

3944--B

2013-2014 Regular Sessions

I N A S S E M B L Y

January 30, 2013

Introduced by M. of A. BRENNAN, CUSICK, TITONE, COOK, KELLNER, MILLMAN, ROSENTHAL, MALLIOTAKIS, ROBINSON, KAVANAGH, ABINANTI, WEPRIN, BRONSON, ROZIC, OTIS, AUBRY, BUCHWALD, TITUS, MILLER, JACOBS, CAMARA -- Multi-Sponsored by -- M. of A. ABBATE, ARROYO, BENEDETTO, COLTON, CRESPO, GALEF, GLICK, GOLDFEDER, GOTTFRIED, GUNTHER, JAFFEE, MAGEE, MAGNARELLI, MAYER, MOSLEY, MOYA, ORTIZ, PAULIN, PERRY, RIVERA, ROBERTS, RYAN, SCARBOROUGH, SCHIMEL, SIMOTAS, SWEENEY, WEISENBERG, WRIGHT, ZEBROWSKI -- read once and referred to the Committee on Corporations, Authorities and Commissions -- ordered to a third reading -- committed to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Codes -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend chapter 154 of the laws of 1921, relating to the Port Authority of New York and New Jersey and to amend the public officers law, in relation to enacting the "port authority of New York and New Jersey transparency and accountability act of 2014" and 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. Short title. This act shall be known and may be cited as
2 the "port authority of New York and New Jersey transparency and account-
3 ability act of 2014".
4 S 2. Legislative findings. The legislature finds and declares that:
5 In 2005 and 2009, the state of New York enacted comprehensive legis-
6 lation to improve the practices of, and increase oversight over, the
7 state's public authorities. As entities that are mostly publicly funded
8 and are created to provide an important public service or good, it was

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

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1 important to increase and enhance the accountability and transparency of
2 the public authorities.

3 The port authority of New York and New Jersey is a multi-billion
4 dollar company that performs and provides vital transportation and
5 infrastructure functions and services in the state of New York. Since
6 the state of New York has jurisdiction over the port authority, the
7 legislature believes that the port authority should abide by and be
8 subject to the same laws as are currently imposed on all other New York
9 state public authorities.

10 It is in the best interest of the public that the states of New York
11 and New Jersey enact substantially identical legislation to ensure that
12 the port authority functions as an open, transparent and accountable
13 interstate public authority.

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

17 ARTICLE IV

18 S 1. COMMISSIONERS. The port authority shall consist of twelve commis-
19 sioners, six resident voters from the state of New York, at least four
20 of whom shall be resident voters of the city of New York, and six resi-
21 dent voters from the state of New Jersey, at least four of whom shall be
22 resident voters within the New Jersey portion of the district, the New
23 York members to be chosen by the state of New York and the New Jersey
24 members by the state of New Jersey in the manner and for the terms fixed
25 and determined from time to time by the legislature of each state
26 respectively, except as herein provided. Each commissioner may be
27 removed or suspended from office as provided by the law of the state
28 from which he shall be appointed.

29 S 2. ROLE AND RESPONSIBILITIES OF COMMISSIONERS. A. COMMISSIONERS
30 SHALL (1) EXECUTE DIRECT OVERSIGHT OF THE AUTHORITY'S CHIEF EXECUTIVE
31 AND OTHER MANAGEMENT IN THE EFFECTIVE AND ETHICAL MANAGEMENT OF THE
32 AUTHORITY; (2) UNDERSTAND, REVIEW AND MONITOR THE IMPLEMENTATION OF
33 FUNDAMENTAL FINANCIAL AND MANAGEMENT CONTROLS AND OPERATIONAL DECISIONS
34 OF THE AUTHORITY; (3) ESTABLISH POLICIES REGARDING THE PAYMENT OF SALA-
35 RY, COMPENSATION AND REIMBURSEMENTS TO, AND ESTABLISH RULES FOR THE TIME
36 AND ATTENDANCE OF, THE CHIEF EXECUTIVE AND MANAGEMENT; (4) ADOPT A CODE
37 OF ETHICS APPLICABLE TO EACH OFFICER, DIRECTOR AND EMPLOYEE THAT, AT A
38 MINIMUM, INCLUDES THE APPLICABLE STANDARDS ESTABLISHED IN THE ETHICS LAW
39 OF BOTH STATES; (5) ESTABLISH WRITTEN POLICIES AND PROCEDURES ON PERSON-
40 NEL INCLUDING POLICIES PROTECTING EMPLOYEES FROM RETALIATION FOR
41 DISCLOSING INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT,
42 MALFEASANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD
43 MEMBER OF THE AUTHORITY, INVESTMENTS, TRAVEL, THE ACQUISITION OF REAL
44 PROPERTY AND THE DISPOSITION OF REAL AND PERSONAL PROPERTY AND THE
45 PROCUREMENT OF GOODS AND SERVICES; AND (6) ADOPT A DEFENSE AND INDEMNIFI-
46 CATION POLICY AND DISCLOSE SUCH PLAN TO ANY AND ALL PROSPECTIVE BOARD
47 MEMBERS.

48 B. (1) THE COMMISSIONERS SHALL PERFORM EACH OF THEIR DUTIES AS BOARD
49 MEMBERS, INCLUDING, BUT NOT LIMITED TO, THOSE IMPOSED BY THIS SECTION,
50 IN GOOD FAITH AND WITH THAT DEGREE OF DILIGENCE, CARE AND SKILL WHICH AN
51 ORDINARILY PRUDENT PERSON IN LIKE POSITION WOULD USE UNDER SIMILAR
52 CIRCUMSTANCES, AND MAY TAKE INTO CONSIDERATION THE VIEWS AND POLICIES OF
53 ANY ELECTED OFFICIAL OR BODY, OR OTHER PERSON AND ULTIMATELY APPLY INDE-
54 PENDENT JUDGMENT IN THE BEST INTEREST OF THE PORT AUTHORITY, ITS MISSION
55 AND THE PUBLIC.

(2) AT THE TIME THAT A COMMISSIONER TAKES AND SUBSCRIBES HIS OR HER OATH OF OFFICE, OR WITHIN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH IF THE COMMISSIONER HAS ALREADY TAKEN AND SUBSCRIBED HIS OR HER OATH OF OFFICE, THE COMMISSIONER SHALL EXECUTE AN ACKNOWLEDGMENT, IN A FORM DEVELOPED BY THE PORT AUTHORITY, IN WHICH THE COMMISSIONER SHALL, AT A MINIMUM:

(I) ACKNOWLEDGE THAT HE OR SHE UNDERSTANDS THAT A COMMISSIONER HAS A FIDUCIARY OBLIGATION TO PERFORM DUTIES AND RESPONSIBILITIES TO THE BEST OF HIS OR HER ABILITIES, IN GOOD FAITH AND WITH PROPER DILIGENCE AND CARE, CONSISTENT WITH THE ENABLING COMPACT, MISSION, AND BY-LAWS OF THE PORT AUTHORITY AND THE APPLICABLE LAWS OF BOTH STATES; AND THAT THE FIDUCIARY DUTY TO THE PORT AUTHORITY IS DERIVED FROM AND GOVERNED BY ITS MISSION;

(II) ACKNOWLEDGE THAT HE OR SHE UNDERSTANDS HIS OR HER DUTY OF LOYALTY AND CARE TO THE AUTHORITY AND COMMITMENT TO THE PORT AUTHORITY'S MISSION AND THE PUBLIC INTEREST; AND HIS OR HER OBLIGATION TO ACT IN THE BEST INTERESTS OF THE PORT AUTHORITY AND THE PEOPLE WHOM THE PORT AUTHORITY SERVES;

(III) AGREE THAT A COMMISSIONER HAS AN OBLIGATION TO BECOME KNOWLEDGE-ABLE ABOUT THE MISSION, PURPOSE, FUNCTIONS, RESPONSIBILITIES, AND STATUTORY DUTIES OF THE PORT AUTHORITY AND, WHEN NECESSARY, TO MAKE REASON-ABLE INQUIRY OF MANAGEMENT AND OTHERS WITH KNOWLEDGE AND EXPERTISE SO AS TO INFORM HIS OR HER DECISIONS;

(IV) AGREE TO EXERCISE INDEPENDENT JUDGMENT ON ALL MATTERS BEFORE THE BOARD;

(V) AGREE NOT TO DIVULGE CONFIDENTIAL DISCUSSIONS AND CONFIDENTIAL MATTERS THAT COME BEFORE THE BOARD FOR CONSIDERATION OR ACTION;

(VI) AGREE TO DISCLOSE TO THE BOARD ANY CONFLICTS, OR THE APPEARANCE OF A CONFLICT, OF A PERSONAL, FINANCIAL, ETHICAL, OR PROFESSIONAL NATURE THAT COULD INHIBIT THE COMMISSIONER FROM PERFORMING HIS OR HER DUTIES IN GOOD FAITH AND WITH DUE DILIGENCE AND CARE; AND

(VII) CERTIFY THAT HE OR SHE DOES NOT HAVE ANY INTEREST, FINANCIAL OR OTHERWISE, DIRECT OR INDIRECT, OR ENGAGE IN ANY BUSINESS OR TRANSACTION OR PROFESSIONAL ACTIVITY OR INCUR ANY OBLIGATION OF ANY NATURE, WHICH IS IN SUBSTANTIAL CONFLICT WITH THE PROPER DISCHARGE OF THE COMMISSIONER'S DUTIES IN THE PUBLIC INTEREST.

