



1 and determined from time to time by the legislature of each state  
2 respectively, except as herein provided. Each commissioner may be  
3 removed or suspended from office as provided by the law of the state  
4 from which he shall be appointed.

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

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

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

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

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

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

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

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

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

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

12 C. INDIVIDUALS APPOINTED TO THE BOARD OF COMMISSIONERS SHALL PARTIC-  
13 IPATE IN TRAINING APPROVED BY THE INSPECTOR GENERAL OF THE PORT AUTHORI-  
14 TY REGARDING THEIR LEGAL, FIDUCIARY, FINANCIAL AND ETHICAL RESPONSIBIL-  
15 ITIES AS DIRECTORS OF AN AUTHORITY WITHIN SIX MONTHS OF APPOINTMENT TO  
16 THE AUTHORITY. BOARD MEMBERS SHALL PARTICIPATE IN CONTINUING TRAINING AS  
17 MAY BE REQUIRED TO REMAIN INFORMED OF BEST PRACTICES, REGULATORY AND  
18 STATUTORY CHANGES RELATING TO THE EFFECTIVE OVERSIGHT OF THE MANAGEMENT  
19 AND FINANCIAL ACTIVITIES OF PUBLIC AUTHORITIES AND TO ADHERE TO THE  
20 HIGHEST STANDARDS OF RESPONSIBLE GOVERNANCE.

21 D. NO BOARD MEMBER, INCLUDING THE CHAIRPERSON, SHALL SERVE AS THE PORT  
22 AUTHORITY'S CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR, CHIEF FINANCIAL  
23 OFFICER, COMPTROLLER, OR HOLD ANY OTHER EQUIVALENT POSITION WHILE SERV-  
24 ING AS A MEMBER OF THE BOARD.

25 E. THE BOARD OF COMMISSIONERS SHALL ESTABLISH AN AUDIT COMMITTEE TO BE  
26 COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO SHALL CONSTI-  
27 TUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY  
28 SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE AUDIT COMMITTEE;  
29 PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS LESS THAN THREE  
30 INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPENDENT MEMBERS TO  
31 THE AUDIT COMMITTEE, PROVIDED THAT THE INDEPENDENT MEMBERS MUST CONSTI-  
32 TUTE A MAJORITY OF THE MEMBERS OF THE AUDIT COMMITTEE. MEMBERS OF THE  
33 AUDIT COMMITTEE SHALL BE FAMILIAR WITH CORPORATE FINANCIAL AND ACCOUNT-  
34 ING PRACTICES. THE COMMITTEE SHALL RECOMMEND TO THE BOARD THE HIRING OF  
35 A CERTIFIED INDEPENDENT ACCOUNTING FIRM TO AUDIT THE PORT AUTHORITY,  
36 ESTABLISH THE COMPENSATION TO BE PAID TO THE ACCOUNTING FIRM AND PROVIDE  
37 DIRECT OVERSIGHT OF THE PERFORMANCE OF THE INDEPENDENT AUDIT PERFORMED  
38 BY THE ACCOUNTING FIRM HIRED FOR SUCH PURPOSES.

