN ACTUAL VERSUS
2 ESTIMATED BUDGET, WITH AN ANALYSIS AND MEASUREMENT OF FINANCIAL AND
3 OPERATING PERFORMANCE; (14) ITS BOARD PERFORMANCE EVALUATIONS; PROVIDED,
4 HOWEVER, THAT SUCH EVALUATIONS SHALL NOT BE SUBJECT TO DISCLOSURE UNDER
5 THE FREEDOM OF INFORMATION LAWS OF EACH STATE; (15) A DESCRIPTION OF THE
6 TOTAL AMOUNTS OF ASSETS, SERVICES OR BOTH ASSETS AND SERVICES BOUGHT OR
7 SOLD WITHOUT COMPETITIVE BIDDING, INCLUDING (A) THE NATURE OF THOSE
8 ASSETS AND SERVICES, (B) THE NAMES OF THE COUNTERPARTIES, AND (C) WHERE
9 THE CONTRACT PRICE FOR ASSETS PURCHASED EXCEEDS FAIR MARKET VALUE, OR
10 WHERE THE CONTRACT PRICE FOR ASSETS SOLD IS LESS THAN FAIR MARKET VALUE,
11 A DETAILED EXPLANATION OF THE JUSTIFICATION FOR MAKING THE PURCHASE OR
12 SALE WITHOUT COMPETITIVE BIDDING, AND A CERTIFICATION BY THE CHIEF EXEC-
13 UTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE PUBLIC AUTHORITY THAT
14 THEY HAVE REVIEWED THE TERMS OF SUCH PURCHASE OR SALE AND DETERMINED
15 THAT IT COMPLIES WITH APPLICABLE LAW AND PROCUREMENT GUIDELINES; AND
16 (16) A DESCRIPTION OF ANY MATERIAL PENDING LITIGATION IN WHICH THE
17 AUTHORITY IS INVOLVED AS A PARTY DURING THE REPORTING YEAR.

18 B. THE PORT AUTHORITY SHALL MAKE ACCESSIBLE TO THE PUBLIC, VIA ITS
19 OFFICIAL OR SHARED INTERNET WEB SITE, DOCUMENTATION PERTAINING TO ITS
20 MISSION, CURRENT ACTIVITIES, MOST RECENT ANNUAL FINANCIAL REPORTS,
21 CURRENT YEAR BUDGET AND ITS MOST RECENT INDEPENDENT AUDIT REPORT UNLESS
22 SUCH INFORMATION IS EXEMPT FROM DISCLOSURE PURSUANT TO EITHER STATE'S
23 FREEDOM OF INFORMATION LAWS.

24 C. EVERY FINANCIAL REPORT SUBMITTED UNDER THIS SECTION SHALL BE
25 APPROVED BY THE BOARD AND SHALL BE CERTIFIED IN WRITING BY THE CHIEF
26 EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER OF SUCH AUTHORITY THAT
27 BASED ON THE OFFICER'S KNOWLEDGE (1) THE INFORMATION PROVIDED THEREIN IS
28 ACCURATE, CORRECT AND DOES NOT CONTAIN ANY UNTRUE STATEMENT OF MATERIAL
29 FACT; (2) DOES NOT OMIT ANY MATERIAL FACT WHICH, IF OMITTED, WOULD CAUSE
30 THE FINANCIAL STATEMENTS TO BE MISLEADING IN LIGHT OF THE CIRCUMSTANCES
31 UNDER WHICH SUCH STATEMENTS ARE MADE; AND (3) FAIRLY PRESENTS IN ALL
32 MATERIAL RESPECTS THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF
33 THE AUTHORITY AS OF, AND FOR, THE PERIODS PRESENTED IN THE FINANCIAL
34 STATEMENTS.

35 S 4. INDEPENDENT AUDITS AND AUDIT REPORTS. A. THE PORT AUTHORITY SHALL
36 SUBMIT TO THE GOVERNOR, THE STATE COMPTROLLER, AND THE LEGISLATURE OF
37 EACH STATE, TOGETHER WITH THE REPORT DESCRIBED IN SECTION THREE OF THIS
38 ARTICLE, A COPY OF THE ANNUAL INDEPENDENT AUDIT REPORT, PERFORMED BY A
39 CERTIFIED PUBLIC ACCOUNTING FIRM IN ACCORDANCE WITH GENERALLY ACCEPTED
40 AUDITING STANDARDS, AND MANAGEMENT LETTER AND ANY OTHER EXTERNAL EXAM-
41 INATION OF THE BOOKS AND ACCOUNTS OF THE AUTHORITY.