C. INDIVIDUALS APPOINTED TO THE BOARD OF COMMISSIONERS SHALL PARTICIPATE IN TRAINING APPROVED BY THE INSPECTOR GENERAL OF THE PORT AUTHORITY REGARDING THEIR LEGAL, FIDUCIARY, FINANCIAL AND ETHICAL RESPONSIBILITIES AS DIRECTORS OF AN AUTHORITY WITHIN ONE YEAR OF APPOINTMENT TO A BOARD. BOARD MEMBERS SHALL PARTICIPATE IN CONTINUING TRAINING AS MAY BE REQUIRED TO REMAIN INFORMED OF BEST PRACTICES, REGULATORY AND STATUTORY CHANGES RELATING TO THE EFFECTIVE OVERSIGHT OF THE MANAGEMENT AND FINANCIAL ACTIVITIES OF PUBLIC AUTHORITIES AND TO ADHERE TO THE HIGHEST STANDARDS OF RESPONSIBLE GOVERNANCE.

D. NO BOARD MEMBER, INCLUDING THE CHAIRPERSON, SHALL SERVE AS THE PORT AUTHORITY'S CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER, COMPTROLLER, OR HOLD ANY OTHER EQUIVALENT POSITION WHILE SERVING AS A MEMBER OF THE BOARD.

E. THE BOARD OF COMMISSIONERS SHALL ESTABLISH AN AUDIT COMMITTEE TO BE COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTITUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE AUDIT COMMITTEE; PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO THE AUDIT COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST CONSTI-

TUTE A MAJORITY OF THE MEMBERS OF THE AUDIT COMMITTEE. MEMBERS OF THE AUDIT COMMITTEE SHALL BE FAMILIAR WITH CORPORATE FINANCIAL AND ACCOUNTING PRACTICES. THE COMMITTEE SHALL RECOMMEND TO THE BOARD THE HIRING OF A CERTIFIED INDEPENDENT ACCOUNTING FIRM FOR SUCH AUTHORITY, ESTABLISH THE COMPENSATION TO BE PAID TO THE ACCOUNTING FIRM AND PROVIDE DIRECT OVERSIGHT OF THE PERFORMANCE OF THE INDEPENDENT AUDIT PERFORMED BY THE ACCOUNTING FIRM HIRED FOR SUCH PURPOSES.

F. (1) THE BOARD OF COMMISSIONERS SHALL ESTABLISH A GOVERNANCE COMMITTEE TO BE COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTITUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE GOVERNANCE COMMITTEE; PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO THE GOVERNANCE COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST CONSTITUTE A MAJORITY OF THE MEMBERS OF THE GOVERNANCE COMMITTEE. IT SHALL BE THE RESPONSIBILITY OF THE MEMBERS OF THE GOVERNANCE COMMITTEE TO KEEP THE BOARD INFORMED OF CURRENT BEST GOVERNANCE PRACTICES; TO REVIEW CORPORATE GOVERNANCE TRENDS; TO RECOMMEND UPDATES TO THE AUTHORITY'S CORPORATE GOVERNANCE PRINCIPLES; TO ADVISE THE PORT AUTHORITY ON THE SKILLS AND EXPERIENCES REQUIRED OF POTENTIAL BOARD MEMBERS; TO EXAMINE ETHICAL AND CONFLICT OF INTEREST ISSUES; TO PERFORM BOARD SELF-EVALUATIONS; AND TO RECOMMEND BY-LAWS WHICH INCLUDE RULES AND PROCEDURES FOR CONDUCT OF BOARD BUSINESS.

(2) THE GOVERNANCE COMMITTEE SHALL EXAMINE, AT LEAST ANNUALLY, THE WORKING AND PROFESSIONAL RELATIONSHIP BETWEEN EMPLOYEES APPOINTED BY THE GOVERNOR OF NEW YORK AND THOSE APPOINTED BY THE GOVERNOR OF NEW JERSEY TO ENSURE MAXIMUM COMMUNICATION, COORDINATION AND COOPERATION AMONG AND BETWEEN SUCH EMPLOYEES. THE COMMITTEE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE FULL BOARD AT THE FIRST BOARD MEETING OF EACH CALENDAR YEAR.

G. THE BOARD OF COMMISSIONERS SHALL ESTABLISH A FINANCE COMMITTEE TO BE COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTITUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE COMMITTEE; PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO THE FINANCE COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST CONSTITUTE A MAJORITY OF THE MEMBERS OF THE FINANCE COMMITTEE. IT SHALL BE THE RESPONSIBILITY OF THE MEMBERS OF THE FINANCE COMMITTEE TO REVIEW PROPOSALS FOR THE ISSUANCE OF DEBT BY THE AUTHORITY AND ITS SUBSIDIARIES AND MAKE RECOMMENDATIONS.

H. FOR THE PURPOSES OF THIS SECTION, AN INDEPENDENT MEMBER IS ONE WHO:

(1) IS NOT, AND IN THE PAST TWO YEARS HAS NOT BEEN, EMPLOYED BY THE PORT AUTHORITY OR AN AFFILIATE IN AN EXECUTIVE CAPACITY;

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

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

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

I. NOTWITHSTANDING ANY PROVISION OF ANY GENERAL, SPECIAL OR LOCAL LAW, MUNICIPAL CHARTER OR ORDINANCE TO THE CONTRARY, THE BOARD SHALL NOT, DIRECTLY OR INDIRECTLY, INCLUDING THROUGH ANY SUBSIDIARY, EXTEND OR MAINTAIN CREDIT, ARRANGE FOR THE EXTENSION OF CREDIT, OR RENEW AN EXTENSION OF CREDIT, IN THE FORM OF A PERSONAL LOAN TO OR FOR ANY OFFICER, BOARD MEMBER OR EMPLOYEE, OR EQUIVALENT THEREOF, OF THE PORT AUTHORITY.

J. (1) A BOARD MEMBER SHALL NOT VOTE ON OR PARTICIPATE IN ANY BOARD OR COMMITTEE DISCUSSIONS WITH RESPECT TO ANY AGENDA ITEM IF THE BOARD MEMBER, A MEMBER OF THE BOARD MEMBER'S IMMEDIATE FAMILY, OR A BUSINESS ORGANIZATION IN WHICH THE BOARD MEMBER HAS AN INTEREST, HAS A DIRECT OR INDIRECT FINANCIAL INVOLVEMENT THAT MAY REASONABLY BE EXPECTED TO IMPAIR THE BOARD MEMBER'S OBJECTIVITY OR INDEPENDENCE OF JUDGMENT OR TO CREATE THE APPEARANCE OF IMPROPRIETY. SUCH BOARD MEMBER SHALL BE RECUSED FROM ANY DISCUSSIONS OR VOTING ON THE AGENDA ITEM. A BOARD MEMBER SHALL CLEARLY INDICATE THE BOARD MEMBER'S RECUSAL FROM VOTING ON AN AGENDA ITEM AND THE MINUTES SHALL CLEARLY REFLECT THAT RECUSAL.

(2) FOR THE PURPOSES OF THIS SUBDIVISION, THE TERMS:

(A) "IMMEDIATE FAMILY" SHALL MEAN: A SPOUSE, DOMESTIC PARTNER, PARTNER IN A CIVIL UNION, SON, DAUGHTER, GRANDSON, GRANDDAUGHTER, FATHER, MOTHER, GRANDFATHER, GRANDMOTHER, GREAT-GRANDFATHER, GREAT-GRANDMOTHER, BROTHER, SISTER, NEPHEW, NIECE, UNCLE OR AUNT. RELATIVES BY ADOPTION, HALF-BLOOD, MARRIAGE OR REMARRIAGE SHALL BE TREATED AS RELATIVES OF THE WHOLE KINSHIP; AND

(B) "INTEREST" SHALL MEAN: (I) IF THE BUSINESS ORGANIZATION IS A PARTNERSHIP, THE BOARD MEMBER OR THE BOARD MEMBER'S IMMEDIATE FAMILY IS A PARTNER OR OWNER OF 10 PERCENT OR MORE OF THE ASSETS OF THE PARTNERSHIP, OR (II) IF THE BUSINESS ORGANIZATION IS A CORPORATION, THE BOARD MEMBER OR THE BOARD MEMBER'S IMMEDIATE FAMILY OWNS OR CONTROLS 10 PERCENT OR MORE OF THE STOCK OF THE CORPORATION, OR SERVES AS A DIRECTOR OR OFFICER OF THE CORPORATION.