39 F. (1) THE BOARD OF COMMISSIONERS SHALL ESTABLISH A GOVERNANCE COMMIT-  
40 TEE TO BE COMPRISED OF NOT LESS THAN THREE INDEPENDENT MEMBERS, WHO  
41 SHALL CONSTITUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE  
42 NECESSARY SKILLS TO UNDERSTAND THE DUTIES AND FUNCTIONS OF THE GOVER-  
43 NANCE COMMITTEE; PROVIDED, HOWEVER, THAT IN THE EVENT THAT A BOARD HAS  
44 LESS THAN THREE INDEPENDENT MEMBERS, THE BOARD MAY APPOINT NON-INDEPEN-  
45 DENT MEMBERS TO THE GOVERNANCE COMMITTEE, PROVIDED THAT THE INDEPENDENT  
46 MEMBERS MUST CONSTITUTE A MAJORITY OF THE MEMBERS OF THE GOVERNANCE  
47 COMMITTEE. IT SHALL BE THE RESPONSIBILITY OF THE MEMBERS OF THE GOVER-  
48 NANCE COMMITTEE TO KEEP THE BOARD INFORMED OF CURRENT BEST GOVERNANCE  
49 PRACTICES; TO REVIEW CORPORATE GOVERNANCE TRENDS; TO RECOMMEND UPDATES  
50 TO THE AUTHORITY'S CORPORATE GOVERNANCE PRINCIPLES; TO ADVISE THE PORT  
51 AUTHORITY ON THE SKILLS AND EXPERIENCES REQUIRED OF POTENTIAL BOARD  
52 MEMBERS; TO EXAMINE ETHICAL AND CONFLICT OF INTEREST ISSUES; TO PERFORM  
53 BOARD SELF-EVALUATIONS; AND TO RECOMMEND BY-LAWS WHICH INCLUDE RULES AND  
54 PROCEDURES FOR CONDUCT OF BOARD BUSINESS.

55 (2) THE GOVERNANCE COMMITTEE SHALL EXAMINE, AT LEAST ANNUALLY, THE  
56 WORKING AND PROFESSIONAL RELATIONSHIP BETWEEN EMPLOYEES APPOINTED BY THE

GOVERNOR OF NEW YORK AND THOSE APPOINTED BY THE GOVERNOR OF NEW JERSEY TO ENSURE MAXIMUM COMMUNICATION, COORDINATION AND COOPERATION AMONG AND BETWEEN SUCH EMPLOYEES. THE COMMITTEE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE FULL BOARD AT THE FIRST BOARD MEETING OF EACH CALENDAR YEAR.

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

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

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

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

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

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

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

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

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

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

(B) "INTEREST" SHALL MEAN: (I) IF THE BUSINESS ORGANIZATION IS A PARTNERSHIP, THE BOARD MEMBER OR THE BOARD MEMBER'S IMMEDIATE FAMILY IS A PARTNER OR OWNER OF 10 PERCENT OR MORE OF THE ASSETS OF THE PARTNERSHIP,

OR (II) IF THE BUSINESS ORGANIZATION IS A CORPORATION, THE BOARD MEMBER OR THE BOARD MEMBER'S IMMEDIATE FAMILY OWNS OR CONTROLS 10 PERCENT OR MORE OF THE STOCK OF THE CORPORATION, OR SERVES AS A DIRECTOR OR OFFICER OF THE CORPORATION.

S 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

1 STATE COMPTROLLER OF EACH STATE A COPY OF THE GUIDELINES MOST RECENTLY  
2 REVIEWED AND APPROVED BY THE AUTHORITY, INCLUDING THE NAME OF THE  
3 AUTHORITY'S DESIGNATED CONTRACTING OFFICER. AT THE TIME OF FILING SUCH  
4 GUIDELINES WITH THE STATE COMPTROLLER, THE AUTHORITY SHALL ALSO POST  
5 SUCH GUIDELINES ON THE AUTHORITY'S INTERNET WEBSITE. GUIDELINES POSTED  
6 ON THE AUTHORITY'S INTERNET WEBSITE SHALL BE MAINTAINED ON SUCH WEBSITE  
7 AT LEAST UNTIL THE PROCUREMENT GUIDELINES FOR THE FOLLOWING YEAR ARE  
8 POSTED ON SUCH WEBSITE.

9 (2) THE PORT AUTHORITY SHALL:

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

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

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

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

18 (3)(A) THE PORT AUTHORITY SHALL PUBLISH, NOT LESS FREQUENTLY THAN  
19 ANNUALLY, A REPORT LISTING ALL REAL PROPERTY OF THE AUTHORITY. SUCH  
20 REPORT SHALL INCLUDE A LIST AND FULL DESCRIPTION OF ALL REAL AND  
21 PERSONAL PROPERTY DISPOSED OF DURING SUCH PERIOD. THE REPORT SHALL  
22 CONTAIN THE PRICE RECEIVED BY THE AUTHORITY AND THE NAME OF THE PURCHAS-  
23 ER FOR ALL SUCH PROPERTY SOLD BY THE AUTHORITY DURING SUCH PERIOD.

