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

7094

I N S E N A T E

April 25, 2014

Introduced by Sens. GOLDEN, RANZENHOFER -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

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

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

Section 1. Legislative findings. The legislature finds and declares that:

In 2005 and 2009, the state of New York enacted comprehensive legislation to improve the practices of, and increase oversight over, the state's public authorities. As entities that are mostly publicly funded and are created to provide an important public service or good, it was important to increase and enhance the accountability and transparency of the public authorities.

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

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

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

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

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

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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]. THE GOVERNOR OF EACH STATE SHALL APPOINT THE MEMBERS FROM HIS OR HER STATE, BY AND WITH THE ADVICE AND CONSENT OF THE STATE SENATE THEREOF. COMMISSIONERS SHALL SERVE FOR OVERLAPPING SIX-YEAR TERMS, WITHOUT SALARY OR OTHER COMPENSATION, BUT SHALL BE REIMBURSED FOR ALL ACTUAL AND NECESSARY EXPENSES INCURRED IN THE DISCHARGE OF THEIR OFFICIAL DUTIES. 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; (6) ADOPT A DEFENSE AND INDEMNIFICATION POLICY AND DISCLOSE SUCH PLAN TO ANY AND ALL PROSPECTIVE BOARD MEMBERS; (7) 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 AUTHORITY, ITS MISSION AND THE PUBLIC; (8) AT THE TIME THAT EACH MEMBER TAKES AND SUBSCRIBES HIS OR HER OATH OF OFFICE, OR WITHIN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH IF THE MEMBER HAS ALREADY TAKEN AND SUBSCRIBED HIS OR HER OATH OF OFFICE, EXECUTE AN ACKNOWLEDGMENT, IN A FORM CONSISTENT WITH THE ONE PRESCRIBED BY THE NEW YORK INDEPENDENT AUTHORITIES BUDGET OFFICE ESTABLISHED PURSUANT TO TITLE TWO OF ARTICLE ONE OF THE PUBLIC AUTHORITIES LAW IN WHICH THE BOARD MEMBER ACKNOWLEDGES THAT HE OR SHE UNDERSTANDS HIS OR HER ROLE, AND FIDUCIARY RESPONSIBILITIES AS SET FORTH IN PARAGRAPH SEVEN OF THIS SUBDIVISION, AND ACKNOWLEDGES THAT HE OR SHE UNDERSTANDS HIS OR HER DUTY OF LOYALTY AND CARE TO THE ORGANIZATION AND COMMITMENT TO THE AUTHORITY'S MISSION AND THE PUBLIC INTEREST.

B. INDIVIDUALS APPOINTED TO THE BOARD OF COMMISSIONERS SHALL PARTICIPATE IN TRAINING APPROVED BY THE INSPECTOR GENERAL 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 SUCH 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.

C. 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.

D. THE 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 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.

E. (1) THE 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 APPOINTING AUTHORITIES ON THE SKILLS AND EXPERIENCES REQUIRED OF POTENTIAL BOARD MEMBERS; TO EXAMINE ETHICAL AND CONFLICT OF INTEREST ISSUES; TO PERFORM BOARD SELF-EVALUATIONS; AND TO RECOMMEND BY-LAWS WHICH INCLUDE RULES AND PROCEDURES FOR CONDUCT OF BOARD BUSINESS.

(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.

F. THE 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.

G. 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 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 AUTHORITY OR RECEIVED ANY OTHER FORM OF FINANCIAL ASSISTANCE VALUED AT MORE THAN FIFTEEN THOUSAND DOLLARS FROM THE AUTHORITY;

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

H. 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 AUTHORITY.

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 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 STATE, PRICE AND OTHER FACTORS CONSIDERED; PROVIDED, THAT ALL BIDS MAY BE REJECTED WHEN IT IS IN THE PUBLIC INTEREST TO DO SO.

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

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

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

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

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

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

(VI) SUCH ACTION IS OTHERWISE AUTHORIZED BY LAW.

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

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

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

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

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

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

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

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

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

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

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

(I) A FULL DESCRIPTION OF THE ASSET;