S 4. Article VII of section 1 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 VII.

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

S 5. Chapter 154 of the laws of 1921, relating to the Port Authority of New York and New Jersey, is amended by adding two new articles VII-B and VII-C to read as follows:

ARTICLE VII-B

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

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

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

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

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

B. DUTIES OF THE PORT AUTHORITY WITH RESPECT TO THE DISPOSAL OF PROPERTY. (1) THE PORT AUTHORITY SHALL ADOPT BY RESOLUTION COMPREHENSIVE GUIDELINES WHICH SHALL (A) DETAIL THE AUTHORITY'S OPERATIVE POLICY AND INSTRUCTIONS REGARDING THE USE, AWARDED, MONITORING AND REPORTING OF CONTRACTS FOR THE DISPOSAL OF PROPERTY, AND (B) DESIGNATE A CONTRACTING OFFICER WHO SHALL BE RESPONSIBLE FOR THE AUTHORITY'S COMPLIANCE WITH, AND ENFORCEMENT OF, SUCH GUIDELINES. SUCH GUIDELINES SHALL BE CONSISTENT WITH, AND SHALL REQUIRE THE AUTHORITY'S CONTRACTING ACTIVITIES TO COMPLY WITH THIS SECTION, THE AUTHORITY'S ENABLING LEGISLATION AND ANY OTHER APPLICABLE LAW FOR THE DISPOSAL OF PROPERTY, EXCEPT THAT SUCH GUIDELINES MAY BE STRICTER THAN THE PROVISIONS OF THIS SECTION, THE AUTHORITY'S ENABLING LEGISLATION AND ANY OTHER APPLICABLE LAW FOR THE DISPOSAL OF PROPERTY IF THE AUTHORITY DETERMINES THAT ADDITIONAL SAFEGUARDS ARE NECESSARY TO ASSURE THE INTEGRITY OF ITS DISPOSITION ACTIVITIES. GUIDELINES APPROVED BY THE AUTHORITY SHALL BE ANNUALLY REVIEWED AND APPROVED BY THE BOARD OF COMMISSIONERS OF THE AUTHORITY. ON OR BEFORE THE THIRTY-FIRST DAY OF MARCH IN EACH YEAR, THE AUTHORITY SHALL FILE WITH THE STATE COMPTROLLER OF EACH STATE A COPY OF THE GUIDELINES MOST RECENTLY REVIEWED AND APPROVED BY THE AUTHORITY, INCLUDING THE NAME OF THE AUTHORITY'S DESIGNATED CONTRACTING OFFICER. AT THE TIME OF FILING SUCH GUIDELINES WITH THE STATE COMPTROLLER, THE AUTHORITY SHALL ALSO POST SUCH GUIDELINES ON THE AUTHORITY'S INTERNET WEBSITE. GUIDELINES POSTED ON THE AUTHORITY'S INTERNET WEBSITE SHALL BE MAINTAINED ON SUCH WEBSITE AT LEAST UNTIL THE PROCUREMENT GUIDELINES FOR THE FOLLOWING YEAR ARE POSTED ON SUCH WEBSITE.

(2) THE PORT AUTHORITY SHALL:

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

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

(C) PRODUCE A WRITTEN REPORT OF SUCH PROPERTY IN ACCORDANCE WITH PARAGRAPH THREE OF THIS SUBDIVISION;

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

(3)(A) THE PORT AUTHORITY SHALL PUBLISH, NOT LESS FREQUENTLY THAN ANNUALLY, A REPORT LISTING ALL REAL PROPERTY OF THE AUTHORITY. SUCH REPORT SHALL INCLUDE A LIST AND FULL DESCRIPTION OF ALL REAL AND PERSONAL PROPERTY DISPOSED OF DURING SUCH PERIOD. THE REPORT SHALL CONTAIN THE PRICE RECEIVED BY THE AUTHORITY AND THE NAME OF THE PURCHASER FOR ALL SUCH PROPERTY SOLD BY THE AUTHORITY DURING SUCH PERIOD.

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

C. DISPOSAL OF PORT AUTHORITY PROPERTY. (1) SUPERVISION AND DIRECTION. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CONTRACTING OFFICER

DESIGNATED BY THE PORT AUTHORITY SHALL HAVE SUPERVISION AND DIRECTION OVER THE DISPOSITION OF PROPERTY OF THE AUTHORITY.

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

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

(4) 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 PORT AUTHORITY, 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

1 BE SOLD IN SUCH QUANTITY THAT, IF IT WERE DISPOSED OF UNDER SUBPARA-
2 GRAPHS (A) AND (B) OF THIS PARAGRAPH, WOULD ADVERSELY AFFECT THE STATE
3 OR LOCAL MARKET FOR SUCH PROPERTY, AND THE ESTIMATED FAIR MARKET VALUE
4 OF SUCH PROPERTY AND OTHER SATISFACTORY TERMS OF DISPOSAL CAN BE
5 OBTAINED BY NEGOTIATION;

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

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

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

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

16 (VI) SUCH ACTION IS OTHERWISE AUTHORIZED BY LAW.

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

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

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

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

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

31 (II) EACH SUCH STATEMENT SHALL BE TRANSMITTED TO THE PERSONS ENTITLED
32 TO RECEIVE COPIES OF THE REPORT REQUIRED UNDER SUBDIVISION B OF THIS
33 SECTION NOT LESS THAN NINETY DAYS IN ADVANCE OF SUCH DISPOSAL, AND A
34 COPY THEREOF SHALL BE PRESERVED IN THE FILES OF THE PORT AUTHORITY.

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

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

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

44 (III) IN THE EVENT THE PORT AUTHORITY SEEKS TO TRANSFER AN ASSET FOR
45 LESS THAN ITS FAIR MARKET VALUE TO OTHER THAN A GOVERNMENTAL ENTITY,
46 WHICH DISPOSAL WOULD NOT BE CONSISTENT WITH THE AUTHORITY'S MISSION,
47 PURPOSE OR GOVERNING STATUTES, SUCH AUTHORITY SHALL PROVIDE WRITTEN
48 NOTIFICATION THEREOF TO THE GOVERNOR OF EACH STATE, AND SUCH PROPOSED
49 TRANSFER SHALL BE SUBJECT TO DENIAL BY EITHER GOVERNOR. DENIAL BY THE
50 GOVERNOR SHALL TAKE THE FORM OF A SIGNED CERTIFICATION BY THE GOVERNOR.
51 THE GOVERNOR SHALL TAKE ANY SUCH ACTION WITHIN SIXTY DAYS OF RECEIVING
52 NOTIFICATION OF SUCH PROPOSED TRANSFER. IF NO SUCH CERTIFICATION IS
53 PERFORMED WITHIN SIXTY DAYS OF SUCH NOTIFICATION OF THE PROPOSED TRANS-
54 FER 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;

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

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

(VI) THE NAMES OF OTHER PRIVATE PARTIES WHO HAVE MADE AN OFFER FOR SUCH ASSET, THE VALUE OFFERED, AND THE PURPOSE FOR WHICH THE ASSET WAS 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 CERTIFIED BY THE CHAIR AND VICE-CHAIR OF THE BOARD; AND THE EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE PORT AUTHORITY, INCLUDING (A) AUDITED FINANCIALS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, KNOWN AS GAAP, AND THE ACCOUNTING STANDARDS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD, KNOWN AS GASB, (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 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 LIST-

