

3944--C

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, GUNTHER -- Multi-Sponsored by -- M. of A. ABBATE, ARROYO, BENEDETTO, BORELLI, COLTON, CRESPO, GALEF, GLICK, GOLDFEDER, GOTTFRIED, 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 -- again reported from said committee with amendments, 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. Article IV of section 1 of chapter 154 of the laws of 1921,
5 relating to the Port Authority of New York and New Jersey, as amended by
6 chapter 419 of the laws of 1930, is amended to read as follows:

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

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ARTICLE IV

S 1. COMMISSIONERS. The port authority shall consist of twelve commissioners, six resident voters from the state of New York, at least four of whom shall be resident voters of the city of New York, and six resident voters from the state of New Jersey, at least four of whom shall be resident voters within the New Jersey portion of the district, the New York members to be chosen by the state of New York and the New Jersey members by the state of New Jersey in the manner and for the terms fixed and determined from time to time by the legislature of each state respectively, except as herein provided. Each commissioner may be removed or suspended from office as provided by the law of the state from which he shall be appointed.

S 2. ROLE AND RESPONSIBILITIES OF COMMISSIONERS. A. COMMISSIONERS SHALL (1) EXECUTE DIRECT OVERSIGHT OF THE AUTHORITY'S CHIEF EXECUTIVE AND OTHER MANAGEMENT IN THE EFFECTIVE AND ETHICAL MANAGEMENT OF THE AUTHORITY; (2) UNDERSTAND, REVIEW AND MONITOR THE IMPLEMENTATION OF FUNDAMENTAL FINANCIAL AND MANAGEMENT CONTROLS AND OPERATIONAL DECISIONS OF THE AUTHORITY; (3) ESTABLISH POLICIES REGARDING THE PAYMENT OF SALARY, COMPENSATION AND REIMBURSEMENTS TO, AND ESTABLISH RULES FOR THE TIME AND ATTENDANCE OF, THE CHIEF EXECUTIVE AND MANAGEMENT; (4) ADOPT A CODE OF ETHICS APPLICABLE TO EACH OFFICER, DIRECTOR AND EMPLOYEE THAT, AT A MINIMUM, INCLUDES THE APPLICABLE STANDARDS ESTABLISHED IN THE ETHICS LAW OF BOTH STATES; (5) ESTABLISH WRITTEN POLICIES AND PROCEDURES ON PERSONNEL INCLUDING POLICIES PROTECTING EMPLOYEES FROM RETALIATION FOR DISCLOSING INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT, MALFEASANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD MEMBER OF THE AUTHORITY, INVESTMENTS, TRAVEL, THE ACQUISITION OF REAL PROPERTY AND THE DISPOSITION OF REAL AND PERSONAL PROPERTY AND THE PROCUREMENT OF GOODS AND SERVICES; AND (6) ADOPT A DEFENSE AND INDEMNIFICATION POLICY AND DISCLOSE SUCH PLAN TO ANY AND ALL PROSPECTIVE BOARD MEMBERS.

B. (1) THE COMMISSIONERS SHALL PERFORM EACH OF THEIR DUTIES AS BOARD MEMBERS, INCLUDING, BUT NOT LIMITED TO, THOSE IMPOSED BY THIS SECTION, IN GOOD FAITH AND WITH THAT DEGREE OF DILIGENCE, CARE AND SKILL WHICH AN ORDINARILY PRUDENT PERSON IN LIKE POSITION WOULD USE UNDER SIMILAR CIRCUMSTANCES, AND MAY TAKE INTO CONSIDERATION THE VIEWS AND POLICIES OF ANY ELECTED OFFICIAL OR BODY, OR OTHER PERSON AND ULTIMATELY APPLY INDEPENDENT JUDGMENT IN THE BEST INTEREST OF THE PORT AUTHORITY, ITS MISSION 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 SIX MONTHS OF APPOINTMENT TO THE AUTHORITY. 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 CONSTITUTE 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 TO AUDIT THE PORT 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 GOVER-