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

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

(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, INCLUDING (A) AUDITED FINANCIALS IN ACCORDANCE WITH ALL APPLICABLE REGULATIONS AND FOLLOWING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, (B) GRANT AND SUBSIDY PROGRAMS, (C) OPERATING AND FINANCIAL RISKS, (D) CURRENT RATINGS, IF ANY, OF ITS BONDS ISSUED BY RECOGNIZED BOND RATING AGENCIES AND NOTICE OF CHANGES IN SUCH RATINGS, AND (E) LONG-TERM LIABILITIES, INCLUDING LEASES AND EMPLOYEE BENEFIT PLANS; (3) A SCHEDULE OF ITS BONDS AND NOTES OUTSTANDING AT THE END OF ITS FISCAL YEAR, TOGETHER WITH A STATEMENT OF THE AMOUNTS REDEEMED AND INCURRED DURING SUCH FISCAL YEAR AS PART OF A SCHEDULE OF DEBT ISSUANCE THAT INCLUDES THE DATE OF ISSUANCE, TERM, AMOUNT, INTEREST RATE AND MEANS OF REPAYMENT. ADDITIONALLY, THE DEBT SCHEDULE SHALL ALSO INCLUDE ALL REFINANCINGS, CALLS, REFUNDINGS, DEFEASEMENTS AND INTEREST RATE EXCHANGE OR OTHER SUCH AGREEMENTS, AND FOR ANY DEBT ISSUED DURING THE REPORTING YEAR, THE SCHEDULE SHALL ALSO INCLUDE A DETAILED LIST OF COSTS OF ISSUANCE FOR SUCH DEBT; (4) A COMPENSATION SCHEDULE THAT SHALL INCLUDE, BY POSITION, TITLE AND NAME OF THE PERSON HOLDING SUCH POSITION OR TITLE, THE SALARY, COMPENSATION, ALLOWANCE AND/OR BENEFITS PROVIDED TO ANY OFFICER, DIRECTOR OR EMPLOYEE IN A DECISION MAKING OR MANAGERIAL POSITION OF SUCH AUTHORITY WHOSE SALARY IS IN EXCESS OF ONE HUNDRED THOUSAND DOLLARS; (5) BIOGRAPHICAL INFORMATION, NOT INCLUDING CONFIDENTIAL PERSONAL INFORMATION, FOR ALL DIRECTORS AND OFFICERS AND EMPLOYEES FOR WHOM SALARY REPORTING IS REQUIRED; (6) THE PROJECTS UNDERTAKEN BY SUCH AUTHORITY DURING THE PAST YEAR; (7) A LISTING AND DESCRIPTION, IN ADDITION TO THE REPORT REQUIRED BY SUBPARAGRAPH (C) OF PARAGRAPH TWO OF SUBDIVISION B OF SECTION TWO OF THIS ARTICLE, OF ALL REAL PROPERTY OF THE AUTHORITY HAVING AN ESTIMATED FAIR MARKET VALUE IN EXCESS OF FIFTEEN THOUSAND DOLLARS THAT THE AUTHORITY ACQUIRES OR DISPOSES OF DURING SUCH PERIOD. THE REPORT SHALL CONTAIN THE PRICE RECEIVED OR PAID BY THE AUTHORITY AND THE NAME OF THE PURCHASER OR SELLER FOR ALL SUCH PROPERTY SOLD OR BOUGHT BY THE AUTHORITY DURING SUCH PERIOD; (8) SUCH AUTHORITY'S CODE OF ETHICS; (9) AN ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES; (10) A DESCRIPTION OF THE AUTHORITY AND ITS BOARD STRUCTURE, INCLUDING (A) NAMES OF COMMITTEES AND COMMITTEE MEMBERS, (B) LISTS OF BOARD MEETINGS AND ATTENDANCE, (C) DESCRIPTIONS OF MAJOR AUTHORITY UNITS, SUBSIDIARIES, AND (D) NUMBER OF EMPLOYEES; (11) ITS CHARTER, IF ANY, AND BY-LAWS; (12) A LISTING OF MATERIAL CHANGES IN OPERATIONS AND PROGRAMS DURING THE REPORTING YEAR; (13) AT A MINIMUM A FOUR-YEAR FINANCIAL PLAN, INCLUDING (A) A CURRENT AND PROJECTED CAPITAL BUDGET, AND (B) AN OPERATING BUDGET REPORT, INCLUDING AN ACTUAL VERSUS ESTIMATED BUDGET, WITH AN ANALYSIS AND MEASUREMENT OF FINANCIAL AND

OPERATING PERFORMANCE; (14) ITS BOARD PERFORMANCE EVALUATIONS; PROVIDED, HOWEVER, THAT SUCH EVALUATIONS SHALL NOT BE SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF INFORMATION LAWS OF EACH STATE; (15) A DESCRIPTION OF THE TOTAL AMOUNTS OF ASSETS, SERVICES OR BOTH ASSETS AND SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING, INCLUDING (A) THE NATURE OF THOSE ASSETS AND SERVICES, (B) THE NAMES OF THE COUNTERPARTIES, AND (C) WHERE THE CONTRACT PRICE FOR ASSETS PURCHASED EXCEEDS FAIR MARKET VALUE, OR WHERE THE CONTRACT PRICE FOR ASSETS SOLD IS LESS THAN FAIR MARKET VALUE, A DETAILED EXPLANATION OF THE JUSTIFICATION FOR MAKING THE PURCHASE OR SALE WITHOUT COMPETITIVE BIDDING, AND A CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE PUBLIC AUTHORITY THAT THEY HAVE REVIEWED THE TERMS OF SUCH PURCHASE OR SALE AND DETERMINED THAT IT COMPLIES WITH APPLICABLE LAW AND PROCUREMENT GUIDELINES; AND (16) A DESCRIPTION OF ANY MATERIAL PENDING LITIGATION IN WHICH THE AUTHORITY IS INVOLVED AS A PARTY DURING THE REPORTING YEAR.