1 ING AND DESCRIPTION, IN ADDITION TO THE REPORT REQUIRED BY SUBPARAGRAPH
2 (C) OF PARAGRAPH TWO OF SUBDIVISION B OF SECTION TWO OF THIS ARTICLE, OF
3 ALL REAL PROPERTY OF THE AUTHORITY HAVING AN ESTIMATED FAIR MARKET VALUE
4 IN EXCESS OF FIFTEEN THOUSAND DOLLARS THAT THE AUTHORITY ACQUIRES OR
5 DISPOSES OF DURING SUCH PERIOD. THE REPORT SHALL CONTAIN THE PRICE
6 RECEIVED OR PAID BY THE AUTHORITY AND THE NAME OF THE PURCHASER OR SELL-
7 ER FOR ALL SUCH PROPERTY SOLD OR BOUGHT BY THE AUTHORITY DURING SUCH
8 PERIOD; (8) SUCH AUTHORITY'S CODE OF ETHICS; (9) AN ASSESSMENT OF THE
9 EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES; (10) A
10 DESCRIPTION OF THE AUTHORITY AND ITS BOARD STRUCTURE, INCLUDING (A)
11 NAMES OF COMMITTEES AND COMMITTEE MEMBERS, (B) LISTS OF BOARD MEETINGS
12 AND ATTENDANCE, (C) DESCRIPTIONS OF MAJOR AUTHORITY UNITS, SUBSIDIARIES,
13 AND (D) NUMBER OF EMPLOYEES; (11) ITS CHARTER, IF ANY, AND BY-LAWS; (12)
14 A LISTING OF MATERIAL CHANGES IN OPERATIONS AND PROGRAMS DURING THE
15 REPORTING YEAR; (13) AT A MINIMUM A FOUR-YEAR FINANCIAL PLAN, INCLUDING
16 (A) A CURRENT AND PROJECTED CAPITAL BUDGET, AND (B) AN OPERATING BUDGET
17 REPORT, INCLUDING AN ACTUAL VERSUS ESTIMATED BUDGET, WITH AN ANALYSIS
18 AND MEASUREMENT OF FINANCIAL AND OPERATING PERFORMANCE; (14) ITS BOARD
19 PERFORMANCE EVALUATIONS; PROVIDED, HOWEVER, THAT SUCH EVALUATIONS SHALL
20 NOT BE SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF INFORMATION LAWS OF
21 EACH STATE; (15) A DESCRIPTION OF THE TOTAL AMOUNTS OF ASSETS, SERVICES
22 OR BOTH ASSETS AND SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING,
23 INCLUDING (A) THE NATURE OF THOSE ASSETS AND SERVICES, (B) THE NAMES OF
24 THE COUNTERPARTIES, AND (C) WHERE THE CONTRACT PRICE FOR ASSETS
25 PURCHASED EXCEEDS FAIR MARKET VALUE, OR WHERE THE CONTRACT PRICE FOR
26 ASSETS SOLD IS LESS THAN FAIR MARKET VALUE, A DETAILED EXPLANATION OF
27 THE JUSTIFICATION FOR MAKING THE PURCHASE OR SALE WITHOUT COMPETITIVE
28 BIDDING, AND A CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF
29 FINANCIAL OFFICER OF THE PORT AUTHORITY THAT THEY HAVE REVIEWED THE
30 TERMS OF SUCH PURCHASE OR SALE AND DETERMINED THAT IT COMPLIES WITH
31 APPLICABLE LAW AND PROCUREMENT GUIDELINES; AND (16) A DESCRIPTION OF ANY
32 MATERIAL PENDING LITIGATION IN WHICH THE PORT AUTHORITY IS INVOLVED AS A
33 PARTY DURING THE REPORTING YEAR.

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

40 C. EVERY FINANCIAL REPORT SUBMITTED UNDER THIS SECTION SHALL BE
41 APPROVED BY THE BOARD AND SHALL BE CERTIFIED IN WRITING BY THE CHAIR AND
42 VICE-CHAIR OF THE BOARD; AND THE EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE
43 DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE PORT AUTHORITY, THAT BASED
44 ON THE OFFICER'S KNOWLEDGE (1) THE INFORMATION PROVIDED THEREIN IS ACCU-
45 RATE, CORRECT AND DOES NOT CONTAIN ANY UNTRUE STATEMENT OF MATERIAL
46 FACT; (2) DOES NOT OMIT ANY MATERIAL FACT WHICH, IF OMITTED, WOULD CAUSE
47 THE FINANCIAL STATEMENTS TO BE MISLEADING IN LIGHT OF THE CIRCUMSTANCES
48 UNDER WHICH SUCH STATEMENTS ARE MADE; AND (3) FAIRLY PRESENTS IN ALL
49 MATERIAL RESPECTS THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF
50 THE AUTHORITY AS OF, AND FOR, THE PERIODS PRESENTED IN THE FINANCIAL
51 STATEMENTS.

52 S 4. INDEPENDENT AUDITS AND AUDIT REPORTS. A. THE PORT AUTHORITY SHALL
53 SUBMIT TO THE GOVERNOR, THE STATE COMPTROLLER, AND THE LEGISLATURE OF
54 EACH STATE, TOGETHER WITH THE REPORT DESCRIBED IN SECTION THREE OF THIS
55 ARTICLE, A COPY OF THE ANNUAL INDEPENDENT AUDIT REPORT, PERFORMED BY A
56 CERTIFIED PUBLIC ACCOUNTING FIRM IN ACCORDANCE WITH GENERALLY ACCEPTED

1 AUDITING STANDARDS, AND MANAGEMENT LETTER AND ANY OTHER EXTERNAL EXAM-
2 INATION OF THE BOOKS AND ACCOUNTS OF THE AUTHORITY.

3 B. EACH CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM THAT PERFORMS ANY
4 AUDIT REQUIRED BY THIS ARTICLE SHALL TIMELY REPORT TO THE AUDIT COMMIT-
5 TEE OF SUCH AUTHORITY: (1) ALL CRITICAL ACCOUNTING POLICIES AND PRAC-
6 TICES TO BE USED; (2) ALL ALTERNATIVE TREATMENTS OF FINANCIAL INFORMA-
7 TION WITHIN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THAT HAVE BEEN
8 DISCUSSED WITH MANAGEMENT OFFICIALS OF THE PORT AUTHORITY, RAMIFICATIONS
9 OF THE USE OF SUCH ALTERNATIVE DISCLOSURES AND TREATMENTS, AND THE
10 TREATMENT PREFERRED BY THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM;
11 AND (3) OTHER MATERIAL WRITTEN COMMUNICATIONS BETWEEN THE CERTIFIED
12 INDEPENDENT PUBLIC ACCOUNTING FIRM AND THE MANAGEMENT OF THE AUTHORITY,
13 INCLUDING AS THE MANAGEMENT LETTER ALONG WITH MANAGEMENT'S RESPONSE OR
14 PLAN OF CORRECTIVE ACTION, MATERIAL CORRECTIONS IDENTIFIED OR SCHEDULE
15 OF UNADJUSTED DIFFERENCES, WHERE APPLICABLE.

16 C. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE
17 CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PROVIDING SUCH AUTHORITY'S
18 ANNUAL INDEPENDENT AUDIT WILL BE PROHIBITED IN PROVIDING AUDIT SERVICES
19 TO THE AUTHORITY IF THE LEAD OR COORDINATING AUDIT PARTNER HAVING PRIMA-
20 RY RESPONSIBILITY FOR THE AUDIT, OR THE AUDIT PARTNER RESPONSIBLE FOR
21 REVIEWING THE AUDIT, HAS PERFORMED AUDIT SERVICES FOR THAT ISSUER IN
22 EACH OF THE FIVE PREVIOUS FISCAL YEARS OF SUCH AUTHORITY.

23 D. THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PERFORMING THE
24 PORT AUTHORITY'S AUDIT SHALL BE PROHIBITED FROM PERFORMING ANY NON-AUDIT
25 SERVICES TO SUCH AUTHORITY CONTEMPORANEOUSLY WITH THE AUDIT, UNLESS
26 RECEIVING PREVIOUS WRITTEN APPROVAL BY THE AUDIT COMMITTEE INCLUDING:
27 (1) BOOKKEEPING OR OTHER SERVICES RELATED TO THE ACCOUNTING RECORDS OR
28 FINANCIAL STATEMENTS OF SUCH AUTHORITY; (2) FINANCIAL INFORMATION
29 SYSTEMS DESIGN AND IMPLEMENTATION; (3) APPRAISAL OR VALUATION SERVICES,
30 FAIRNESS OPINIONS, OR CONTRIBUTION-IN-KIND REPORTS; (4) ACTUARIAL
31 SERVICES; (5) INTERNAL AUDIT OUTSOURCING SERVICES; (6) MANAGEMENT FUNC-
32 TIONS OR HUMAN SERVICES; (7) BROKER OR DEALER, INVESTMENT ADVISOR, OR
33 INVESTMENT BANKING SERVICES; AND (8) LEGAL SERVICES AND EXPERT SERVICES
34 UNRELATED TO THE AUDIT.

35 E. IT SHALL BE PROHIBITED FOR ANY CERTIFIED INDEPENDENT PUBLIC
36 ACCOUNTING FIRM TO PERFORM FOR THE PORT AUTHORITY ANY AUDIT SERVICE IF
37 THE CHIEF EXECUTIVE OFFICER, COMPTROLLER, CHIEF FINANCIAL OFFICER, CHIEF
38 ACCOUNTING OFFICER, OR ANY OTHER PERSON SERVING IN AN EQUIVALENT POSI-
39 TION FOR THE AUTHORITY, WAS EMPLOYED BY THAT CERTIFIED INDEPENDENT
40 PUBLIC ACCOUNTING FIRM AND PARTICIPATED IN ANY CAPACITY IN THE AUDIT OF
41 THE AUTHORITY DURING THE ONE YEAR PERIOD PRECEDING THE DATE OF THE
42 INITIATION OF THE AUDIT.