1 NANCE COMMITTEE TO KEEP THE BOARD INFORMED OF CURRENT BEST GOVERNANCE
2 PRACTICES; TO REVIEW CORPORATE GOVERNANCE TRENDS; TO RECOMMEND UPDATES
3 TO THE AUTHORITY'S CORPORATE GOVERNANCE PRINCIPLES; TO ADVISE THE PORT
4 AUTHORITY ON THE SKILLS AND EXPERIENCES REQUIRED OF POTENTIAL BOARD
5 MEMBERS; TO EXAMINE ETHICAL AND CONFLICT OF INTEREST ISSUES; TO PERFORM
6 BOARD SELF-EVALUATIONS; AND TO RECOMMEND BY-LAWS WHICH INCLUDE RULES AND
7 PROCEDURES FOR CONDUCT OF BOARD BUSINESS.

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

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

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

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

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

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

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

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

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

56 (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 3. 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 4. 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, AWARDING, 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

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

18 (2) THE PORT AUTHORITY SHALL:

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

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

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

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

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

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

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

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

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

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

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

7 S 3. ANNUAL REPORT. A. THE PORT AUTHORITY SHALL SUBMIT TO THE GOVER-
8 NOR, THE STATE COMPTROLLER AND THE LEGISLATURE OF EACH STATE, WITHIN
9 NINETY DAYS AFTER THE END OF ITS FISCAL YEAR, A COMPLETE AND DETAILED
10 REPORT OR REPORTS SETTING FORTH: (1) ITS OPERATIONS AND ACCOMPLISHMENTS;
11 (2) ITS FINANCIAL REPORTS CERTIFIED BY THE CHAIR AND VICE-CHAIR OF THE
12 BOARD; AND THE EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE DIRECTOR AND CHIEF
13 FINANCIAL OFFICER OF THE PORT AUTHORITY, INCLUDING (A) AUDITED FINAN-
14 CIALS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, KNOWN
15 AS GAAP, AND THE ACCOUNTING STANDARDS ISSUED BY THE GOVERNMENTAL
16 ACCOUNTING STANDARDS BOARD, KNOWN AS GASB, (B) GRANT AND SUBSIDY
17 PROGRAMS, (C) OPERATING AND FINANCIAL RISKS, (D) CURRENT RATINGS, IF
18 ANY, OF ITS BONDS ISSUED BY RECOGNIZED BOND RATING AGENCIES AND NOTICE
19 OF CHANGES IN SUCH RATINGS, AND (E) LONG-TERM LIABILITIES, INCLUDING
20 LEASES AND EMPLOYEE BENEFIT PLANS; (3) A SCHEDULE OF ITS BONDS AND NOTES
21 OUTSTANDING AT THE END OF ITS FISCAL YEAR, TOGETHER WITH A STATEMENT OF
22 THE AMOUNTS REDEEMED AND INCURRED DURING SUCH FISCAL YEAR AS PART OF A
23 SCHEDULE OF DEBT ISSUANCE THAT INCLUDES THE DATE OF ISSUANCE, TERM,
24 AMOUNT, INTEREST RATE AND MEANS OF REPAYMENT. ADDITIONALLY, THE DEBT
