

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

6358--A

I N S E N A T E

February 1, 2012

Introduced by Sens. LANZA, SAVINO -- read twice and ordered printed, and when printed to be committed 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
18 the port authority functions as an open, transparent and accountable
19 interstate public authority.

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

ARTICLE IV

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

LBD13921-06-2

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

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

53 B. INDIVIDUALS APPOINTED TO THE BOARD OF COMMISSIONERS SHALL PARTIC-
54 IPATE IN TRAINING APPROVED BY THE INSPECTOR GENERAL REGARDING THEIR
55 LEGAL, FIDUCIARY, FINANCIAL AND ETHICAL RESPONSIBILITIES AS DIRECTORS OF
56 AN AUTHORITY WITHIN ONE YEAR OF APPOINTMENT TO A BOARD. BOARD MEMBERS

1 SHALL PARTICIPATE IN SUCH CONTINUING TRAINING AS MAY BE REQUIRED TO
2 REMAIN INFORMED OF BEST PRACTICES, REGULATORY AND STATUTORY CHANGES
3 RELATING TO THE EFFECTIVE OVERSIGHT OF THE MANAGEMENT AND FINANCIAL
4 ACTIVITIES OF PUBLIC AUTHORITIES AND TO ADHERE TO THE HIGHEST STANDARDS
5 OF RESPONSIBLE GOVERNANCE.

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

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

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

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

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

54 (2) IS NOT, AND IN THE PAST TWO YEARS HAS NOT BEEN, EMPLOYED BY AN
55 ENTITY THAT RECEIVED REMUNERATION VALUED AT MORE THAN FIFTEEN THOUSAND
56 DOLLARS FOR GOODS AND SERVICES PROVIDED TO THE AUTHORITY OR RECEIVED ANY

1 OTHER FORM OF FINANCIAL ASSISTANCE VALUED AT MORE THAN FIFTEEN THOUSAND
2 DOLLARS FROM THE AUTHORITY;

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

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

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

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

18 ARTICLE VII.

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

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

32 ARTICLE VII-B

33 S 1. ADDITIONAL POWERS, DUTIES AND RESPONSIBILITIES. IN ADDITION TO
34 THE POWERS AND DUTIES SET FORTH IN ARTICLE VII OF THIS ACT, THE PORT
35 AUTHORITY SHALL HAVE THE FOLLOWING POWERS, DUTIES AND RESPONSIBILITIES
36 SET FORTH IN THIS ARTICLE.

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

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

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

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

50 B. DUTIES OF THE PORT AUTHORITY WITH RESPECT TO THE DISPOSAL OF PROP-
51 erty. (1) THE PORT AUTHORITY SHALL ADOPT BY RESOLUTION COMPREHENSIVE
52 GUIDELINES WHICH SHALL (A) DETAIL THE AUTHORITY'S OPERATIVE POLICY AND
53 INSTRUCTIONS REGARDING THE USE, AWARDING, MONITORING AND REPORTING OF
54 CONTRACTS FOR THE DISPOSAL OF PROPERTY, AND (B) DESIGNATE A CONTRACTING
55 OFFICER WHO SHALL BE RESPONSIBLE FOR THE AUTHORITY'S COMPLIANCE WITH,
56 AND ENFORCEMENT OF, SUCH GUIDELINES. SUCH GUIDELINES SHALL BE CONSISTENT