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

26 C. DISPOSAL OF PORT AUTHORITY PROPERTY. (1) SUPERVISION AND DIRECTION.  
27 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CONTRACTING OFFICER  
28 DESIGNATED BY THE PORT AUTHORITY SHALL HAVE SUPERVISION AND DIRECTION  
29 OVER THE DISPOSITION OF PROPERTY OF THE AUTHORITY.

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

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

49 (4) VALIDITY OF DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT. A  
50 DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT EXECUTED BY OR ON BEHALF  
51 OF THE PORT AUTHORITY, PURPORTING TO TRANSFER TITLE OR ANY OTHER INTER-  
52 EST IN PROPERTY OF THE AUTHORITY UNDER THIS SECTION SHALL BE CONCLUSIVE  
53 EVIDENCE OF COMPLIANCE WITH THE PROVISIONS OF THIS SECTION INsofar AS  
54 CONCERNS TITLE OR OTHER INTEREST OF ANY BONA FIDE GRANTEE OR TRANSFEREE  
55 WHO HAS GIVEN VALUABLE CONSIDERATION FOR SUCH TITLE OR OTHER INTEREST

1 AND HAS NOT RECEIVED ACTUAL OR CONSTRUCTIVE NOTICE OF LACK OF SUCH  
2 COMPLIANCE PRIOR TO THE CLOSING.

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

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

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

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

16 (III) THE AWARD SHALL BE MADE WITH REASONABLE PROMPTNESS BY NOTICE TO  
17 THE RESPONSIBLE BIDDER WHOSE BID, CONFORMING TO THE INVITATION FOR BIDS,  
18 WILL BE MOST ADVANTAGEOUS TO THE PORT AUTHORITY, PRICE AND OTHER FACTORS  
19 CONSIDERED; PROVIDED, THAT ALL BIDS MAY BE REJECTED WHEN IT IS IN THE  
20 PUBLIC INTEREST TO DO SO.

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

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

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

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

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

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

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

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

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

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

53 (C) ANY REAL PROPERTY DISPOSED OF BY LEASE, IF THE ESTIMATED ANNUAL  
54 RENT OVER THE TERM OF THE LEASE IS IN EXCESS OF FIFTEEN THOUSAND  
55 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 PORT 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 PORT AUTHORITY; OR

(III) IN THE EVENT THE PORT 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