42 B. EACH CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM THAT PERFORMS ANY
43 AUDIT REQUIRED BY THIS ARTICLE SHALL TIMELY REPORT TO THE AUDIT COMMIT-
44 TEE OF SUCH AUTHORITY: (1) ALL CRITICAL ACCOUNTING POLICIES AND PRAC-
45 TICES TO BE USED; (2) ALL ALTERNATIVE TREATMENTS OF FINANCIAL INFORMA-
46 TION WITHIN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THAT HAVE BEEN
47 DISCUSSED WITH MANAGEMENT OFFICIALS OF THE AUTHORITY, RAMIFICATIONS OF
48 THE USE OF SUCH ALTERNATIVE DISCLOSURES AND TREATMENTS, AND THE TREAT-
49 MENT PREFERRED BY THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM; AND
50 (3) OTHER MATERIAL WRITTEN COMMUNICATIONS BETWEEN THE CERTIFIED INDE-
51 PENDENT PUBLIC ACCOUNTING FIRM AND THE MANAGEMENT OF THE AUTHORITY, SUCH
52 AS THE MANAGEMENT LETTER ALONG WITH MANAGEMENT'S RESPONSE OR PLAN OF
53 CORRECTIVE ACTION, MATERIAL CORRECTIONS IDENTIFIED OR SCHEDULE OF UNAD-
54 JUSTED DIFFERENCES, WHERE APPLICABLE.

55 C. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE
56 CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PROVIDING SUCH AUTHORITY'S

1 ANNUAL INDEPENDENT AUDIT WILL BE PROHIBITED IN PROVIDING AUDIT SERVICES
2 TO THE AUTHORITY IF THE LEAD (OR COORDINATING) AUDIT PARTNER (HAVING
3 PRIMARY RESPONSIBILITY FOR THE AUDIT), OR THE AUDIT PARTNER RESPONSIBLE
4 FOR REVIEWING THE AUDIT, HAS PERFORMED AUDIT SERVICES FOR THAT ISSUER IN
5 EACH OF THE FIVE PREVIOUS FISCAL YEARS OF SUCH AUTHORITY.

6 D. THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PERFORMING THE
7 AUTHORITY'S AUDIT SHALL BE PROHIBITED FROM PERFORMING ANY NON-AUDIT
8 SERVICES TO SUCH AUTHORITY CONTEMPORANEOUSLY WITH THE AUDIT, UNLESS
9 RECEIVING PREVIOUS WRITTEN APPROVAL BY THE AUDIT COMMITTEE INCLUDING:
10 (1) BOOKKEEPING OR OTHER SERVICES RELATED TO THE ACCOUNTING RECORDS OR
11 FINANCIAL STATEMENTS OF SUCH AUTHORITY; (2) FINANCIAL INFORMATION
12 SYSTEMS DESIGN AND IMPLEMENTATION; (3) APPRAISAL OR VALUATION SERVICES,
13 FAIRNESS OPINIONS, OR CONTRIBUTION-IN-KIND REPORTS; (4) ACTUARIAL
14 SERVICES; (5) INTERNAL AUDIT OUTSOURCING SERVICES; (6) MANAGEMENT FUNC-
15 TIONS OR HUMAN SERVICES; (7) BROKER OR DEALER, INVESTMENT ADVISOR, OR
16 INVESTMENT BANKING SERVICES; AND (8) LEGAL SERVICES AND EXPERT SERVICES
17 UNRELATED TO THE AUDIT.

18 E. IT SHALL BE PROHIBITED FOR ANY CERTIFIED INDEPENDENT PUBLIC
19 ACCOUNTING FIRM TO PERFORM FOR THE AUTHORITY ANY AUDIT SERVICE IF THE
20 CHIEF EXECUTIVE OFFICER, COMPTROLLER, CHIEF FINANCIAL OFFICER, CHIEF
21 ACCOUNTING OFFICER, OR ANY OTHER PERSON SERVING IN AN EQUIVALENT POSI-
22 TION FOR THE AUTHORITY, WAS EMPLOYED BY THAT CERTIFIED INDEPENDENT
23 PUBLIC ACCOUNTING FIRM AND PARTICIPATED IN ANY CAPACITY IN THE AUDIT OF
24 THE AUTHORITY DURING THE ONE YEAR PERIOD PRECEDING THE DATE OF THE
25 INITIATION OF THE AUDIT.