1 WITH, AND SHALL REQUIRE THE AUTHORITY'S CONTRACTING ACTIVITIES TO COMPLY
2 WITH THIS SECTION, THE AUTHORITY'S ENABLING LEGISLATION AND ANY OTHER
3 APPLICABLE LAW FOR THE DISPOSAL OF PROPERTY, EXCEPT THAT SUCH GUIDELINES
4 MAY BE STRICTER THAN THE PROVISIONS OF THIS SECTION, THE AUTHORITY'S
5 ENABLING LEGISLATION AND ANY OTHER APPLICABLE LAW FOR THE DISPOSAL OF
6 PROPERTY IF THE AUTHORITY DETERMINES THAT ADDITIONAL SAFEGUARDS ARE
7 NECESSARY TO ASSURE THE INTEGRITY OF ITS DISPOSITION ACTIVITIES. GUIDE-
8 LINES APPROVED BY THE AUTHORITY SHALL BE ANNUALLY REVIEWED AND APPROVED
9 BY THE BOARD OF COMMISSIONERS OF THE AUTHORITY. ON OR BEFORE THE THIR-
10 TY-FIRST DAY OF MARCH IN EACH YEAR, THE AUTHORITY SHALL FILE WITH THE
11 STATE COMPTROLLER OF EACH STATE A COPY OF THE GUIDELINES MOST RECENTLY
12 REVIEWED AND APPROVED BY THE AUTHORITY, INCLUDING THE NAME OF THE
13 AUTHORITY'S DESIGNATED CONTRACTING OFFICER. AT THE TIME OF FILING SUCH
14 GUIDELINES WITH THE STATE COMPTROLLER, THE AUTHORITY SHALL ALSO POST
15 SUCH GUIDELINES ON THE AUTHORITY'S INTERNET WEBSITE. GUIDELINES POSTED
16 ON THE AUTHORITY'S INTERNET WEBSITE SHALL BE MAINTAINED ON SUCH WEBSITE
17 AT LEAST UNTIL THE PROCUREMENT GUIDELINES FOR THE FOLLOWING YEAR ARE
18 POSTED ON SUCH WEBSITE.

19 (2) THE PORT AUTHORITY SHALL:

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

22 (B) PERIODICALLY INVENTORY SUCH PROPERTY TO DETERMINE WHICH PROPERTY
23 SHALL BE DISPOSED OF;

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

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

28 (3)(A) THE PORT AUTHORITY SHALL PUBLISH, NOT LESS FREQUENTLY THAN
29 ANNUALLY, A REPORT LISTING ALL REAL PROPERTY OF THE AUTHORITY. SUCH
30 REPORT SHALL INCLUDE A LIST AND FULL DESCRIPTION OF ALL REAL AND
31 PERSONAL PROPERTY DISPOSED OF DURING SUCH PERIOD. THE REPORT SHALL
32 CONTAIN THE PRICE RECEIVED BY THE AUTHORITY AND THE NAME OF THE PURCHAS-
33 ER FOR ALL SUCH PROPERTY SOLD BY THE AUTHORITY DURING SUCH PERIOD.

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

36 C. DISPOSAL OF PORT AUTHORITY PROPERTY. (1) SUPERVISION AND DIRECTION.
37 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CONTRACTING OFFICER
38 DESIGNATED BY THE PORT AUTHORITY SHALL HAVE SUPERVISION AND DIRECTION
39 OVER THE DISPOSITION OF PROPERTY OF THE AUTHORITY.

40 (2) CUSTODY AND CONTROL. THE CUSTODY AND CONTROL OF THE PROPERTY OF
41 THE PORT AUTHORITY, PENDING ITS DISPOSITION, AND THE DISPOSAL OF SUCH
42 PROPERTY, SHALL BE PERFORMED BY THE AUTHORITY.