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

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

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

B. EACH CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM THAT PERFORMS ANY AUDIT REQUIRED BY THIS ARTICLE SHALL TIMELY REPORT TO THE AUDIT COMMITTEE OF SUCH AUTHORITY: (1) ALL CRITICAL ACCOUNTING POLICIES AND PRACTICES TO BE USED; (2) ALL ALTERNATIVE TREATMENTS OF FINANCIAL INFORMATION WITHIN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THAT HAVE BEEN DISCUSSED WITH MANAGEMENT OFFICIALS OF THE AUTHORITY, RAMIFICATIONS OF THE USE OF SUCH ALTERNATIVE DISCLOSURES AND TREATMENTS, AND THE TREATMENT PREFERRED BY THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM; AND (3) OTHER MATERIAL WRITTEN COMMUNICATIONS BETWEEN THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM AND THE MANAGEMENT OF THE AUTHORITY, SUCH AS THE MANAGEMENT LETTER ALONG WITH MANAGEMENT'S RESPONSE OR PLAN OF CORRECTIVE ACTION, MATERIAL CORRECTIONS IDENTIFIED OR SCHEDULE OF UNADJUSTED DIFFERENCES, WHERE APPLICABLE.

C. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PROVIDING SUCH AUTHORITY'S ANNUAL INDEPENDENT AUDIT WILL BE PROHIBITED IN PROVIDING AUDIT SERVICES TO THE AUTHORITY IF THE LEAD (OR COORDINATING) AUDIT PARTNER (HAVING

PRIMARY RESPONSIBILITY FOR THE AUDIT), OR THE AUDIT PARTNER RESPONSIBLE FOR REVIEWING THE AUDIT, HAS PERFORMED AUDIT SERVICES FOR THAT ISSUER IN EACH OF THE FIVE PREVIOUS FISCAL YEARS OF SUCH AUTHORITY.

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

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

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

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

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

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

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

(4) "WHISTLEBLOWER" SHALL MEAN ANY EMPLOYEE OF THE PORT AUTHORITY WHO DISCLOSES INFORMATION CONCERNING ACTS OF WRONGDOING, MISCONDUCT, MALFEASANCE, OR OTHER INAPPROPRIATE BEHAVIOR BY AN EMPLOYEE OR BOARD MEMBER OF THE AUTHORITY, CONCERNING THE AUTHORITY'S INVESTMENTS, TRAVEL, ACQUISITION OF REAL OR PERSONAL PROPERTY, THE DISPOSITION OF REAL OR PERSONAL PROPERTY AND THE PROCUREMENT OF GOODS AND SERVICES.

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

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

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

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

(4) OFFERING AN OPPORTUNITY FOR EMPLOYEES TO IDENTIFY CONCERNS REGARDING ANY ISSUE AT THE PORT AUTHORITY.

C. ANY COMMUNICATIONS BETWEEN AN EMPLOYEE AND THE INSPECTOR GENERAL PURSUANT TO THIS SECTION SHALL BE HELD STRICTLY CONFIDENTIAL BY THE INSPECTOR GENERAL, UNLESS THE EMPLOYEE SPECIFICALLY WAIVES IN WRITING

THE RIGHT TO CONFIDENTIALITY, EXCEPT THAT SUCH CONFIDENTIALITY SHALL NOT EXEMPT THE INSPECTOR GENERAL FROM DISCLOSING SUCH INFORMATION, WHERE APPROPRIATE, TO ANY LAW ENFORCEMENT AUTHORITY.

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

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

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

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

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

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

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

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

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

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

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

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

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

B. FUNCTIONS AND DUTIES. THE INSPECTOR GENERAL SHALL HAVE THE FOLLOWING DUTIES AND RESPONSIBILITIES:

(1) RECEIVE AND INVESTIGATE COMPLAINTS FROM ANY SOURCE, OR UPON HIS OR HER OWN INITIATIVE, CONCERNING ALLEGATIONS OF CORRUPTION, FRAUD, CRIMINAL ACTIVITY, CONFLICTS OF INTEREST OR ABUSE IN THE PORT AUTHORITY OR 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 IN COVERED AGENCIES.