26 F. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, A PUBLIC
27 AUTHORITY MAY EXEMPT INFORMATION FROM DISCLOSURE OR REPORT, IF THE COUN-
28 SEL OF SUCH AUTHORITY DEEMS THAT SUCH INFORMATION IS COVERED BY EITHER
29 STATE'S FREEDOM OF INFORMATION LAWS.

30 S 5. WHISTLEBLOWER ACCESS AND ASSISTANCE PROGRAM. A. DEFINITIONS.

31 (1) "ATTORNEY GENERAL" SHALL MEAN THE ATTORNEY GENERAL OF THE STATES
32 OF NEW YORK AND NEW JERSEY.

33 (2) "EMPLOYEES" MEANS THOSE PERSONS EMPLOYED AT THE PORT AUTHORITY,
34 INCLUDING BUT NOT LIMITED TO: FULL-TIME AND PART-TIME EMPLOYEES, THOSE
35 EMPLOYEES ON PROBATION, AND TEMPORARY EMPLOYEES.

36 (3) "INSPECTOR GENERAL" SHALL MEAN THE INSPECTOR GENERAL OF THE PORT
37 AUTHORITY.

38 (4) "WHISTLEBLOWER" SHALL MEAN ANY EMPLOYEE OF THE PORT AUTHORITY WHO
39 DISCLOSES INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT, MALFEA-
40 SANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD MEMBER OF
41 THE AUTHORITY, CONCERNING THE AUTHORITY'S INVESTMENTS, TRAVEL, ACQUISI-
42 TION OF REAL OR PERSONAL PROPERTY, THE DISPOSITION OF REAL OR PERSONAL
43 PROPERTY AND THE PROCUREMENT OF GOODS AND SERVICES.

44 B. THE INSPECTOR GENERAL, AFTER CONSULTATION WITH THE ATTORNEY GENERAL
45 OF BOTH STATES SHALL DEVELOP A WHISTLEBLOWER ACCESS AND ASSISTANCE
46 PROGRAM WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO:

47 (1) EVALUATING AND COMMENTING ON WHISTLEBLOWER PROGRAMS AND POLICIES
48 BY BOARD OF COMMISSIONERS PURSUANT TO PARAGRAPH FIVE OF SUBDIVISION A OF
49 SECTION TWO OF ARTICLE IV OF THIS ACT;

50 (2) ESTABLISHING TOLL-FREE TELEPHONE AND FACSIMILE LINES AVAILABLE TO
51 EMPLOYEES;

52 (3) OFFERING ADVICE REGARDING EMPLOYEE RIGHTS UNDER APPLICABLE STATE
53 AND FEDERAL LAWS AND ADVICE AND OPTIONS AVAILABLE TO ALL PERSONS; AND

54 (4) OFFERING AN OPPORTUNITY FOR EMPLOYEES TO IDENTIFY CONCERNS REGARD-
55 ING ANY ISSUE AT THE PORT AUTHORITY.

1 C. ANY COMMUNICATIONS BETWEEN AN EMPLOYEE AND THE INSPECTOR GENERAL
2 PURSUANT TO THIS SECTION SHALL BE HELD STRICTLY CONFIDENTIAL BY THE
3 INSPECTOR GENERAL, UNLESS THE EMPLOYEE SPECIFICALLY WAIVES IN WRITING
4 THE RIGHT TO CONFIDENTIALITY, EXCEPT THAT SUCH CONFIDENTIALITY SHALL NOT
5 EXEMPT THE INSPECTOR GENERAL FROM DISCLOSING SUCH INFORMATION, WHERE
6 APPROPRIATE, TO ANY LAW ENFORCEMENT AUTHORITY.

7 D. THE PORT AUTHORITY SHALL NOT FIRE, DISCHARGE, DEMOTE, SUSPEND,
8 THREATEN, HARASS OR DISCRIMINATE AGAINST AN EMPLOYEE BECAUSE OF THE
9 EMPLOYEE'S ROLE AS A WHISTLEBLOWER, INSOFAR AS THE ACTIONS TAKEN BY THE
10 EMPLOYEE ARE LEGAL.

11 S 6. LOBBYING CONTACTS. A. DEFINITIONS. AS USED IN THIS ARTICLE:

12 (1) "LOBBYIST" SHALL HAVE THE SAME MEANING AS DEFINED IN THE LAWS OR,
13 RULES OR REGULATIONS OF EITHER STATE.

14 (2) "LOBBYING" SHALL MEAN AND INCLUDE ANY ATTEMPT TO INFLUENCE:

15 (A) THE ADOPTION OR REJECTION OF ANY RULE OR REGULATION HAVING THE
16 FORCE AND EFFECT OF LAW BY THE PORT AUTHORITY, AND

17 (B) THE OUTCOME OF ANY RATE MAKING PROCEEDING BY THE PORT AUTHORITY.