43 (3) METHOD OF DISPOSITION. SUBJECT TO SUBDIVISION B OF THIS SECTION,
44 THE PORT AUTHORITY MAY DISPOSE OF PROPERTY FOR NOT LESS THAN THE FAIR
45 MARKET VALUE OF SUCH PROPERTY BY SALE, EXCHANGE, OR TRANSFER, FOR CASH,
46 CREDIT, OR OTHER PROPERTY, WITH OR WITHOUT WARRANTY, AND UPON SUCH OTHER
47 TERMS AND CONDITIONS AS THE CONTRACTING OFFICER DEEMS PROPER, AND IT MAY
48 EXECUTE SUCH DOCUMENTS FOR THE TRANSFER OF TITLE OR OTHER INTEREST IN
49 PROPERTY AND TAKE SUCH OTHER ACTION AS IT DEEMS NECESSARY OR PROPER TO
50 DISPOSE OF SUCH PROPERTY UNDER THE PROVISIONS OF THIS SECTION.
51 PROVIDED, HOWEVER, THAT NO DISPOSITION OF REAL PROPERTY, OR ANY INTEREST
52 IN REAL PROPERTY, SHALL BE MADE UNLESS AN APPRAISAL OF THE VALUE OF SUCH
53 PROPERTY HAS BEEN MADE BY AN INDEPENDENT APPRAISER AND INCLUDED IN THE
54 RECORD OF THE TRANSACTION, AND, PROVIDED FURTHER, THAT NO DISPOSITION OF
55 ANY OTHER PROPERTY, WHICH BECAUSE OF ITS UNIQUE NATURE OR THE UNIQUE
56 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) 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 PORT AUTHORITY, PURPORTING TO TRANSFER TITLE OR ANY OTHER INTEREST IN PROPERTY OF THE AUTHORITY UNDER THIS SECTION SHALL BE CONCLUSIVE EVIDENCE OF COMPLIANCE WITH THE PROVISIONS OF THIS SECTION 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.

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

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

(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 SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH 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 SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH, 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;

(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:

1 (A) ANY PERSONAL PROPERTY WHICH HAS AN ESTIMATED FAIR MARKET VALUE IN
2 EXCESS OF FIFTEEN THOUSAND DOLLARS;
3 (B) ANY REAL PROPERTY THAT HAS AN ESTIMATED FAIR MARKET VALUE IN
4 EXCESS OF ONE HUNDRED THOUSAND DOLLARS, EXCEPT THAT ANY REAL PROPERTY
5 DISPOSED OF BY LEASE OR EXCHANGE SHALL ONLY BE SUBJECT TO SUBCLAUSES (C)
6 AND (D) OF THIS CLAUSE;
7 (C) ANY REAL PROPERTY DISPOSED OF BY LEASE, IF THE ESTIMATED ANNUAL
8 RENT OVER THE TERM OF THE LEASE IS IN EXCESS OF FIFTEEN THOUSAND
9 DOLLARS;
10 (D) ANY REAL PROPERTY OR REAL AND RELATED PERSONAL PROPERTY DISPOSED
11 OF BY EXCHANGE, REGARDLESS OF VALUE, OR ANY PROPERTY ANY PART OF THE
12 CONSIDERATION FOR WHICH IS REAL PROPERTY.
13 (II) EACH SUCH STATEMENT SHALL BE TRANSMITTED TO THE PERSONS ENTITLED
14 TO RECEIVE COPIES OF THE REPORT REQUIRED UNDER SUBDIVISION B OF THIS
15 SECTION NOT LESS THAN NINETY DAYS IN ADVANCE OF SUCH DISPOSAL, AND A
16 COPY THEREOF SHALL BE PRESERVED IN THE FILES OF THE AUTHORITY.
17 (6) DISPOSAL OF PROPERTY FOR LESS THAN FAIR MARKET VALUE. (A) NO ASSET
18 OWNED, LEASED OR OTHERWISE IN THE CONTROL OF THE PORT AUTHORITY MAY BE
19 SOLD, LEASED, OR OTHERWISE ALIENATED FOR LESS THAN ITS FAIR MARKET VALUE
20 EXCEPT IF:
21 (I) THE TRANSFEREE IS A GOVERNMENT OR OTHER PUBLIC ENTITY, AND THE
22 TERMS AND CONDITIONS OF THE TRANSFER REQUIRE THAT THE OWNERSHIP AND USE
23 OF THE ASSET WILL REMAIN WITH THE GOVERNMENT OR ANY OTHER PUBLIC ENTITY;
24 (II) THE PURPOSE OF THE TRANSFER IS WITHIN THE PURPOSE, MISSION OR
25 GOVERNING STATUTE OF THE AUTHORITY; OR
26 (III) IN THE EVENT THE AUTHORITY SEEKS TO TRANSFER AN ASSET FOR LESS
27 THAN ITS FAIR MARKET VALUE TO OTHER THAN A GOVERNMENTAL ENTITY, WHICH
28 DISPOSAL WOULD NOT BE CONSISTENT WITH THE AUTHORITY'S MISSION, PURPOSE
29 OR GOVERNING STATUTES, SUCH AUTHORITY SHALL PROVIDE WRITTEN NOTIFICATION
30 THEREOF TO THE GOVERNOR OF EACH STATE, AND SUCH PROPOSED TRANSFER SHALL
31 BE SUBJECT TO DENIAL BY EITHER GOVERNOR. DENIAL BY THE GOVERNOR SHALL
32 TAKE THE FORM OF A SIGNED CERTIFICATION BY THE GOVERNOR. THE GOVERNOR
33 SHALL TAKE ANY SUCH ACTION WITHIN SIXTY DAYS OF RECEIVING NOTIFICATION
34 OF SUCH PROPOSED TRANSFER. IF NO SUCH CERTIFICATION IS PERFORMED WITHIN
35 SIXTY DAYS OF SUCH NOTIFICATION OF THE PROPOSED TRANSFER TO THE GOVER-
36 NOR, THE AUTHORITY MAY EFFECTUATE SUCH TRANSFER.
37 (B) IN THE EVENT A BELOW FAIR MARKET VALUE ASSET TRANSFER IS PROPOSED,
38 THE FOLLOWING INFORMATION MUST BE PROVIDED TO THE BOARD OF COMMISSIONERS
39 AND THE PUBLIC:
40 (I) A FULL DESCRIPTION OF THE ASSET;
41 (II) AN APPRAISAL OF THE FAIR MARKET VALUE OF THE ASSET AND ANY OTHER
42 INFORMATION ESTABLISHING THE FAIR MARKET VALUE SOUGHT BY THE BOARD;
43 (III) A DESCRIPTION OF THE PURPOSE OF THE TRANSFER, AND A REASONABLE
44 STATEMENT OF THE KIND AND AMOUNT OF THE BENEFIT TO THE PUBLIC RESULTING
45 FROM THE TRANSFER, INCLUDING BUT NOT LIMITED TO THE KIND, NUMBER,
46 LOCATION, WAGES OR SALARIES OF JOBS CREATED OR PRESERVED AS REQUIRED BY
47 THE TRANSFER, THE BENEFITS, IF ANY, TO THE COMMUNITIES IN WHICH THE
48 ASSET IS SITUATED AS ARE REQUIRED BY THE TRANSFER;
49 (IV) A STATEMENT OF THE VALUE TO BE RECEIVED COMPARED TO THE FAIR
50 MARKET VALUE;
51 (V) THE NAMES OF ANY PRIVATE PARTIES PARTICIPATING IN THE TRANSFER,
52 AND IF DIFFERENT THAN THE STATEMENT REQUIRED BY CLAUSE (IV) OF THIS
53 SUBPARAGRAPH, A STATEMENT OF THE VALUE TO THE PRIVATE PARTY; AND
54 (VI) THE NAMES OF OTHER PRIVATE PARTIES WHO HAVE MADE AN OFFER FOR
55 SUCH ASSET, THE VALUE OFFERED, AND THE PURPOSE FOR WHICH THE ASSET WAS
56 SOUGHT TO BE USED.