25 SCHEDULE SHALL INCLUDE ALL REFINANCINGS, CALLS, REFUNDINGS, DEFEASEMENTS
26 AND INTEREST RATE EXCHANGE OR OTHER SUCH AGREEMENTS, AND FOR ANY DEBT
27 ISSUED DURING THE REPORTING YEAR, THE SCHEDULE SHALL ALSO INCLUDE A
28 DETAILED LIST OF COSTS OF ISSUANCE FOR SUCH DEBT; (4) A COMPENSATION
29 SCHEDULE THAT SHALL INCLUDE, BY POSITION, TITLE AND NAME OF THE PERSON
30 HOLDING SUCH POSITION OR TITLE, THE SALARY, COMPENSATION, ALLOWANCE
31 AND/OR BENEFITS PROVIDED TO ANY OFFICER, DIRECTOR OR EMPLOYEE IN A DECI-
32 SION MAKING OR MANAGERIAL POSITION OF SUCH AUTHORITY WHOSE SALARY IS IN
33 EXCESS OF ONE HUNDRED THOUSAND DOLLARS; (5) BIOGRAPHICAL INFORMATION,
34 NOT INCLUDING CONFIDENTIAL PERSONAL INFORMATION, FOR ALL DIRECTORS AND
35 OFFICERS AND EMPLOYEES FOR WHOM SALARY REPORTING IS REQUIRED; (6) THE
36 PROJECTS UNDERTAKEN BY SUCH AUTHORITY DURING THE PAST YEAR; (7) A LIST-
37 ING AND DESCRIPTION, IN ADDITION TO THE REPORT REQUIRED BY SUBPARAGRAPH
38 (C) OF PARAGRAPH TWO OF SUBDIVISION B OF SECTION TWO OF THIS ARTICLE, OF
39 ALL REAL PROPERTY OF THE AUTHORITY HAVING AN ESTIMATED FAIR MARKET VALUE
40 IN EXCESS OF FIFTEEN THOUSAND DOLLARS THAT THE AUTHORITY ACQUIRES OR
41 DISPOSES OF DURING SUCH PERIOD. THE REPORT SHALL CONTAIN THE PRICE
42 RECEIVED OR PAID BY THE AUTHORITY AND THE NAME OF THE PURCHASER OR SELL-
43 ER FOR ALL SUCH PROPERTY SOLD OR BOUGHT BY THE AUTHORITY DURING SUCH
44 PERIOD; (8) SUCH AUTHORITY'S CODE OF ETHICS; (9) AN ASSESSMENT OF THE
45 EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES; (10) A
46 DESCRIPTION OF THE AUTHORITY AND ITS BOARD STRUCTURE, INCLUDING (A)
47 NAMES OF COMMITTEES AND COMMITTEE MEMBERS, (B) LISTS OF BOARD MEETINGS
48 AND ATTENDANCE, (C) DESCRIPTIONS OF MAJOR AUTHORITY UNITS, SUBSIDIARIES,
49 AND (D) NUMBER OF EMPLOYEES; (11) ITS CHARTER, IF ANY, AND BY-LAWS; (12)
50 A LISTING OF MATERIAL CHANGES IN OPERATIONS AND PROGRAMS DURING THE
51 REPORTING YEAR; (13) AT A MINIMUM A FOUR-YEAR FINANCIAL PLAN, INCLUDING
52 (A) A CURRENT AND PROJECTED CAPITAL BUDGET, AND (B) AN OPERATING BUDGET
53 REPORT, INCLUDING AN ACTUAL VERSUS ESTIMATED BUDGET, WITH AN ANALYSIS
54 AND MEASUREMENT OF FINANCIAL AND OPERATING PERFORMANCE; (14) ITS BOARD
55 PERFORMANCE EVALUATIONS; PROVIDED, HOWEVER, THAT SUCH EVALUATIONS SHALL
56 NOT BE SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF INFORMATION LAWS OF

1 EACH STATE; (15) A DESCRIPTION OF THE TOTAL AMOUNTS OF ASSETS, SERVICES
2 OR BOTH ASSETS AND SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING,
3 INCLUDING (A) THE NATURE OF THOSE ASSETS AND SERVICES, (B) THE NAMES OF
4 THE COUNTERPARTIES, AND (C) WHERE THE CONTRACT PRICE FOR ASSETS
5 PURCHASED EXCEEDS FAIR MARKET VALUE, OR WHERE THE CONTRACT PRICE FOR
6 ASSETS SOLD IS LESS THAN FAIR MARKET VALUE, A DETAILED EXPLANATION OF
7 THE JUSTIFICATION FOR MAKING THE PURCHASE OR SALE WITHOUT COMPETITIVE
8 BIDDING, AND A CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF
9 FINANCIAL OFFICER OF THE PORT AUTHORITY THAT THEY HAVE REVIEWED THE
10 TERMS OF SUCH PURCHASE OR SALE AND DETERMINED THAT IT COMPLIES WITH
11 APPLICABLE LAW AND PROCUREMENT GUIDELINES; AND (16) A DESCRIPTION OF ANY
12 MATERIAL PENDING LITIGATION IN WHICH THE PORT AUTHORITY IS INVOLVED AS A
13 PARTY DURING THE REPORTING YEAR.