18 (3) "CONTACT" SHALL MEAN ANY CONVERSATION, IN PERSON OR BY TELEPHONIC
19 OR OTHER REMOTE MEANS, OR CORRESPONDENCE BETWEEN ANY LOBBYIST ENGAGED IN
20 THE ACT OF LOBBYING AND ANY PERSON WITHIN THE PORT AUTHORITY WHO CAN
21 MAKE OR INFLUENCE A DECISION ON THE SUBJECT OF THE LOBBYING ON BEHALF OF
22 THE AUTHORITY, AND SHALL INCLUDE, AT A MINIMUM, ALL MEMBERS OF THE BOARD
23 OF COMMISSIONERS AND ALL OFFICERS OF THE PORT AUTHORITY.

24 B. THE PORT AUTHORITY SHALL MAINTAIN A RECORD OF ALL LOBBYING CONTACTS
25 MADE WITH SUCH AUTHORITY.

26 C. EVERY BOARD MEMBER, OFFICER OR EMPLOYEE OF THE AUTHORITY WHO IS
27 CONTACTED BY A LOBBYIST SHALL MAKE A CONTEMPORANEOUS RECORD OF SUCH
28 CONTACT CONTAINING THE DAY AND TIME OF THE CONTACT, THE IDENTITY OF THE
29 LOBBYIST AND A GENERAL SUMMARY OF THE SUBSTANCE OF THE CONTACT.

30 D. THE PORT AUTHORITY SHALL ADOPT A POLICY IMPLEMENTING THE REQUIRE-
31 MENTS OF THIS SECTION. SUCH POLICY SHALL APPOINT AN OFFICER TO WHOM ALL
32 SUCH RECORDS SHALL BE DELIVERED. SUCH OFFICER SHALL MAINTAIN SUCH
33 RECORDS FOR NOT LESS THAN SEVEN YEARS IN A FILING SYSTEM DESIGNED TO
34 ORGANIZE SUCH RECORDS IN A MANNER SO AS TO MAKE SUCH RECORDS USEFUL TO
35 DETERMINE WHETHER THE DECISIONS OF THE AUTHORITY WERE INFLUENCED BY
36 LOBBYING CONTACTS.

37 S 7. INSPECTOR GENERAL. A. ESTABLISHMENT AND ORGANIZATION. (1) THERE
38 IS HEREBY ESTABLISHED THE OFFICE OF THE INSPECTOR GENERAL IN THE PORT
39 AUTHORITY. THE HEAD OF THE OFFICE SHALL BE THE INSPECTOR GENERAL WHO
40 SHALL BE APPOINTED BY, AND REPORT TO, THE BOARD OF COMMISSIONERS OF THE
41 PORT AUTHORITY.

42 (2) THE INSPECTOR GENERAL SHALL HOLD OFFICE AT THE DISCRETION OF THE
43 BOARD OF COMMISSIONERS AND UNTIL HIS OR HER SUCCESSOR IS APPOINTED AND
44 HAS QUALIFIED.

45 (3) THE INSPECTOR GENERAL MAY APPOINT ONE OR MORE DEPUTY INSPECTORS
46 GENERAL TO SERVE AT HIS OR HER PLEASURE, WHO SHALL BE RESPONSIBLE FOR
47 CONDUCTING AUDITS AND INVESTIGATIONS IN THE PORT AUTHORITY.

48 B. FUNCTIONS AND DUTIES. THE INSPECTOR GENERAL SHALL HAVE THE FOLLOW-
49 ING DUTIES AND RESPONSIBILITIES:

50 (1) RECEIVE AND INVESTIGATE COMPLAINTS FROM ANY SOURCE, OR UPON HIS OR
51 HER OWN INITIATIVE, CONCERNING ALLEGATIONS OF CORRUPTION, FRAUD, CRIMI-
52 NAL ACTIVITY, CONFLICTS OF INTEREST OR ABUSE IN THE PORT AUTHORITY OR
53 ITS SUBSIDIARIES;

54 (2) INFORM THE BOARD OF COMMISSIONERS AND EXECUTIVE DIRECTOR OF SUCH
55 ALLEGATIONS AND THE PROGRESS OF INVESTIGATIONS RELATED THERETO, UNLESS
56 SPECIAL CIRCUMSTANCES REQUIRE CONFIDENTIALITY;