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

S 3. ANNUAL REPORT. A. THE PORT AUTHORITY SHALL SUBMIT TO THE GOVERNOR, THE STATE COMPTROLLER AND THE LEGISLATURE OF EACH STATE, 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 (A) AUDITED FINANCIALS IN ACCORDANCE WITH ALL APPLICABLE REGULATIONS AND FOLLOWING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, (B) GRANT AND SUBSIDY PROGRAMS, (C) OPERATING AND FINANCIAL RISKS, (D) CURRENT RATINGS, IF ANY, OF ITS BONDS ISSUED BY RECOGNIZED BOND RATING AGENCIES AND NOTICE OF CHANGES IN SUCH RATINGS, AND (E) LONG-TERM LIABILITIES, INCLUDING LEASES AND EMPLOYEE BENEFIT PLANS; (3) 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; (4) A COMPENSATION SCHEDULE 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) BIOGRAPHICAL INFORMATION, NOT INCLUDING CONFIDENTIAL PERSONAL INFORMATION, FOR ALL DIRECTORS AND OFFICERS AND EMPLOYEES FOR WHOM SALARY REPORTING IS REQUIRED; (6) THE PROJECTS UNDERTAKEN BY SUCH AUTHORITY DURING THE PAST YEAR; (7) A LISTING AND DESCRIPTION, IN ADDITION TO THE REPORT REQUIRED BY SUBPARAGRAPH (C) OF PARAGRAPH TWO OF SUBDIVISION B OF SECTION TWO OF THIS ARTICLE, OF ALL REAL PROPERTY OF THE 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) SUCH AUTHORITY'S CODE OF ETHICS; (9) AN ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES; (10) A DESCRIPTION OF THE AUTHORITY AND ITS BOARD STRUCTURE, INCLUDING (A) NAMES OF COMMITTEES AND COMMITTEE MEMBERS, (B) LISTS OF BOARD MEETINGS AND ATTENDANCE, (C) DESCRIPTIONS OF MAJOR AUTHORITY UNITS, SUBSIDIARIES, AND (D) NUMBER OF EMPLOYEES; (11) ITS CHARTER, IF ANY, AND BY-LAWS; (12) A LISTING OF MATERIAL CHANGES IN OPERATIONS AND PROGRAMS DURING THE REPORTING YEAR; (13) AT A MINIMUM A FOUR-YEAR FINANCIAL PLAN, INCLUDING (A) A CURRENT AND PROJECTED CAPITAL BUDGET, AND (B) AN OPERATING BUDGET REPORT, INCLUDING AN ACTUAL VERSUS ESTIMATED BUDGET, WITH AN ANALYSIS AND MEASUREMENT OF FINANCIAL AND OPERATING PERFORMANCE; (14) ITS BOARD PERFORMANCE EVALUATIONS; PROVIDED, HOWEVER, THAT SUCH EVALUATIONS SHALL NOT BE SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF INFORMATION LAWS OF EACH STATE; (15) A DESCRIPTION OF THE TOTAL AMOUNTS OF ASSETS, SERVICES OR BOTH ASSETS AND SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING, INCLUDING (A) THE NATURE OF THOSE ASSETS AND SERVICES, (B) THE NAMES OF THE COUNTERPARTIES, AND (C) WHERE

1 THE CONTRACT PRICE FOR ASSETS PURCHASED EXCEEDS FAIR MARKET VALUE, OR
2 WHERE THE CONTRACT PRICE FOR ASSETS SOLD IS LESS THAN FAIR MARKET VALUE,
3 A DETAILED EXPLANATION OF THE JUSTIFICATION FOR MAKING THE PURCHASE OR
4 SALE WITHOUT COMPETITIVE BIDDING, AND A CERTIFICATION BY THE CHIEF EXEC-
5 UTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE PUBLIC AUTHORITY THAT
6 THEY HAVE REVIEWED THE TERMS OF SUCH PURCHASE OR SALE AND DETERMINED
7 THAT IT COMPLIES WITH APPLICABLE LAW AND PROCUREMENT GUIDELINES; AND
8 (16) A DESCRIPTION OF ANY MATERIAL PENDING LITIGATION IN WHICH THE
9 AUTHORITY IS INVOLVED AS A PARTY DURING THE REPORTING YEAR.

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

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

27 S 4. INDEPENDENT AUDITS AND AUDIT REPORTS. A. THE PORT AUTHORITY SHALL
28 SUBMIT TO THE GOVERNOR, THE STATE COMPTROLLER, AND THE LEGISLATURE OF
29 EACH STATE, TOGETHER WITH THE REPORT DESCRIBED IN SECTION THREE OF THIS
30 ARTICLE, A COPY OF THE ANNUAL INDEPENDENT AUDIT REPORT, PERFORMED BY A
31 CERTIFIED PUBLIC ACCOUNTING FIRM IN ACCORDANCE WITH GENERALLY ACCEPTED
32 AUDITING STANDARDS, AND MANAGEMENT LETTER AND ANY OTHER EXTERNAL EXAM-
33 INATION OF THE BOOKS AND ACCOUNTS OF THE AUTHORITY.