43 F. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE PORT
44 AUTHORITY MAY EXEMPT INFORMATION FROM DISCLOSURE OR REPORT, IF THE COUN-
45 SEL OF SUCH AUTHORITY DEEMS THAT SUCH INFORMATION IS COVERED BY EITHER
46 STATE'S FREEDOM OF INFORMATION LAWS.

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

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

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

53 (3) "INSPECTOR GENERAL" SHALL MEAN THE INSPECTOR GENERAL OF THE PORT
54 AUTHORITY.

55 (4) "WHISTLEBLOWER" SHALL MEAN ANY EMPLOYEE OF THE PORT AUTHORITY WHO
56 DISCLOSES INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT, MALFEA-

1 SANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD MEMBER OF
2 THE AUTHORITY, CONCERNING THE AUTHORITY'S INVESTMENTS, TRAVEL, ACQUISSI-
3 TION OF REAL OR PERSONAL PROPERTY, THE DISPOSITION OF REAL OR PERSONAL
4 PROPERTY AND THE PROCUREMENT OF GOODS AND SERVICES.

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

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

11 (2) ESTABLISHING TOLL-FREE TELEPHONE AND FACSIMILE LINES AVAILABLE TO
12 EMPLOYEES;

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

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

17 C. ANY COMMUNICATIONS BETWEEN AN EMPLOYEE AND THE INSPECTOR GENERAL
18 PURSUANT TO THIS SECTION SHALL BE HELD STRICTLY CONFIDENTIAL BY THE
19 INSPECTOR GENERAL, UNLESS THE EMPLOYEE SPECIFICALLY WAIVES IN WRITING
20 THE RIGHT TO CONFIDENTIALITY, EXCEPT THAT SUCH CONFIDENTIALITY SHALL NOT
21 EXEMPT THE INSPECTOR GENERAL FROM DISCLOSING SUCH INFORMATION, WHERE
22 APPROPRIATE, TO ANY LAW ENFORCEMENT AUTHORITY.

23 D. THE PORT AUTHORITY SHALL NOT FIRE, DISCHARGE, DEMOTE, SUSPEND,
24 THREATEN, HARASS OR DISCRIMINATE AGAINST AN EMPLOYEE BECAUSE OF THE
25 EMPLOYEE'S ROLE AS A WHISTLEBLOWER, INsofar AS THE ACTIONS TAKEN BY THE
26 EMPLOYEE ARE LEGAL.

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

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

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

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

33 (B) THE OUTCOME OF ANY PROCEEDING BY THE PORT AUTHORITY TO ESTABLISH,
34 LEVY OR COLLECT FEES, TOLLS, CHARGES OR FARES, AND

35 (C) THE AUTHORIZATION, APPROVAL OR AWARD OF ANY AGREEMENTS, CONTRACTS
36 OR PURCHASE ORDERS, INCLUDING ANY SETTLEMENT OF PORT AUTHORITY CLAIMS;
37 OR ANY EXTENSION, AMENDMENT OR MODIFICATION OF ANY EXISTING AGREEMENT,
38 CONTRACT OR ORDER.

39 (3) "CONTACT" SHALL MEAN ANY CONVERSATION, IN PERSON OR BY TELEPHONIC
40 OR OTHER ELECTRONIC MEANS, OR CORRESPONDENCE BETWEEN ANY LOBBYIST
41 ENGAGED IN THE ACT OF LOBBYING AND ANY PERSON WITHIN THE PORT AUTHORITY
42 WHO CAN MAKE OR INFLUENCE A DECISION ON THE SUBJECT OF THE LOBBYING ON
43 BEHALF OF THE AUTHORITY, AND SHALL INCLUDE, AT A MINIMUM, ALL MEMBERS OF
44 THE BOARD OF COMMISSIONERS AND ALL OFFICERS OF THE PORT AUTHORITY.

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

47 C. EVERY BOARD MEMBER, OFFICER OR EMPLOYEE OF THE PORT AUTHORITY WHO
48 IS CONTACTED BY A LOBBYIST SHALL MAKE A CONTEMPORANEOUS RECORD OF SUCH
49 CONTACT CONTAINING THE DAY AND TIME OF THE CONTACT, THE IDENTITY OF THE
50 LOBBYIST AND A GENERAL SUMMARY OF THE SUBSTANCE OF THE CONTACT.

51 D. THE PORT AUTHORITY SHALL ADOPT A POLICY IMPLEMENTING THE REQUIRE-
52 MENTS OF THIS SECTION. SUCH POLICY SHALL APPOINT AN OFFICER TO WHOM ALL
53 SUCH RECORDS SHALL BE DELIVERED. SUCH OFFICER SHALL MAINTAIN SUCH
54 RECORDS FOR NOT LESS THAN SEVEN YEARS IN A FILING SYSTEM DESIGNED TO
55 ORGANIZE SUCH RECORDS IN A MANNER SO AS TO MAKE SUCH RECORDS USEFUL TO

1 DETERMINE WHETHER THE DECISIONS OF THE AUTHORITY WERE INFLUENCED BY
2 LOBBYING CONTACTS.

3 S 7. INSPECTOR GENERAL. A. ESTABLISHMENT AND ORGANIZATION. (1) THERE
4 IS HEREBY ESTABLISHED THE OFFICE OF THE INSPECTOR GENERAL IN THE PORT
5 AUTHORITY. THE HEAD OF THE OFFICE SHALL BE THE INSPECTOR GENERAL WHO
6 SHALL BE APPOINTED BY, AND REPORT TO, THE BOARD OF COMMISSIONERS OF THE
7 PORT AUTHORITY.

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

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

14 B. FUNCTIONS AND DUTIES. THE INSPECTOR GENERAL SHALL HAVE THE FOLLOW-
15 ING DUTIES AND RESPONSIBILITIES:

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

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

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

27 (4) PREPARE AND RELEASE TO THE PUBLIC WRITTEN REPORTS OF SUCH INVESTI-
28 GATIONS, AS APPROPRIATE AND TO THE EXTENT PERMITTED BY LAW, SUBJECT TO
29 REDACTION TO PROTECT THE CONFIDENTIALITY OF WITNESSES. THE RELEASE OF
30 ALL OR PORTIONS OF SUCH REPORTS MAY BE DEFERRED TO PROTECT THE CONFIDEN-
31 TIALITY OF ONGOING INVESTIGATIONS;

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

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

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

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

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

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

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

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

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

S 9. SUBSIDIARIES OF THE PORT AUTHORITY. A. NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE PORT AUTHORITY SHALL NOT HAVE THE POWER TO ORGANIZE ANY SUBSIDIARY CORPORATION UNLESS THE LEGISLATURE OF BOTH STATES SHALL HAVE ENACTED A LAW GRANTING THE AUTHORITY SUCH POWER FOR THE ORGANIZATION OF A SPECIFIC CORPORATION, PROVIDED, HOWEVER, THAT THE PORT AUTHORITY MAY ORGANIZE A SUBSIDIARY CORPORATION PURSUANT TO THE FOLLOWING 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.

1 E. ON OR BEFORE THE FIRST DAY OF JANUARY, TWO THOUSAND FIFTEEN, AND
2 ANNUALLY ON SUCH DAY THEREAFTER, ANY SUBSIDIARY CORPORATION, IN COOPER-
3 ATION WITH THE PORT AUTHORITY, SHALL PROVIDE TO THE GOVERNOR AND LEGIS-
4 LATURE OF EACH STATE A REPORT ON THE SUBSIDIARY CORPORATION. SUCH REPORT
5 SHALL INCLUDE FOR EACH SUBSIDIARY:

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

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

11 (3) THE COMPLETE BYLAWS AND LEGAL ORGANIZATION PAPERS OF THE SUBSID-
12 IARY;

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

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

19 S 10. FINANCIAL DISCLOSURE. 1. NOTWITHSTANDING ANY OTHER PROVISION OF
20 LAW TO THE CONTRARY, THE COMMISSIONERS, OFFICERS, AND EMPLOYEES OF THE
21 PORT AUTHORITY SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS AS
22 PROVIDED IN THIS SECTION.

23 2. (A) THE COMMISSIONERS APPOINTED BY THE GOVERNOR FROM THE STATE OF
24 NEW YORK AND ALL OFFICERS OF THE PORT AUTHORITY SHALL FILE ANNUAL FINAN-
25 CIAL DISCLOSURE STATEMENTS PURSUANT TO SECTION SEVENTY-THREE-A OF THE
26 PUBLIC OFFICERS LAW.