(3) DETERMINE WITH RESPECT TO SUCH ALLEGATIONS WHETHER DISCIPLINARY ACTION, CIVIL OR CRIMINAL PROSECUTION, OR FURTHER INVESTIGATION BY AN APPROPRIATE FEDERAL, STATE OR LOCAL AGENCY IS WARRANTED, AND TO ASSIST IN SUCH INVESTIGATIONS;

(4) PREPARE AND RELEASE TO THE PUBLIC WRITTEN REPORTS OF SUCH INVESTIGATIONS, AS APPROPRIATE AND TO THE EXTENT PERMITTED BY LAW, SUBJECT TO REDACTION TO PROTECT THE CONFIDENTIALITY OF WITNESSES. THE RELEASE OF ALL OR PORTIONS OF SUCH REPORTS MAY BE DEFERRED TO PROTECT THE CONFIDENTIALITY OF ONGOING INVESTIGATIONS;

(5) REVIEW AND EXAMINE PERIODICALLY THE POLICIES AND PROCEDURES OF THE PORT AUTHORITY WITH REGARD TO THE PREVENTION AND DETECTION OF CORRUPTION, FRAUD, CRIMINAL ACTIVITY, CONFLICTS OF INTEREST OR ABUSE;

(6) RECOMMEND REMEDIAL ACTION TO PREVENT OR ELIMINATE CORRUPTION, FRAUD, CRIMINAL ACTIVITY, CONFLICTS OF INTEREST OR ABUSE;

(7) ESTABLISH PROGRAMS FOR TRAINING PORT AUTHORITY OFFICERS AND EMPLOYEES REGARDING THE PREVENTION AND ELIMINATION OF CORRUPTION, FRAUD, CRIMINAL ACTIVITY, CONFLICTS OF INTEREST OR ABUSE IN COVERED AGENCIES.

C. POWERS. THE INSPECTOR GENERAL SHALL HAVE THE POWER TO:

(1) SUBPOENA AND ENFORCE THE ATTENDANCE OF WITNESSES;

(2) ADMINISTER OATHS OR AFFIRMATIONS AND EXAMINE WITNESSES UNDER OATH;

(3) REQUIRE THE PRODUCTION OF ANY BOOKS AND PAPERS DEEMED RELEVANT OR MATERIAL TO ANY INVESTIGATION, EXAMINATION OR REVIEW;

(4) NOTWITHSTANDING ANY LAW TO THE CONTRARY, EXAMINE AND COPY OR REMOVE DOCUMENTS OR RECORDS OF ANY KIND PREPARED, MAINTAINED OR HELD BY THE PORT AUTHORITY AND ITS SUBSIDIARIES;

(5) REQUIRE ANY OFFICER OR EMPLOYEE OF THE PORT AUTHORITY OR ITS SUBSIDIARIES TO ANSWER QUESTIONS CONCERNING ANY MATTER RELATED TO THE PERFORMANCE OF HIS OR HER OFFICIAL DUTIES. NO STATEMENT OR OTHER EVIDENCE DERIVED THEREFROM MAY BE USED AGAINST SUCH OFFICER OR EMPLOYEE IN ANY SUBSEQUENT CRIMINAL PROSECUTION OTHER THAN FOR PERJURY OR CONTEMPT ARISING FROM SUCH TESTIMONY. THE REFUSAL OF ANY OFFICER OR EMPLOYEE TO ANSWER QUESTIONS SHALL BE CAUSE FOR REMOVAL FROM OFFICE OR EMPLOYMENT OR OTHER APPROPRIATE PENALTY;

(6) MONITOR THE IMPLEMENTATION BY THE PORT AUTHORITY OF ANY RECOMMENDATIONS MADE BY THE INSPECTOR GENERAL;

(7) PERFORM ANY OTHER FUNCTIONS THAT ARE NECESSARY OR APPROPRIATE TO FULFILL THE DUTIES AND RESPONSIBILITIES OF OFFICE.