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

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

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

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

52 C. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE
53 CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PROVIDING SUCH AUTHORITY'S
54 ANNUAL INDEPENDENT AUDIT WILL BE PROHIBITED IN PROVIDING AUDIT SERVICES
55 TO THE AUTHORITY IF THE LEAD OR COORDINATING AUDIT PARTNER HAVING PRIMA-
56 RY RESPONSIBILITY FOR THE AUDIT, OR THE AUDIT PARTNER RESPONSIBLE FOR

1 REVIEWING THE AUDIT, HAS PERFORMED AUDIT SERVICES FOR THAT ISSUER IN
2 EACH OF THE FIVE PREVIOUS FISCAL YEARS OF SUCH AUTHORITY.

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

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

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

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

28 (1) "ATTORNEY GENERAL" SHALL MEAN THE ATTORNEY GENERAL OF THE STATE OF
29 NEW YORK AND THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY.

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

33 (3) "INSPECTOR GENERAL" SHALL MEAN THE INSPECTOR GENERAL OF THE PORT
34 AUTHORITY.

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

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

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

47 (2) ESTABLISHING TOLL-FREE TELEPHONE AND FACSIMILE LINES AVAILABLE TO
48 EMPLOYEES;

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

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

53 C. ANY COMMUNICATIONS BETWEEN AN EMPLOYEE AND THE INSPECTOR GENERAL
54 PURSUANT TO THIS SECTION SHALL BE HELD STRICTLY CONFIDENTIAL BY THE
55 INSPECTOR GENERAL, UNLESS THE EMPLOYEE SPECIFICALLY WAIVES IN WRITING
56 THE RIGHT TO CONFIDENTIALITY, EXCEPT THAT SUCH CONFIDENTIALITY SHALL NOT

1 EXEMPT THE INSPECTOR GENERAL FROM DISCLOSING SUCH INFORMATION, WHERE
2 APPROPRIATE, TO ANY LAW ENFORCEMENT AUTHORITY.

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

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

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

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

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

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

15 (C) THE AUTHORIZATION, APPROVAL OR AWARD OF ANY AGREEMENTS, CONTRACTS
16 OR PURCHASE ORDERS, INCLUDING ANY SETTLEMENT OF PORT AUTHORITY CLAIMS;
17 OR ANY EXTENSION, AMENDMENT OR MODIFICATION OF ANY EXISTING AGREEMENT,
18 CONTRACT OR ORDER.

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

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

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

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

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

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

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

50 B. FUNCTIONS AND DUTIES. THE INSPECTOR GENERAL SHALL HAVE THE FOLLOW-
51 ING DUTIES AND RESPONSIBILITIES:

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

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

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

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

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

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

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

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

(1) SUBPOENA AND ENFORCE THE ATTENDANCE OF WITNESSES;

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

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

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

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

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

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

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

S 8. REPORTING OF 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.

E. ON OR BEFORE THE FIRST DAY OF JANUARY, TWO THOUSAND FIFTEEN, 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, THE COMMISSIONERS, OFFICERS, AND EMPLOYEES OF THE

1 PORT AUTHORITY SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS AS
2 PROVIDED IN THIS SECTION.

3 2. (A) THE COMMISSIONERS APPOINTED BY THE GOVERNOR FROM THE STATE OF
4 NEW YORK SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS PURSUANT TO
5 SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS LAW.