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

47 C. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE
48 CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PROVIDING SUCH AUTHORITY'S
49 ANNUAL INDEPENDENT AUDIT WILL BE PROHIBITED IN PROVIDING AUDIT SERVICES
50 TO THE AUTHORITY IF THE LEAD (OR COORDINATING) AUDIT PARTNER (HAVING
51 PRIMARY RESPONSIBILITY FOR THE AUDIT), OR THE AUDIT PARTNER RESPONSIBLE
52 FOR REVIEWING THE AUDIT, HAS PERFORMED AUDIT SERVICES FOR THAT ISSUER IN
53 EACH OF THE FIVE PREVIOUS FISCAL YEARS OF SUCH AUTHORITY.

54 D. THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PERFORMING THE
55 AUTHORITY'S AUDIT SHALL BE PROHIBITED FROM PERFORMING ANY NON-AUDIT
56 SERVICES TO SUCH AUTHORITY CONTEMPORANEOUSLY WITH THE AUDIT, UNLESS

1 RECEIVING PREVIOUS WRITTEN APPROVAL BY THE AUDIT COMMITTEE INCLUDING:
2 (1) BOOKKEEPING OR OTHER SERVICES RELATED TO THE ACCOUNTING RECORDS OR
3 FINANCIAL STATEMENTS OF SUCH AUTHORITY; (2) FINANCIAL INFORMATION
4 SYSTEMS DESIGN AND IMPLEMENTATION; (3) APPRAISAL OR VALUATION SERVICES,
5 FAIRNESS OPINIONS, OR CONTRIBUTION-IN-KIND REPORTS; (4) ACTUARIAL
6 SERVICES; (5) INTERNAL AUDIT OUTSOURCING SERVICES; (6) MANAGEMENT FUNC-
7 TIONS OR HUMAN SERVICES; (7) BROKER OR DEALER, INVESTMENT ADVISOR, OR
8 INVESTMENT BANKING SERVICES; AND (8) LEGAL SERVICES AND EXPERT SERVICES
9 UNRELATED TO THE AUDIT.

10 E. IT SHALL BE PROHIBITED FOR ANY CERTIFIED INDEPENDENT PUBLIC
11 ACCOUNTING FIRM TO PERFORM FOR THE AUTHORITY ANY AUDIT SERVICE IF THE
12 CHIEF EXECUTIVE OFFICER, COMPTROLLER, CHIEF FINANCIAL OFFICER, CHIEF
13 ACCOUNTING OFFICER, OR ANY OTHER PERSON SERVING IN AN EQUIVALENT POSI-
14 TION FOR THE AUTHORITY, WAS EMPLOYED BY THAT CERTIFIED INDEPENDENT
15 PUBLIC ACCOUNTING FIRM AND PARTICIPATED IN ANY CAPACITY IN THE AUDIT OF
16 THE AUTHORITY DURING THE ONE YEAR PERIOD PRECEDING THE DATE OF THE
17 INITIATION OF THE AUDIT.

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

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

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

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

28 (3) "INSPECTOR GENERAL" SHALL MEAN THE INSPECTOR GENERAL OF THE PORT
29 AUTHORITY.

30 (4) "WHISTLEBLOWER" SHALL MEAN ANY EMPLOYEE OF THE PORT AUTHORITY WHO
31 DISCLOSES INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT, MALFEA-
32 SANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD MEMBER OF
33 THE AUTHORITY, CONCERNING THE AUTHORITY'S INVESTMENTS, TRAVEL, ACQUISI-
34 TION OF REAL OR PERSONAL PROPERTY, THE DISPOSITION OF REAL OR PERSONAL
35 PROPERTY AND THE PROCUREMENT OF GOODS AND SERVICES.