D. RESPONSIBILITIES OF PORT AUTHORITY OFFICERS AND EMPLOYEES. EVERY OFFICER OR EMPLOYEE IN THE PORT AUTHORITY AND ITS SUBSIDIARIES SHALL REPORT PROMPTLY TO THE INSPECTOR GENERAL ANY INFORMATION CONCERNING CORRUPTION, FRAUD, CRIMINAL ACTIVITY, CONFLICTS OF INTEREST OR ABUSE BY ANOTHER PORT AUTHORITY OFFICER OR EMPLOYEE RELATING TO HIS OR HER OFFICE OR EMPLOYMENT, OR BY A PERSON HAVING BUSINESS DEALINGS WITH THE PORT AUTHORITY RELATING TO THOSE DEALINGS. THE KNOWING FAILURE OF ANY OFFICER OR EMPLOYEE TO SO REPORT SHALL BE CAUSE FOR REMOVAL FROM OFFICE OR EMPLOYMENT OR OTHER APPROPRIATE PENALTY. ANY OFFICER OR EMPLOYEE WHO ACTS PURSUANT TO THIS SECTION BY REPORTING TO THE INSPECTOR GENERAL IMPROPER GOVERNMENTAL ACTION SHALL NOT BE SUBJECT TO DISMISSAL, DISCIPLINE OR OTHER ADVERSE PERSONNEL ACTION.

S 8. REPORTING OF PUBLIC AUTHORITY DEBT. AT LEAST SIXTY DAYS PRIOR TO THE END OF ITS FISCAL YEAR, THE PORT AUTHORITY SHALL SUBMIT TO THE GOVERNOR, STATE COMPTROLLER AND LEGISLATURE OF EACH STATE A STATEMENT OF INTENT TO GUIDE THE AUTHORITY'S ISSUANCE AND OVERALL AMOUNT OF BONDS, NOTES, OR OTHER DEBT OBLIGATIONS IT MAY ISSUE DURING THE UPCOMING FISCAL YEAR.

1 S 9. SUBSIDIARIES OF THE PORT AUTHORITY. A. NOTWITHSTANDING ANY LAW TO
2 THE CONTRARY, THE PORT AUTHORITY SHALL NOT HAVE THE POWER TO ORGANIZE
3 ANY SUBSIDIARY CORPORATION UNLESS THE LEGISLATURE OF BOTH STATES SHALL
4 HAVE ENACTED A LAW GRANTING THE AUTHORITY SUCH POWER FOR THE ORGANIZA-
5 TION OF A SPECIFIC CORPORATION, PROVIDED, HOWEVER, THAT THE PORT AUTHOR-
6 ITY MAY ORGANIZE A SUBSIDIARY CORPORATION PURSUANT TO THE FOLLOWING
7 REQUIREMENTS:

8 (1) THE PURPOSE FOR WHICH THE SUBSIDIARY CORPORATION SHALL BE ORGAN-
9 IZED SHALL BE FOR A PROJECT OR PROJECTS WHICH THE AUTHORITY HAS THE
10 POWER TO PURSUE PURSUANT TO ITS CORPORATE PURPOSES;

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

16 (3) THE SUBSIDIARY CORPORATION SHALL MAKE THE REPORTS AND OTHER
17 DISCLOSURES AS ARE REQUIRED BY THE PORT AUTHORITY, UNLESS THE SUBSIDIARY
18 CORPORATION'S OPERATIONS AND FINANCES ARE CONSOLIDATED WITH THOSE OF THE
19 AUTHORITY.

20 B. IN SUCH CASES WHERE THE PORT AUTHORITY IS GRANTED THE POWER TO
21 ORGANIZE A SUBSIDIARY CORPORATION PURSUANT TO SUBDIVISION A OF THIS
22 SECTION, THE AUTHORITY SHALL FILE, NO LESS THAN SIXTY DAYS PRIOR TO THE
23 FORMATION OF SUCH SUBSIDIARY, NOTICE TO THE GOVERNOR, THE COMPTROLLER,
24 AND THE LEGISLATURE OF EACH STATE THAT IT WILL BE CREATING A SUBSIDIARY.

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

32 D. THE CERTIFICATE OF INCORPORATION OR OTHER DOCUMENT FILED TO ORGAN-
33 IZE A SUBSIDIARY CORPORATION UNDER THIS SECTION SHALL STATE THAT THE
34 PORT AUTHORITY IS THE PERSON ORGANIZING THE CORPORATION.

35 E. ON OR BEFORE THE FIRST DAY OF JANUARY, TWO THOUSAND THIRTEEN, AND
36 ANNUALLY ON SUCH DAY THEREAFTER, ANY SUBSIDIARY CORPORATION, IN COOPER-
37 ATION WITH THE PORT AUTHORITY, SHALL PROVIDE TO THE GOVERNOR AND LEGIS-
38 LATURE OF EACH STATE A REPORT ON THE SUBSIDIARY CORPORATION. SUCH REPORT
39 SHALL INCLUDE FOR EACH SUBSIDIARY:

40 (1) THE COMPLETE LEGAL NAME, ADDRESS AND CONTACT INFORMATION OF THE
41 SUBSIDIARY;