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

14 (C) ANY PERSON WHO IS REQUIRED TO FILE ANNUAL DISCLOSURE STATEMENTS
15 PURSUANT TO THIS PARAGRAPH AND PARAGRAPH (B) OF THIS SUBDIVISION SHALL
16 BE SUBJECT TO THE PROVISIONS, INCLUDING THE ENFORCEMENT PROVISIONS, OF
17 SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS LAW.

18 (D) THE COMMISSIONERS APPOINTED BY THE GOVERNOR FROM THE STATE OF NEW
19 JERSEY SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS AS REQUIRED BY
20 NEW JERSEY STATE LAW OR EXECUTIVE ORDER.

21 S 11. THE PORT AUTHORITY SHALL REQUIRE AN EFFICIENCY STUDY TO BE
22 CONDUCTED BY AN OUTSIDE, INDEPENDENT EFFICIENCY EXPERT TO IDENTIFY WASTE
23 OR ABUSE INVOLVING THE AUTHORITY. THE INITIAL STUDY SHALL BE COMPLETED
24 WITHIN TWELVE MONTHS OF THE EFFECTIVE DATE OF THIS ACT, AND MADE PUBLIC
25 AT THE FIRST PUBLIC MEETING OF THE BOARD OF COMMISSIONERS FOLLOWING THE
26 COMPLETION OF THE INITIAL STUDY. SUBSEQUENT STUDIES SHALL BE COMPLETED
27 AND MADE AVAILABLE TO THE PUBLIC EVERY TWO YEARS THEREAFTER. A COPY OF
28 EACH STUDY CONDUCTED SHALL BE SUBMITTED TO THE PORT AUTHORITY'S OFFICE
29 OF INSPECTOR GENERAL.

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

32 (A) "GAAP" MEANS THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ESTAB-
33 LISHED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD.

34 (B) "MAJOR CAPITAL PROJECT" MEANS AN UNDERTAKING OR PROGRAM FOR THE
35 ACQUISITION, CREATION, OR DEVELOPMENT OF ANY CROSSING, TRANSPORTATION
36 FACILITY, TERMINAL FACILITY, OR COMMERCE FACILITY OR ANY PART THEREOF,
37 WITH AN ESTIMATED TOTAL PROJECT COST IN EXCESS OF \$500,000,000.

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

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

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

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

54 (B) THE CAPITAL STRATEGY PLAN SHALL SPECIFY THE PROJECTS TO BE INITI-
55 ATED AND THE EXPECTED COST OF THOSE PROJECTS. THE COMMITMENT PLANS SHALL

1 INCLUDE A FINANCING PLAN THAT IDENTIFIES THE SOURCE OF FUNDING FOR EACH
2 PROJECT.

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

8 4. THE PORT AUTHORITY SHALL ALSO PROVIDE THAT MAJOR CAPITAL PROJECTS
9 ARE MONITORED BY INDEPENDENT ENGINEERING CONSULTANTS. THE INDEPENDENT
10 CONSULTANTS SHALL PREPARE QUARTERLY REPORTS TO BE PROVIDED TO THE BOARD
11 AND TO THE PUBLIC. THE QUARTERLY REPORTS PREPARED BY INDEPENDENT
12 CONSULTANTS SHALL INCLUDE, BUT NOT BE LIMITED TO, A COMPARISON OF ACTUAL
13 AND TARGET PERFORMANCE MEASURES INCLUDING, BUT NOT LIMITED TO, COSTS AND
14 CONSTRUCTION SCHEDULES, AND A NARRATIVE EXPLANATION OF ANY DISCREPANCY
15 THEREOF.