27 (B) EMPLOYEES OF THE PORT AUTHORITY WHO HOLD A POLICY-MAKING POSITION,
28 AS DETERMINED BY THE PORT AUTHORITY, OR WHOSE ANNUAL SALARY EQUALS OR
29 EXCEEDS THE SALARY RATE OF SG-24 AS SET FORTH IN PARAGRAPH A OF SUBDIVI-
30 SION ONE OF SECTION 130 OF THE CIVIL SERVICE LAW OF THE STATE OF NEW
31 YORK AS OF APRIL FIRST OF THE YEAR IN WHICH AN ANNUAL FINANCIAL DISCLO-
32 SURE STATEMENT SHALL BE FILED, SHALL FILE ANNUAL FINANCIAL DISCLOSURE
33 STATEMENTS PURSUANT TO SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS
34 LAW.

35 (C) ANY PERSON WHO IS REQUIRED TO FILE ANNUAL DISCLOSURE STATEMENTS
36 PURSUANT TO THIS SECTION SHALL BE SUBJECT TO THE PROVISIONS, INCLUDING
37 THE ENFORCEMENT PROVISIONS, OF SECTION SEVENTY-THREE-A OF THE PUBLIC
38 OFFICERS LAW.

39 (D) THE COMMISSIONERS FROM THE STATE OF NEW JERSEY SHALL FILE ANNUAL
40 FINANCIAL DISCLOSURE STATEMENTS AS REQUIRED BY NEW JERSEY STATE LAW OR
41 EXECUTIVE ORDER.

42 S 11. THE PORT AUTHORITY SHALL REQUIRE AN EFFICIENCY STUDY TO BE
43 CONDUCTED BY AN OUTSIDE, INDEPENDENT EXPERT TO IDENTIFY WASTE OR ABUSE
44 INVOLVING THE AUTHORITY. THE INITIAL STUDY SHALL BE COMPLETED WITHIN
45 TWELVE MONTHS OF THE EFFECTIVE DATE OF THIS ACT, AND MADE PUBLIC AT THE
46 FIRST REGULARLY-SCHEDULED PUBLIC MEETING OF THE BOARD OF COMMISSIONERS
47 FOLLOWING THE COMPLETION OF THE INITIAL STUDY. SUBSEQUENT STUDIES SHALL
48 BE COMPLETED AND MADE AVAILABLE TO THE PUBLIC EVERY TWO YEARS THEREAFT-
49 ER. A COPY OF EACH STUDY CONDUCTED SHALL BE SUBMITTED TO THE PORT
50 AUTHORITY'S OFFICE OF INSPECTOR GENERAL.

51 S 12. ANNUAL OPERATING BUDGET; CAPITAL STRATEGY PLAN. 1. FOR THE
52 PURPOSES OF THIS SECTION:

53 (A) "GAAP" MEANS THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ESTAB-
54 LISHED BY AUTHORITATIVE NATIONAL STANDARD-SETTING BODIES.

55 (B) "MAJOR CAPITAL PROJECT" MEANS AN UNDERTAKING OR PROGRAM FOR THE
56 ACQUISITION, CREATION, OR DEVELOPMENT OF ANY CROSSING, TRANSPORTATION

1 FACILITY, TERMINAL FACILITY, OR COMMERCE FACILITY OR ANY PART THEREOF,
2 WITH AN ESTIMATED COST IN EXCESS OF \$500,000,000.

3 2. (A) THE PORT AUTHORITY SHALL PREPARE A DETAILED ANNUAL OPERATING
4 BUDGET BEGINNING WITH THE FISCAL YEAR COMMENCING AFTER THE EFFECTIVE
5 DATE OF THE CHAPTER OF THE LAWS OF 2014 WHICH ADDED THIS SECTION.

6 (B) THE INITIAL ANNUAL OPERATING BUDGET SHALL BE MADE PUBLICLY AVAIL-
7 ABLE, INCLUDING ON THE PORT AUTHORITY'S INTERNET WEBSITE, IN JULY OF
8 EVERY FISCAL YEAR, AND A FINAL ANNUAL OPERATING BUDGET, WHICH SHALL TAKE
9 INTO ACCOUNT PUBLIC COMMENT, SHALL BE MADE AVAILABLE IN FEBRUARY OF EACH
10 FISCAL YEAR.

11 (C) IT SHALL BE THE POLICY OF THE PORT AUTHORITY THAT ITS ANNUAL OPER-
12 ATING BUDGET BE BALANCED IN ACCORDANCE WITH GAAP PRINCIPLES, PROVIDED,
13 HOWEVER, SPECIAL CIRCUMSTANCES MAY PERMIT THAT DEFICITS BE COVERED WITH
14 ACCRUED RESERVES OR OTHER RESOURCES.

15 3. (A) THE PORT AUTHORITY SHALL PREPARE A LONG-RANGE CAPITAL STRATEGY
16 PLAN AND SHALL REVISE THE LONG-RANGE PLAN EVERY FOUR YEARS BEGINNING
17 WITH THE FISCAL YEAR COMMENCING AFTER THE EFFECTIVE DATE OF THE CHAPTER
18 OF THE LAWS OF 2014 WHICH ADDED THIS SECTION.

19 (B) THE CAPITAL STRATEGY PLAN SHALL SPECIFY THE PROJECTS TO BE INITI-
20 ATED AND THE EXPECTED COST OF THOSE PROJECTS. THE COMMITMENT PLANS SHALL
21 INCLUDE A FINANCING PLAN THAT IDENTIFIES THE SOURCE OF FUNDING FOR EACH
22 PROJECT.

23 (C) QUARTERLY REPORTS SHALL BE PREPARED BY THE PORT AUTHORITY AND MADE
24 PUBLICLY AVAILABLE WITH THE STATUS OF EACH PROJECT IN THE CAPITAL STRAT-
25 EGY PLAN. THESE REPORTS SHALL COMPARE ACTUAL AND TARGET PERFORMANCE
26 MEASURES, INCLUDING BUT NOT LIMITED TO COSTS AND CONSTRUCTION SCHEDULES,
27 AND A NARRATIVE EXPLANATION OF ANY DISCREPANCY THEREOF.

28 4. THE PORT AUTHORITY SHALL ALSO PROVIDE THAT MAJOR CAPITAL PROJECTS
29 ARE MONITORED BY INDEPENDENT ENGINEERING CONSULTANTS. THE INDEPENDENT
30 CONSULTANTS SHALL PREPARE QUARTERLY REPORTS TO BE PROVIDED TO THE BOARD
31 AND TO THE PUBLIC. THE QUARTERLY REPORTS PREPARED BY INDEPENDENT
32 CONSULTANTS SHALL INCLUDE, BUT NOT BE LIMITED TO, A COMPARISON OF ACTUAL
33 AND TARGET PERFORMANCE MEASURES INCLUDING, BUT NOT LIMITED TO, COSTS AND
34 CONSTRUCTION SCHEDULES, AND A NARRATIVE EXPLANATION OF ANY DISCREPANCY
35 THEREOF.

36 ARTICLE VII-C

37 S 1. NEEDS ASSESSMENT. THE PORT AUTHORITY SHALL REQUIRE THAT A NEEDS
38 ASSESSMENT BE CONDUCTED BY AN INDEPENDENT ENTITY PRIOR TO ANY INCREASE
39 IN FEES, TOLLS, CHARGES OR FARES. THE ASSESSMENT SHALL BE PRESENTED BY
40 THE INDEPENDENT ENTITY TO THE BOARD OF COMMISSIONERS AT A PUBLIC MEETING
41 TO BE HELD AT LEAST 120 DAYS PRIOR TO ANY MEETING OF THE COMMISSIONERS
42 TO VOTE TO INCREASE ANY FEES, TOLLS, CHARGES OR FARES.

43 S 2. FEES, TOLLS, CHARGES AND FARE INCREASES; HEARINGS. (A) NOT LESS
44 THAN 30 DAYS AND NOT MORE THAN 90 DAYS PRIOR TO ANY VOTE OR ACTION TAKEN
45 BY THE BOARD OF COMMISSIONERS RELATING TO ANY INCREASE IN THE TOLLS FOR
46 THE USE OF ANY PORT AUTHORITY BRIDGE OR TUNNEL, OR FARES FOR THE USE OF
47 THE PORT AUTHORITY TRANS-HUDSON CORPORATION RAIL SYSTEM, THE PORT
48 AUTHORITY SHALL CONDUCT AT LEAST SIX PUBLIC HEARINGS IN A MANNER
49 PRESCRIBED PURSUANT TO THIS SECTION.