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

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

42 (2) ESTABLISHING TOLL-FREE TELEPHONE AND FACSIMILE LINES AVAILABLE TO
43 EMPLOYEES;

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

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

48 C. ANY COMMUNICATIONS BETWEEN AN EMPLOYEE AND THE INSPECTOR GENERAL
49 PURSUANT TO THIS SECTION SHALL BE HELD STRICTLY CONFIDENTIAL BY THE
50 INSPECTOR GENERAL, UNLESS THE EMPLOYEE SPECIFICALLY WAIVES IN WRITING
51 THE RIGHT TO CONFIDENTIALITY, EXCEPT THAT SUCH CONFIDENTIALITY SHALL NOT
52 EXEMPT THE INSPECTOR GENERAL FROM DISCLOSING SUCH INFORMATION, WHERE
53 APPROPRIATE, TO ANY LAW ENFORCEMENT AUTHORITY.

54 D. THE PORT AUTHORITY SHALL NOT FIRE, DISCHARGE, DEMOTE, SUSPEND,
55 THREATEN, HARASS OR DISCRIMINATE AGAINST AN EMPLOYEE BECAUSE OF THE

1 EMPLOYEE'S ROLE AS A WHISTLEBLOWER, INSOFAR AS THE ACTIONS TAKEN BY THE
2 EMPLOYEE ARE LEGAL.

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

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

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

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

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

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

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

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

22 D. THE PORT AUTHORITY SHALL ADOPT A POLICY IMPLEMENTING THE REQUIRE-
23 MENTS OF THIS SECTION. SUCH POLICY SHALL APPOINT AN OFFICER TO WHOM ALL
24 SUCH RECORDS SHALL BE DELIVERED. SUCH OFFICER SHALL MAINTAIN SUCH
25 RECORDS FOR NOT LESS THAN SEVEN YEARS IN A FILING SYSTEM DESIGNED TO
26 ORGANIZE SUCH RECORDS IN A MANNER SO AS TO MAKE SUCH RECORDS USEFUL TO
27 DETERMINE WHETHER THE DECISIONS OF THE AUTHORITY WERE INFLUENCED BY
28 LOBBYING CONTACTS.

29 S 7. INSPECTOR GENERAL. A. ESTABLISHMENT AND ORGANIZATION. (1) THERE
30 IS HEREBY ESTABLISHED THE OFFICE OF THE INSPECTOR GENERAL IN THE PORT
31 AUTHORITY. THE HEAD OF THE OFFICE SHALL BE THE INSPECTOR GENERAL WHO
32 SHALL BE APPOINTED BY, AND REPORT TO, THE BOARD OF COMMISSIONERS OF THE
33 PORT AUTHORITY.

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

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

40 B. FUNCTIONS AND DUTIES. THE INSPECTOR GENERAL SHALL HAVE THE FOLLOW-
41 ING DUTIES AND RESPONSIBILITIES:

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

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

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

53 (4) PREPARE AND RELEASE TO THE PUBLIC WRITTEN REPORTS OF SUCH INVESTI-
54 GATIONS, AS APPROPRIATE AND TO THE EXTENT PERMITTED BY LAW, SUBJECT TO
55 REDACTION TO PROTECT THE CONFIDENTIALITY OF WITNESSES. THE RELEASE OF

1 ALL OR PORTIONS OF SUCH REPORTS MAY BE DEFERRED TO PROTECT THE CONFIDEN-
2 TIALITY OF ONGOING INVESTIGATIONS;

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

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

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

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

12 (1) SUBPOENA AND ENFORCE THE ATTENDANCE OF WITNESSES;

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

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

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

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

27 (6) MONITOR THE IMPLEMENTATION BY THE PORT AUTHORITY OF ANY RECOMMEN-
28 DATIONS MADE BY THE INSPECTOR GENERAL;