16 ARTICLE VII-C

17 S 1. NEEDS ASSESSMENT. THE PORT AUTHORITY SHALL REQUIRE THAT A NEEDS
18 ASSESSMENT BE CONDUCTED BY AN INDEPENDENT ENTITY PRIOR TO ANY INCREASE
19 IN FEES, TOLLS, CHARGES OR FARES. THE ASSESSMENT SHALL BE PRESENTED BY
20 THE INDEPENDENT ENTITY TO THE BOARD OF COMMISSIONERS AT A PUBLIC MEETING
21 TO BE HELD AT LEAST 120 DAYS PRIOR TO ANY MEETING OF THE COMMISSIONERS
22 TO VOTE TO INCREASE ANY FEES, TOLLS, CHARGES OR FARES.

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

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

35 (C) AT LEAST 72 HOURS BEFORE ANY HEARING HELD PURSUANT TO THIS
36 SECTION, THE PORT AUTHORITY SHALL MAKE AVAILABLE TO THE PUBLIC BY
37 CONSPICUOUSLY POSTING, AT A MINIMUM, THE FOLLOWING INFORMATION IN ONE OR
38 MORE DESIGNATED AREAS AND ON THE PORT AUTHORITY'S OFFICIAL INTERNET
39 WEBSITE:

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

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

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

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

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

52 S 3. PUBLIC PARTICIPATION. AT EACH PUBLIC MEETING OF THE BOARD AND AT
53 EACH PUBLIC MEETING OF EACH COMMITTEE, THE PUBLIC SHALL BE ALLOTTED A
54 PERIOD OF TIME, NOT LESS THAN 60 MINUTES, TO SPEAK ON ANY TOPIC ON THE
55 AGENDA. THE PUBLIC SPEAKING PERIOD SHALL TAKE PLACE PRIOR TO ANY BOARD
56 OR COMMITTEE ACTION.

1 S 4. AGENDAS AND RELATED DOCUMENTS. (A) THE PORT AUTHORITY SHALL MAKE
2 AVAILABLE TO THE PUBLIC MEETING AGENDAS AT LEAST 72 HOURS BEFORE EACH
3 MEETING OF THE BOARD AND EACH MEETING OF EACH COMMITTEE. PUBLIC NOTICE
4 OF THE TIME AND PLACE OF A MEETING SHALL BE PROVIDED TO APPROPRIATE
5 MEDIA OUTLETS, SHALL BE CONSPICUOUSLY POSTED IN ONE OR MORE DESIGNATED
6 AREAS AT LEAST 72 HOURS BEFORE SUCH MEETING, AND SHALL BE CONSPICUOUSLY
7 POSTED VIA THE PORT AUTHORITY'S OFFICIAL INTERNET WEBSITE AT LEAST FIVE
8 BUSINESS DAYS BEFORE THE MEETING.

9 (B) THE PORT AUTHORITY SHALL MAKE AVAILABLE TO THE PUBLIC SUCH DOCU-
10 MENTS IN THE FOLLOWING MANNER: (1) THE AGENDA AND PUBLIC DOCUMENTS
11 PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE AVAILABLE FOR PUBLIC
12 INSPECTION AT AN OFFICE OF THE PORT AUTHORITY; AND (2) THE AGENDA AND
13 PUBLIC DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE
14 POSTED ON THE PORT AUTHORITY'S OFFICIAL INTERNET WEBSITE. IN ADDITION,
15 THE PORT AUTHORITY SHALL SEND VIA ELECTRONIC MAIL, THE AGENDA AND PUBLIC
16 DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING TO EACH MEMBER OF
17 THE NEW YORK STATE AND THE NEW JERSEY STATE LEGISLATURES.

18 S 5. THE PORT AUTHORITY SHALL ENSURE THAT EACH OF THE REQUIREMENTS SET
19 FORTH IN SECTIONS TWO AND THREE OF THIS ARTICLE SHALL BE COMPLIED WITH
20 BEFORE PLACING ON THE MEETING AGENDA OF THE BOARD OF COMMISSIONERS ANY
21 ITEM OR MATTER RELATING TO AN INCREASE IN TOLLS, FEES OR OTHER CHARGES.