50 (B) LOCATIONS FOR THE PUBLIC HEARINGS SHALL BE SELECTED IN SUCH A WAY
51 AS TO BE GEOGRAPHICALLY ACCESSIBLE TO A MAJORITY OF USERS OF THE FACILI-
52 TY OR FACILITIES TO BE IMPACTED BY THE TOLL OR FARE INCREASE, AS DETER-
53 MINED BY PORT AUTHORITY DATA, PROVIDED THAT AT LEAST ONE HEARING SHALL
54 BE HELD IN EACH STATE.

55 (C) AT LEAST 72 HOURS BEFORE ANY HEARING HELD PURSUANT TO THIS
56 SECTION, THE PORT AUTHORITY SHALL MAKE AVAILABLE TO THE PUBLIC BY POST-

1 ING, AT A MINIMUM, THE FOLLOWING INFORMATION IN ONE OR MORE DESIGNATED
2 AREAS AND ON THE PORT AUTHORITY'S WEBSITE:

3 (1) THE AMOUNT OF REVENUE EXPECTED TO BE GENERATED FROM THE INCREASE
4 IN TOLLS OR FARES;

5 (2) A DETAILED EXPLANATION OF HOW THE REVENUES RAISED FROM THE
6 INCREASE IN TOLLS OR FARES IS EXPECTED TO BE SPENT; AND

7 (3) A WRITTEN EXPLANATION OF WHY THE INCREASE IN TOLLS OR FARES IS
8 NECESSARY.

9 (D) EACH HEARING SHALL BE ATTENDED BY AT LEAST THREE COMMISSIONERS
10 FROM NEW YORK AND THREE COMMISSIONERS FROM NEW JERSEY IN OFFICE AT THE
11 TIME OF THE HEARING.

12 (E) THE PORT AUTHORITY SHALL HOLD NO MORE THAN ONE PUBLIC HEARING IN A
13 SINGLE DAY, AND AT LEAST ONE-HALF OF THE PUBLIC HEARINGS SHALL BE SCHED-
14 ULED TO BEGIN AFTER 6LABOR P.M., EASTERN STANDARD TIME, ON A WEEKDAY.

15 S 3. PUBLIC PARTICIPATION. AT EACH PUBLIC MEETING OF THE BOARD AND AT
16 EACH PUBLIC MEETING OF EACH COMMITTEE, THE PUBLIC SHALL BE ALLOTTED A
17 PERIOD OF TIME, NOT LESS THAN 60 MINUTES, TO SPEAK ON ANY TOPIC ON THE
18 AGENDA. THE PUBLIC SPEAKING PERIOD SHALL TAKE PLACE PRIOR TO ANY BOARD
19 OR COMMITTEE ACTION.

20 S 4. AGENDAS AND RELATED DOCUMENTS. (A) THE PORT AUTHORITY SHALL MAKE
21 AVAILABLE TO THE PUBLIC MEETING AGENDAS AND PUBLIC DOCUMENTS PROVIDED TO
22 THE BOARD AT LEAST 72 HOURS BEFORE EACH MEETING OF THE BOARD AND EACH
23 MEETING OF EACH COMMITTEE. PUBLIC NOTICE OF THE TIME AND PLACE OF A
24 MEETING SHALL BE PROVIDED TO APPROPRIATE MEDIA OUTLETS, SHALL BE
25 CONSPICUOUSLY POSTED IN ONE OR MORE DESIGNATED AREAS AT LEAST 72 HOURS
26 BEFORE SUCH MEETING, AND SHALL BE CONSPICUOUSLY POSTED VIA THE PORT
27 AUTHORITY'S OFFICIAL INTERNET WEBSITE AT LEAST FIVE BUSINESS DAYS BEFORE
28 THE MEETING.

29 (B) THE PORT AUTHORITY SHALL MAKE AVAILABLE TO THE PUBLIC SUCH DOCU-
30 MENTS IN THE FOLLOWING MANNER: (1) THE AGENDA AND PUBLIC DOCUMENTS
31 PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE AVAILABLE FOR PUBLIC
32 INSPECTION AT AN OFFICE OF THE PORT AUTHORITY; AND (2) THE AGENDA AND
33 PUBLIC DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE
34 POSTED ON THE PORT AUTHORITY'S OFFICIAL INTERNET WEBSITE. IN ADDITION,
35 THE PORT AUTHORITY SHALL SEND VIA ELECTRONIC MAIL, THE AGENDA AND PUBLIC
36 DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING TO EACH MEMBER OF
37 THE NEW YORK STATE AND THE NEW JERSEY STATE LEGISLATURES.

38 S 5. THE PORT AUTHORITY SHALL ENSURE THAT EACH OF THE REQUIREMENTS SET
39 FORTH IN SECTION THREE OF THIS ARTICLE SHALL BE COMPLIED WITH BEFORE
40 PLACING ON THE MEETING AGENDA OF THE BOARD OF COMMISSIONERS ANY ITEM OR
41 MATTER RELATING TO AN INCREASE IN TOLLS, FEES OR OTHER CHARGES.

42 S 6. (A) THE PORT AUTHORITY AT THE REQUEST OF EITHER HOUSE OF THE
43 STATE LEGISLATURE SHALL BE REQUIRED TO APPEAR BEFORE A STANDING COMMIT-
44 TEE OF THE REQUESTING STATE LEGISLATURE TO PRESENT TESTIMONY ON ANY
45 TOPIC OR SUBJECT REQUESTED BY THE STANDING COMMITTEE OR TO RESPOND TO
46 QUESTIONS BY MEMBERS OF SUCH COMMITTEE.

47 (B) THE PORT AUTHORITY SHALL, AT A MINIMUM, BE REPRESENTED BY THE
48 CHAIR OR VICE-CHAIR OF THE BOARD, THE EXECUTIVE DIRECTOR OR DEPUTY EXEC-
49 UTIVE DIRECTOR, THE CHIEF FINANCIAL OFFICER, AND ANY STAFF DEEMED NECES-
50 SARY BY THE CHAIR OR VICE-CHAIR OF THE BOARD, THE EXECUTIVE DIRECTOR OR
51 DEPUTY EXECUTIVE DIRECTOR, OR THE CHIEF FINANCIAL OFFICER TO PRESENT
52 TESTIMONY OR RESPOND TO QUESTIONS AT ANY APPEARANCE REQUIRED PURSUANT TO
53 THIS SECTION. THE STANDING COMMITTEE MAY REQUEST THE APPEARANCE OF ANY
54 OFFICER OR EMPLOYEE OF THE PORT AUTHORITY.

55 S 7. BARRIER-FREE ACCESS. THE PORT AUTHORITY SHALL MAKE OR CAUSE TO BE
56 MADE ALL REASONABLE EFFORTS TO ENSURE THAT MEETINGS ARE HELD IN FACILI-

1 TIES THAT PERMIT BARRIER-FREE PHYSICAL ACCESS TO PEOPLE WITH DISABILI-
2 TIES. IF THE BOARD DETERMINES TO USE VIDEO CONFERENCING OR SIMILAR
3 TECHNOLOGY TO CONDUCT ITS MEETING, IT SHALL PROVIDE AN OPPORTUNITY FOR
4 THE PUBLIC TO ATTEND, LISTEN AND OBSERVE AT ANY SITE AT WHICH A COMMIS-
5 SIONER PARTICIPATES.

6 S 6. Sections 2 and 3 of article XV-A of section 1 of chapter 154 of
7 the laws of 1921, relating to the Port Authority of New York and New
8 Jersey, as added by chapter 275 of the laws of 1992, are amended and a
9 new section 4 is added to read as follows:

10 S 2. As used in this act:

11 a. "Board" means the board of commissioners of the Port Authority of
12 New York and New Jersey.

13 b. "COMMITTEE" OR "COMMITTEES" MEANS ANY STANDING COMMITTEE ESTAB-
14 LISHED BY THE BOARD, INCLUDING, BUT NOT LIMITED TO, THE AUDIT COMMITTEE,
15 GOVERNANCE COMMITTEE AND FINANCE COMMITTEE REQUIRED TO BE ESTABLISHED
16 PURSUANT TO SECTION 2 OF ARTICLE IV OF THIS ACT.

17 c. "Meeting" means any gathering, whether corporeal or by means of
18 communication equipment, which is attended by, or open to, the board,
19 held with the intent, on the part of the board members present, to
20 discuss or act as a unit upon the specific public business of the
21 authority. "Meeting" does not mean a gathering (1) attended by less than
22 an effective majority of the board, or (2) attended by or open to all
23 the members of three or more similar public bodies at a convention or
24 similar gathering.

25 d. "NEWS MEDIA" MEANS PERSONS REPRESENTING MAJOR WIRE SERVICES, TELE-
26 VISION NEWS SERVICES, RADIO NEWS SERVICES AND NEWSPAPERS, WHETHER
27 LOCATED IN THE STATES OF NEW YORK OR NEW JERSEY OR ANY OTHER STATE.