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

45 (3) THE COMPLETE BYLAWS AND LEGAL ORGANIZATION PAPERS OF THE SUBSID-
46 IARY;

47 (4) A COMPLETE REPORT OF THE PURPOSE, OPERATIONS, MISSION AND PROJECTS
48 OF THE SUBSIDIARY, INCLUDING A STATEMENT OF JUSTIFICATION AS TO WHY THE
49 SUBSIDIARY IS NECESSARY TO CONTINUE ITS OPERATIONS FOR THE PUBLIC BENE-
50 FIT FOR THE PEOPLE OF BOTH STATES; AND

51 (5) ANY OTHER INFORMATION THE SUBSIDIARY CORPORATION DEEMS IMPORTANT
52 TO INCLUDE IN SUCH REPORT.

53 S 10. FINANCIAL DISCLOSURE. 1. NOTWITHSTANDING ANY OTHER PROVISION OF
54 LAW TO THE CONTRARY: (A) THE COMMISSIONERS FROM THE STATE OF NEW YORK
55 AND ALL OFFICERS OF THE AUTHORITY; AND (B) EMPLOYEES WHO HOLD
56 POLICY-MAKING POSITIONS OR WHOSE ANNUAL SALARY EQUALS OR EXCEEDS THE

1 SALARY RATE OF SG-24 AS SET FORTH IN PARAGRAPH A OF SUBDIVISION ONE OF
2 SECTION ONE HUNDRED THIRTY OF THE CIVIL SERVICE LAW AS OF APRIL FIRST OF
3 THE YEAR IN WHICH AN ANNUAL FINANCIAL DISCLOSURE STATEMENT SHALL BE
4 FILED AND WHOSE OFFICE OR ASSIGNED WORK STATION OR PLACE IS LOCATED IN
5 THE STATE OF NEW YORK SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS
6 PURSUANT TO SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS LAW.

7 2. ANY EMPLOYEE WHO IS SUBJECT TO THE PROVISIONS OF PARAGRAPH B OF
8 SUBDIVISION ONE OF THIS SECTION AND WHOSE OFFICE OR ASSIGNED WORK
9 STATION OR PLACE IS LOCATED IN THE STATE OF NEW JERSEY SHALL COMPLY WITH
10 THE FINANCIAL DISCLOSURE REQUIREMENTS OF SUCH STATE.

11 3. ANY PERSON WHO IS REQUIRED TO FILE ANNUAL DISCLOSURE STATEMENTS
12 PURSUANT TO SUBDIVISION ONE OF THIS SECTION SHALL BE SUBJECT TO THE
13 PROVISIONS, INCLUDING THE ENFORCEMENT PROVISIONS, OF SECTION
14 SEVENTY-THREE-A OF THE PUBLIC OFFICERS LAW.

15 4. ANY PERSON WHO FILES AN ANNUAL DISCLOSURE STATEMENT PURSUANT TO
16 SUBDIVISION ONE OF THIS SECTION SHALL NOT BE REQUIRED TO FILE AN ANNUAL
17 FINANCIAL DISCLOSURE STATEMENT OR ITS EQUIVALENT IN THE STATE OF NEW
18 JERSEY. THE FILING AND ACCEPTANCE OF THE ANNUAL FINANCIAL DISCLOSURE
19 STATEMENT PURSUANT TO THE PUBLIC OFFICERS LAW SHALL CONSTITUTE FULL
20 COMPLIANCE WITH THE FINANCIAL DISCLOSURE REQUIREMENTS OF THE STATE OF
21 NEW JERSEY FOR THE PURPOSES OF THIS SECTION.

22 ARTICLE VII-C

23 S 1. FEES, TOLLS, CHARGES AND FARE INCREASES; HEARINGS. NOT MORE THAN
24 NINETY DAYS PRIOR TO ANY VOTE OR ACTION TAKEN BY THE BOARD OF COMMIS-
25 SIONERS RELATING TO ANY INCREASE IN THE TOLLS, FEES OR CHARGES FOR THE
26 USE OF ANY FACILITY OF THE AUTHORITY, INCLUDING ITS BRIDGES AND TUNNELS,
27 THE AUTHORITY SHALL CONDUCT PUBLIC HEARINGS PURSUANT TO THIS ARTICLE.

28 S 2. HEARINGS. (A) THE AUTHORITY SHALL CONDUCT AT LEAST ONE HEARING IN
29 EACH COUNTY OF THE STATES OF NEW YORK AND NEW JERSEY, WHOSE RESIDENTS
30 WILL BE DIRECTLY AFFECTED BY ANY PROPOSED INCREASE IN TOLLS, FEES OR
31 OTHER CHARGES, AS DETERMINED BY THE BOARD IN CONSULTATION WITH STATE AND
32 LOCAL PUBLIC OFFICIALS.