22 S 6. (A) THE PORT AUTHORITY AT THE REQUEST OF EITHER HOUSE OF THE
23 STATE LEGISLATURE SHALL BE REQUIRED TO APPEAR BEFORE A COMMITTEE OF THE
24 REQUESTING STATE LEGISLATURE TO PRESENT TESTIMONY ON ANY TOPIC OR
25 SUBJECT REQUESTED BY THE COMMITTEE OR TO RESPOND TO QUESTIONS BY MEMBERS
26 OF SUCH COMMITTEE.

27 (B) THE PORT AUTHORITY SHALL, AT A MINIMUM, BE REPRESENTED BY THE
28 CHAIR OR VICE-CHAIR OF THE BOARD, THE EXECUTIVE DIRECTOR OR DEPUTY EXEC-
29 UTIVE DIRECTOR, THE CHIEF FINANCIAL OFFICER, AND ANY STAFF DEEMED NECES-
30 SARY BY THE CHAIR OR VICE-CHAIR OF THE BOARD, THE EXECUTIVE DIRECTOR OR
31 DEPUTY EXECUTIVE DIRECTOR, OR THE CHIEF FINANCIAL OFFICER TO PRESENT
32 TESTIMONY OR RESPOND TO QUESTIONS AT ANY APPEARANCE REQUIRED PURSUANT TO
33 THIS SECTION. THE COMMITTEE MAY REQUEST THE APPEARANCE OF ANY OFFICER OR
34 EMPLOYEE OF THE PORT AUTHORITY.

35 S 7. BARRIER-FREE ACCESS. THE PORT AUTHORITY SHALL MAKE OR CAUSE TO BE
36 MADE ALL REASONABLE EFFORTS TO ENSURE THAT MEETINGS ARE HELD IN FACILI-
37 TIES THAT PERMIT BARRIER-FREE PHYSICAL ACCESS TO PEOPLE WITH DISABILI-
38 TIES. IF THE BOARD DETERMINES TO USE VIDEO CONFERENCING OR SIMILAR
39 TECHNOLOGY TO CONDUCT ITS MEETING, IT SHALL PROVIDE AN OPPORTUNITY FOR
40 THE PUBLIC TO ATTEND, LISTEN AND OBSERVE AT ANY SITE AT WHICH A COMMIS-
41 SIONER PARTICIPATES.

42 S 5. Sections 2 and 3 of article XV-A of section 1 of chapter 154 of
43 the laws of 1921, relating to the Port Authority of New York and New
44 Jersey, as added by chapter 275 of the laws of 1992, are amended and a
45 new section 4 is added to read as follows:

46 S 2. As used in this act:

47 a. "Board" means the board of commissioners of the Port Authority of
48 New York and New Jersey.

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

53 c. "Meeting" means any gathering, whether corporeal or by means of
54 communication equipment, which is attended by, or open to, the board,
55 held with the intent, on the part of the board members present, to
56 discuss or act as a unit upon the specific public business of the

1 authority. "Meeting" does not mean a gathering (1) attended by less than
2 an effective majority of the board, or (2) attended by or open to all
3 the members of three or more similar public bodies at a convention or
4 similar gathering.

5 D. "NEWS MEDIA" MEANS PERSONS REPRESENTING MAJOR WIRE SERVICES, TELE-
6 VISION NEWS SERVICES, RADIO NEWS SERVICES AND NEWSPAPERS, WHETHER
7 LOCATED IN THE STATES OF NEW YORK OR NEW JERSEY OR ANY OTHER STATE.

8 [c.] E. "Public business" mean matters which relate in any way,
9 directly or indirectly, to the performance of the functions of the port
10 authority of New York and New Jersey or the conduct of its business.

11 S 3. A. NOTWITHSTANDING THE PROVISION OF ANY OTHER LAW TO THE CONTRA-
12 RY, ALL MEETINGS OF THE BOARD ARE DECLARED TO BE PUBLIC MEETINGS AND
13 SHALL BE OPEN TO THE PUBLIC AND MEMBERS OF THE NEWS MEDIA, INDIVIDUALLY
14 AND COLLECTIVELY, FOR THE PURPOSE OF OBSERVING THE FULL DETAILS OF ALL
15 PHASES OF THE DELIBERATION, POLICY-MAKING, AND DECISION-MAKING OF THE
16 BOARD.