28 [c.] e. "Public business" mean matters which relate in any way,
29 directly or indirectly, to the performance of the functions of the port
30 authority of New York and New Jersey or the conduct of its business.

31 S 3. A. NOTWITHSTANDING THE PROVISION OF ANY OTHER LAW TO THE CONTRA-
32 RY, ALL MEETINGS OF THE BOARD ARE DECLARED TO BE PUBLIC MEETINGS AND
33 SHALL BE OPEN TO THE PUBLIC AND MEMBERS OF THE NEWS MEDIA, INDIVIDUALLY
34 AND COLLECTIVELY, FOR THE PURPOSE OF OBSERVING THE FULL DETAILS OF ALL
35 PHASES OF THE DELIBERATION, POLICY-MAKING, AND DECISION-MAKING OF THE
36 BOARD.

37 B. The board shall adopt [and promulgate], WITHIN SIX MONTHS OF THE
38 EFFECTIVE DATE OF THIS ACT, appropriate rules and regulations concerning
39 PROPER NOTICE TO THE PUBLIC AND THE NEWS MEDIA OF ITS MEETINGS AND the
40 right of the public AND THE NEWS MEDIA to be present at meetings of the
41 authority. THE RULES AND REGULATIONS ADOPTED PURSUANT TO THIS SECTION
42 SHALL PROVIDE FOR THE SAME NOTICE AND RIGHT OF THE PUBLIC AND NEWS MEDIA
43 TO BE PRESENT, AS WELL AS ANY OTHER RIGHTS AND DUTIES AS ARE PROVIDED IN
44 SECTIONS 3 AND 4 OF ARTICLE VII-C OF THIS ACT, AND SECTION 4 OF THIS
45 ARTICLE. The board may incorporate in its rules and regulations condi-
46 tions under which it may exclude the public from a meeting or a portion
47 thereof.

48 C. Any rules or regulations adopted hereunder shall become a part of
49 the minutes of the port authority of New York and New Jersey and shall
50 be subject to the approval of the governor of New Jersey and the gover-
51 nor of New York.

52 S 4. A. ALL MEETINGS OF THE PORT AUTHORITY SHALL BE OPEN TO THE PUBLIC
53 AT ALL TIMES. UPON A MAJORITY VOTE OF ITS TOTAL MEMBERSHIP, TAKEN IN AN
54 OPEN MEETING PURSUANT TO A MOTION IDENTIFYING THE GENERAL AREA OR AREAS
55 OF THE SUBJECT OR SUBJECTS TO BE CONSIDERED, THE BOARD OF COMMISSIONERS

1 MAY EXCLUDE THE PUBLIC ONLY FROM THAT PORTION OF A MEETING AT WHICH THE
2 BOARD OF COMMISSIONERS DISCUSSES:

3 (1) ANY MATTER FOR WHICH THE RELEASE OF INFORMATION WOULD IMPAIR A
4 RIGHT TO RECEIVE FUNDS FROM THE GOVERNMENT OF THE UNITED STATES OR OTHER
5 GRANTOR;

6 (2) ANY MATERIAL THE DISCLOSURE OF WHICH CONSTITUTE AN UNWARRANTED
7 INVASION OF INDIVIDUAL OR PERSONAL PRIVACY;

8 (3) ANY COLLECTIVE BARGAINING AGREEMENT, OR THE TERMS AND CONDITIONS
9 WHICH ARE PROPOSED FOR INCLUSION IN ANY COLLECTIVE BARGAINING AGREEMENT,
10 INCLUDING THE NEGOTIATION OF THE TERMS AND CONDITIONS THEREOF WITH
11 EMPLOYEES OR REPRESENTATIVES OF EMPLOYEES OF THE PORT AUTHORITY;

12 (4) ANY MATTER INVOLVING THE PURCHASE, LEASE, OR ACQUISITION OF REAL
13 PROPERTY WITH PORT AUTHORITY FUNDS, THE PROPOSED ACQUISITION OF SECURI-
14 TIES, THE SALE OR EXCHANGE OF SECURITIES HELD BY THE PORT AUTHORITY OR
15 INVESTMENT OF PORT AUTHORITY FUNDS, IF IT COULD ADVERSELY AFFECT THE
16 PUBLIC INTEREST IF DISCUSSION OF THE MATTER WAS DISCLOSED;

17 (5) ANY MATTER WHICH WOULD IMPERIL THE PUBLIC SAFETY IF DISCLOSED;

18 (6) ANY PENDING OR ANTICIPATED LITIGATION OR CONTRACT NEGOTIATION IN
19 WHICH THE PORT AUTHORITY IS, OR MAY BECOME, A PARTY, OR MATTERS FALLING
20 WITHIN THE ATTORNEY-CLIENT PRIVILEGE, TO THE EXTENT THAT CONFIDENTIALITY
21 IS REQUIRED IN ORDER FOR THE ATTORNEY TO EXERCISE THE ATTORNEY'S ETHICAL
22 DUTIES AS A LAWYER;

23 (7) ANY MATTER INVOLVING THE EMPLOYMENT, APPOINTMENT, TERMINATION OF
24 EMPLOYMENT, TERMS AND CONDITIONS OF EMPLOYMENT, EVALUATION OF THE
25 PERFORMANCE OF, PROMOTION, OR DISCIPLINING OF ANY SPECIFIC PROSPECTIVE
26 OFFICER OR EMPLOYEE OR CURRENT OFFICER OR EMPLOYEE EMPLOYED OR APPOINTED
27 BY THE PORT AUTHORITY, UNLESS ALL THE INDIVIDUAL EMPLOYEES OR APPOINTEES
28 WHOSE RIGHTS COULD BE ADVERSELY AFFECTED REQUEST IN WRITING THAT THE
29 MATTER OR MATTERS BE DISCUSSED AT A PUBLIC MEETING; OR

30 (8) ANY DELIBERATION OF THE PORT AUTHORITY OCCURRING AFTER A PUBLIC
31 HEARING THAT MAY RESULT IN THE IMPOSITION OF A SPECIFIC CIVIL PENALTY
32 UPON THE RESPONDING PARTY OR THE SUSPENSION OR LOSS OF A LICENSE OR
33 PERMIT BELONGING TO THE RESPONDING PARTY AS A RESULT OF AN ACT OR OMIS-
34 SION FOR WHICH THE RESPONDING PARTY BEARS RESPONSIBILITY.

35 B. THE PORT AUTHORITY SHALL KEEP REASONABLY COMPREHENSIBLE MINUTES OF
36 ALL ITS MEETINGS SHOWING THE TIME AND PLACE, THE MEMBERS PRESENT, THE
37 SUBJECTS CONSIDERED, THE ACTIONS TAKEN, THE VOTE OF EACH MEMBER WHICH
38 SHALL BE PROMPTLY AVAILABLE TO THE PUBLIC PURSUANT TO SUBDIVISION C OF
39 THIS SECTION TO THE EXTENT THAT MAKING THESE MATTERS PUBLIC SHALL NOT BE
40 INCONSISTENT WITH SUBDIVISION A OF THIS SECTION.

41 C. MINUTES OF EACH MEETING SHALL BE AVAILABLE TO THE PUBLIC WITHIN TWO
42 WEEKS FROM THE DATE OF SUCH MEETING.

43 D. THE MINUTES SHALL INDICATE FOR EACH ITEM ON THE AGENDA, THE VOTE OR
44 EACH BOARD MEMBER IN ATTENDANCE AT AN OPEN MEETING OR AN EXECUTIVE
45 SESSION OF THE BOARD OR A COMMITTEE OF THE BOARD. EACH ITEM ON THE AGEN-
46 DA SHALL BE VOTED ON SEPARATELY.

47 S 7. Paragraph (c) of subdivision 1 of section 73-a of the public
48 officers law is amended by adding a new subparagraph (iv) to read as
49 follows:

50 (IV) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III) OF THIS
51 PARAGRAPH TO THE CONTRARY, THE COMMISSIONERS OF THE PORT AUTHORITY OF
52 NEW YORK AND NEW JERSEY APPOINTED BY THE GOVERNOR OF THE STATE OF NEW
53 YORK; ALL OFFICERS OF SUCH PORT AUTHORITY; AND ANY EMPLOYEE OF SUCH PORT
54 AUTHORITY WHO HOLDS A POLICY-MAKING POSITION, AS DETERMINED BY SUCH PORT
55 AUTHORITY, OR WHOSE ANNUAL SALARY EQUALS OR EXCEEDS THE SALARY RATE OF
56 SG-24 AS SET FORTH IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION ONE

1 HUNDRED THIRTY OF THE CIVIL SERVICE LAW AS OF APRIL FIRST OF THE YEAR IN
2 WHICH AN ANNUAL FINANCIAL DISCLOSURE STATEMENT SHALL BE FILED.

3 S 8. 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 9. 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.