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

(1) SUBPOENA AND ENFORCE THE ATTENDANCE OF WITNESSES;

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

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

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

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

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

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

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

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

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: (A) THE COMMISSIONERS FROM THE STATE OF NEW YORK AND ALL OFFICERS OF THE AUTHORITY; AND (B) EMPLOYEES WHO HOLD POLICY-MAKING POSITIONS OR WHOSE ANNUAL SALARY EQUALS OR EXCEEDS THE SALARY RATE OF SG-24 AS SET FORTH IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION ONE HUNDRED THIRTY OF THE CIVIL SERVICE LAW AS OF APRIL FIRST OF THE YEAR IN WHICH AN ANNUAL FINANCIAL DISCLOSURE STATEMENT SHALL BE

FILED AND WHOSE OFFICE OR ASSIGNED WORK STATION OR PLACE IS LOCATED IN THE STATE OF NEW YORK SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS PURSUANT TO SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS LAW.

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

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

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

## ARTICLE VII-C

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

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

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

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

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

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

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

(B) THE PORT AUTHORITY SHALL MAKE AVAILABLE TO THE PUBLIC SUCH DOCUMENTS IN THE FOLLOWING MANNER: (1) THE AGENDA AND PUBLIC DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE AVAILABLE FOR PUBLIC INSPECTION AT AN OFFICE OF THE PORT AUTHORITY; AND (2) THE AGENDA AND

PUBLIC DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE POSTED ON THE PORT AUTHORITY'S OFFICIAL INTERNET WEBSITE. IN ADDITION, THE PORT AUTHORITY SHALL SEND VIA ELECTRONIC MAIL, THE AGENDA AND PUBLIC DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING TO EACH MEMBER OF THE NEW YORK STATE AND THE NEW JERSEY STATE LEGISLATURES.

S 5. MINUTES SHALL BE TAKEN AT ALL OPEN MEETINGS OF THE PORT AUTHORITY. THE MINUTES SHALL CONSIST OF A RECORD OR SUMMARY OF ALL MOTIONS, PROPOSALS, RESOLUTIONS, AND ANY OTHER MATTER FORMALLY VOTED UPON AND THE VOTE THEREON. MINUTES SHALL BE TAKEN AT EXECUTIVE SESSIONS OF ANY ACTION THAT IS TAKEN BY FORMAL VOTE AND SHALL CONSIST OF A RECORD OR SUMMARY OF THE FINAL DETERMINATION OF SUCH ACTION, AND THE VOTE THEREON; PROVIDED, HOWEVER, THAT SUCH SUMMARY NEED NOT INCLUDE ANY MATTER WHICH IS EXEMPT FROM DISCLOSURE BY EITHER NEW YORK'S FREEDOM OF INFORMATION LAW OR NEW JERSEY'S OPEN PUBLIC RECORDS ACT. MINUTES OF EACH MEETING SHALL BE AVAILABLE TO THE PUBLIC WITHIN TWO WEEKS FROM THE DATE OF SUCH MEETING.

S 6. CONDITIONS PRECEDENT. STRICT COMPLIANCE WITH EACH OF THE REQUIREMENTS SET FORTH IN SECTION TWO OF THIS ARTICLE SHALL BE A LEGAL CONDITION PRECEDENT FOR PLACING ON THE MEETING AGENDA OF THE BOARD OF COMMISSIONERS ANY MATTER RELATING TO AN INCREASE IN TOLLS, FEES OR OTHER CHARGES. UNLESS THE CHAIR OF THE BOARD CERTIFIES THAT ALL OF THE REQUIREMENTS OF SECTION TWO HAVE BEEN FULLY COMPLIED WITH, THE BOARD IS PROHIBITED FROM PLACING ON ITS MEETING AGENDA ANY MATTER RELATING TO AN INCREASE IN TOLLS, FEES OR OTHER CHARGES.

S 7. BARRIER-FREE ACCESS. THE PORT AUTHORITY SHALL MAKE OR CAUSE TO BE MADE ALL REASONABLE EFFORTS TO ENSURE THAT MEETINGS ARE HELD IN FACILITIES THAT PERMIT BARRIER-FREE PHYSICAL ACCESS TO THE PHYSICALLY HANDICAPPED. IF THE BOARD DETERMINES TO USE VIDEO CONFERENCING OR SIMILAR TECHNOLOGY TO CONDUCT ITS MEETING, IT SHALL PROVIDE AN OPPORTUNITY FOR THE PUBLIC TO ATTEND, LISTEN AND OBSERVE AT ANY SITE AT WHICH A COMMISSIONER PARTICIPATES.

S 5. Article XIV of 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 XIV.

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

S 6. 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 7. 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.