17 B. The board shall adopt [and promulgate], WITHIN SIX MONTHS OF THE
18 EFFECTIVE DATE OF THIS ACT, appropriate rules and regulations concerning
19 PROPER NOTICE TO THE PUBLIC AND THE NEWS MEDIA OF ITS MEETINGS AND the
20 right of the public AND THE NEWS MEDIA to be present at meetings of the
21 authority. THE RULES AND REGULATIONS ADOPTED PURSUANT TO THIS SECTION
22 SHALL PROVIDE FOR THE SAME NOTICE AND RIGHT OF THE PUBLIC AND NEWS MEDIA
23 TO BE PRESENT, AS WELL AS ANY OTHER RIGHTS AND DUTIES AS ARE PROVIDED IN
24 SECTIONS 3 AND 4 OF ARTICLE VII-C OF THIS ACT, AND SECTION 4 OF THIS
25 ARTICLE. The board may incorporate in its rules and regulations condi-
26 tions under which it may exclude the public from a meeting or a portion
27 thereof.

28 C. Any rules or regulations adopted hereunder shall become a part of
29 the minutes of the port authority of New York and New Jersey and shall
30 be subject to the approval of the governor of New Jersey and the gover-
31 nor of New York.

32 S 4. A. ALL MEETINGS OF THE PORT AUTHORITY SHALL BE OPEN TO THE PUBLIC
33 AT ALL TIMES. UPON A MAJORITY VOTE OF ITS TOTAL MEMBERSHIP, TAKEN IN AN
34 OPEN MEETING PURSUANT TO A MOTION IDENTIFYING THE GENERAL AREA OR AREAS
35 OF THE SUBJECT OR SUBJECTS TO BE CONSIDERED, THE BOARD OF COMMISSIONERS
36 MAY EXCLUDE THE PUBLIC ONLY FROM THAT PORTION OF A MEETING AT WHICH THE
37 BOARD OF COMMISSIONERS DISCUSSES:

38 (1) ANY MATTER FOR WHICH THE RELEASE OF INFORMATION WOULD IMPAIR A
39 RIGHT TO RECEIVE FUNDS FROM THE GOVERNMENT OF THE UNITED STATES;

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

42 (3) ANY COLLECTIVE BARGAINING AGREEMENT, OR THE TERMS AND CONDITIONS
43 WHICH ARE PROPOSED FOR INCLUSION IN ANY COLLECTIVE BARGAINING AGREEMENT,
44 INCLUDING THE NEGOTIATION OF THE TERMS AND CONDITIONS THEREOF WITH
45 EMPLOYEES OR REPRESENTATIVES OF EMPLOYEES OF THE PORT AUTHORITY;

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

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

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

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

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

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

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

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

S 6. Paragraph (c) of subdivision 1 of section 73-a of the public officers law is amended by adding a new subparagraph (iv) to read as follows:

(IV) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III) OF THIS PARAGRAPH TO THE CONTRARY, THE COMMISSIONERS OF THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY APPOINTED BY THE GOVERNOR OF THE STATE OF NEW YORK; ALL OFFICERS OF SUCH PORT AUTHORITY; AND ANY EMPLOYEE OF SUCH PORT AUTHORITY WHO HOLDS A POLICY-MAKING POSITION, AS DETERMINED BY SUCH PORT AUTHORITY, 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.

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

S 8. This act shall take effect upon the enactment into law by the state of New Jersey of legislation having an identical effect with this act, but if the state of New Jersey shall have already enacted such legislation this act shall take effect immediately. The chairman of the port authority shall notify the legislative bill drafting commission upon the enactment into law of such legislation by both such states in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effecting the provision of section 44 of the legislative law and section 70-b of the public officers law.