33 (B) ALL OF THE PUBLIC HEARINGS SHALL BE HELD LESS THAN NINETY DAYS,
34 BUT MORE THAN THIRTY DAYS, BEFORE ANY MEETING OF THE BOARD OF COMMIS-
35 SIONERS TO VOTE TO INCREASE ANY TOLLS, FEES OR OTHER CHARGES.

36 (C) EACH HEARING SHALL BE ATTENDED BY AT LEAST ONE COMMISSIONER FROM
37 NEW YORK AND ONE COMMISSIONER FROM NEW JERSEY.

38 S 3. CONDITIONS PRECEDENT. STRICT COMPLIANCE WITH EACH OF THE REQUIRE-
39 MENTS SET FORTH IN SECTION TWO OF THIS ARTICLE SHALL BE A LEGAL CONDI-
40 TION PRECEDENT FOR PLACING ON THE MEETING AGENDA OF THE BOARD OF COMMIS-
41 SIONERS ANY MATTER RELATING TO AN INCREASE IN TOLLS, FEES OR OTHER
42 CHARGES. UNLESS THE CHAIR OF THE BOARD CERTIFIES THAT ALL OF THE
43 REQUIREMENTS OF SECTION TWO HAVE BEEN FULLY COMPLIED WITH, THE BOARD IS
44 PROHIBITED FROM PLACING ON ITS MEETING AGENDA ANY MATTER RELATING TO AN
45 INCREASE IN TOLLS, FEES OR OTHER CHARGES.

46 S 4. BARRIER-FREE ACCESS. THE BOARD SHALL MAKE OR CAUSE TO BE MADE ALL
47 REASONABLE EFFORTS TO ENSURE THAT MEETINGS ARE HELD IN FACILITIES THAT
48 PERMIT BARRIER-FREE PHYSICAL ACCESS TO THE PHYSICALLY HANDICAPPED. IF
49 THE BOARD DETERMINES TO USE VIDEO CONFERENCING OR SIMILAR TECHNOLOGY TO
50 CONDUCT ITS MEETING, IT SHALL PROVIDE AN OPPORTUNITY FOR THE PUBLIC TO
51 ATTEND, LISTEN AND OBSERVE AT ANY SITE AT WHICH A COMMISSIONER PARTIC-
52 IPATES.

53 S 5. Article XIV of chapter 154 of the laws of 1921, relating to the
54 Port Authority of New York and New Jersey, is amended to read as
55 follows:

56 ARTICLE XIV.

1 The BOARD OF COMMISSIONERS OF THE port authority shall elect from its
2 number a chairman WHO SHALL BE A COMMISSIONER APPOINTED FROM THE STATE
3 OF NEW JERSEY, vice-chairman, and may appoint such officers and employ-
4 ees as it may require for the performance of its duties, and shall fix
5 and determine their qualifications and duties. THE BOARD OF COMMISSION-
6 ERS SHALL APPOINT AN EXECUTIVE DIRECTOR ON THE RECOMMENDATION OF THE
7 GOVERNOR OF THE STATE OF NEW YORK. THE EXECUTIVE DIRECTOR SHALL NOT BE A
8 MEMBER OF THE BOARD OF COMMISSIONERS.

9 S 6. Severability clause. If any clause, sentence, paragraph, subdivi-
10 sion, section or part of this act shall be adjudged by any court of
11 competent jurisdiction to be invalid, such judgment shall not affect,
12 impair, or invalidate the remainder thereof, but shall be confined in
13 its operation to the clause, sentence, paragraph, subdivision, section
14 or part thereof directly involved in the controversy in which such judg-
15 ment shall have been rendered. It is hereby declared to be the intent of
16 the legislature that this act would have been enacted even if such
17 invalid provisions had not been included herein.

18 S 7. This act shall take effect upon the enactment into law by the
19 state of New Jersey of legislation having an identical effect with this
20 act, but if the state of New Jersey shall have already enacted such
21 legislation this act shall take effect immediately. The chairman of the
22 port authority shall notify the legislative bill drafting commission
23 upon the enactment into law of such legislation by both such states in
24 order that the commission may maintain an accurate and timely effective
25 data base of the official text of the laws of the state of New York in
26 furtherance of effecting the provision of section 44 of the legislative
27 law and section 70-b of the public officers law.