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

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

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

49 S 9. SUBSIDIARIES OF THE PORT AUTHORITY. A. NOTWITHSTANDING ANY LAW TO
50 THE CONTRARY, THE PORT AUTHORITY SHALL NOT HAVE THE POWER TO ORGANIZE
51 ANY SUBSIDIARY CORPORATION UNLESS THE LEGISLATURE OF BOTH STATES SHALL
52 HAVE ENACTED A LAW GRANTING THE AUTHORITY SUCH POWER FOR THE ORGANIZA-
53 TION OF A SPECIFIC CORPORATION, PROVIDED, HOWEVER, THAT THE PORT AUTHOR-
54 ITY MAY ORGANIZE A SUBSIDIARY CORPORATION PURSUANT TO THE FOLLOWING
55 REQUIREMENTS:

(1) 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;

(2) 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

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

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

C. SUBSIDIARY CORPORATIONS FORMED UNDER SUBDIVISION A 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 PORT 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.

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

E. ON OR BEFORE THE FIRST DAY OF JANUARY, TWO THOUSAND THIRTEEN, AND ANNUALLY ON SUCH DAY THEREAFTER, ANY SUBSIDIARY CORPORATION, IN COOPERATION WITH THE PORT AUTHORITY, SHALL PROVIDE TO THE GOVERNOR AND LEGISLATURE OF EACH STATE A REPORT ON THE SUBSIDIARY CORPORATION. SUCH REPORT SHALL INCLUDE FOR EACH SUBSIDIARY:

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

(2) 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;

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

(4) 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 BOTH STATES; AND

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

S 10. FINANCIAL DISCLOSURE. 1. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY: (A) THE COMMISSIONERS FROM THE STATE OF NEW YORK AND ALL OFFICERS OF THE AUTHORITY; AND (B) EMPLOYEES WHO HOLD POLICY-MAKING POSITIONS OR WHOSE ANNUAL SALARY EQUALS OR EXCEEDS THE SALARY RATE OF SG-24 AS SET FORTH IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION ONE HUNDRED THIRTY OF THE CIVIL SERVICE LAW AS OF APRIL FIRST OF THE YEAR IN WHICH AN ANNUAL FINANCIAL DISCLOSURE STATEMENT SHALL BE FILED AND WHOSE OFFICE OR ASSIGNED WORK STATION OR PLACE IS LOCATED IN THE STATE OF NEW YORK SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS PURSUANT TO SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS LAW.

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

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

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

ARTICLE VII-C

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

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

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

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

S 3. CONDITIONS PRECEDENT. STRICT COMPLIANCE WITH EACH OF THE REQUIREMENTS SET FORTH IN SECTION TWO OF THIS ARTICLE SHALL BE A LEGAL CONDITION PRECEDENT FOR PLACING ON THE MEETING AGENDA OF THE BOARD OF COMMISSIONERS ANY MATTER RELATING TO AN INCREASE IN TOLLS, FEES OR OTHER CHARGES. UNLESS THE CHAIR OF THE BOARD CERTIFIES THAT ALL OF THE REQUIREMENTS OF SECTION TWO HAVE BEEN FULLY COMPLIED WITH, THE BOARD IS PROHIBITED FROM PLACING ON ITS MEETING AGENDA ANY MATTER RELATING TO AN INCREASE IN TOLLS, FEES OR OTHER CHARGES.

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

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

ARTICLE XIV.

The BOARD OF COMMISSIONERS OF THE port authority shall elect from its number a chairman WHO SHALL BE A COMMISSIONER APPOINTED FROM THE STATE OF NEW JERSEY, vice-chairman, and may appoint such officers and employees as it may require for the performance of its duties, and shall fix and determine their qualifications and duties. THE BOARD OF COMMISSIONERS SHALL APPOINT AN EXECUTIVE DIRECTOR ON THE RECOMMENDATION OF THE

1 GOVERNOR OF THE STATE OF NEW YORK. THE EXECUTIVE DIRECTOR SHALL NOT BE A
2 MEMBER OF THE BOARD OF COMMISSIONERS.

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

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