1 REPORT OR REPORTS SETTING FORTH: (1) ITS OPERATIONS AND ACCOMPLISHMENTS;  
2 (2) ITS FINANCIAL REPORTS CERTIFIED BY THE CHAIR AND VICE-CHAIR OF THE  
3 BOARD; AND THE EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE DIRECTOR AND CHIEF  
4 FINANCIAL OFFICER OF THE PORT AUTHORITY, INCLUDING (A) AUDITED FINAN-  
5 CIALS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, KNOWN  
6 AS GAAP, AND THE ACCOUNTING STANDARDS ISSUED BY THE GOVERNMENTAL  
7 ACCOUNTING STANDARDS BOARD, KNOWN AS GASB, (B) GRANT AND SUBSIDY  
8 PROGRAMS, (C) OPERATING AND FINANCIAL RISKS, (D) CURRENT RATINGS, IF  
9 ANY, OF ITS BONDS ISSUED BY RECOGNIZED BOND RATING AGENCIES AND NOTICE  
10 OF CHANGES IN SUCH RATINGS, AND (E) LONG-TERM LIABILITIES, INCLUDING  
11 LEASES AND EMPLOYEE BENEFIT PLANS; (3) A SCHEDULE OF ITS BONDS AND NOTES  
12 OUTSTANDING AT THE END OF ITS FISCAL YEAR, TOGETHER WITH A STATEMENT OF  
13 THE AMOUNTS REDEEMED AND INCURRED DURING SUCH FISCAL YEAR AS PART OF A  
14 SCHEDULE OF DEBT ISSUANCE THAT INCLUDES THE DATE OF ISSUANCE, TERM,  
15 AMOUNT, INTEREST RATE AND MEANS OF REPAYMENT. ADDITIONALLY, THE DEBT  
16 SCHEDULE SHALL INCLUDE ALL REFINANCINGS, CALLS, REFUNDINGS, DEFEASEMENTS  
17 AND INTEREST RATE EXCHANGE OR OTHER SUCH AGREEMENTS, AND FOR ANY DEBT  
18 ISSUED DURING THE REPORTING YEAR, THE SCHEDULE SHALL ALSO INCLUDE A  
19 DETAILED LIST OF COSTS OF ISSUANCE FOR SUCH DEBT; (4) A COMPENSATION  
20 SCHEDULE THAT SHALL INCLUDE, BY POSITION, TITLE AND NAME OF THE PERSON  
21 HOLDING SUCH POSITION OR TITLE, THE SALARY, COMPENSATION, ALLOWANCE  
22 AND/OR BENEFITS PROVIDED TO ANY OFFICER, DIRECTOR OR EMPLOYEE IN A DECI-  
23 SION MAKING OR MANAGERIAL POSITION OF SUCH AUTHORITY WHOSE SALARY IS IN  
24 EXCESS OF ONE HUNDRED THOUSAND DOLLARS; (5) BIOGRAPHICAL INFORMATION,  
25 NOT INCLUDING CONFIDENTIAL PERSONAL INFORMATION, FOR ALL DIRECTORS AND  
26 OFFICERS AND EMPLOYEES FOR WHOM SALARY REPORTING IS REQUIRED; (6) THE  
27 PROJECTS UNDERTAKEN BY SUCH AUTHORITY DURING THE PAST YEAR; (7) A LIST-  
28 ING AND DESCRIPTION, IN ADDITION TO THE REPORT REQUIRED BY SUBPARAGRAPH  
29 (C) OF PARAGRAPH TWO OF SUBDIVISION B OF SECTION TWO OF THIS ARTICLE, OF  
30 ALL REAL PROPERTY OF THE AUTHORITY HAVING AN ESTIMATED FAIR MARKET VALUE  
31 IN EXCESS OF FIFTEEN THOUSAND DOLLARS THAT THE AUTHORITY ACQUIRES OR  
32 DISPOSES OF DURING SUCH PERIOD. THE REPORT SHALL CONTAIN THE PRICE  
33 RECEIVED OR PAID BY THE AUTHORITY AND THE NAME OF THE PURCHASER OR SELL-  
34 ER FOR ALL SUCH PROPERTY SOLD OR BOUGHT BY THE AUTHORITY DURING SUCH  
35 PERIOD; (8) SUCH AUTHORITY'S CODE OF ETHICS; (9) AN ASSESSMENT OF THE  
36 EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES; (10) A  
37 DESCRIPTION OF THE AUTHORITY AND ITS BOARD STRUCTURE, INCLUDING (A)  
38 NAMES OF COMMITTEES AND COMMITTEE MEMBERS, (B) LISTS OF BOARD MEETINGS  
39 AND ATTENDANCE, (C) DESCRIPTIONS OF MAJOR AUTHORITY UNITS, SUBSIDIARIES,  
40 AND (D) NUMBER OF EMPLOYEES; (11) ITS CHARTER, IF ANY, AND BY-LAWS; (12)  
41 A LISTING OF MATERIAL CHANGES IN OPERATIONS AND PROGRAMS DURING THE  
42 REPORTING YEAR; (13) AT A MINIMUM A FOUR-YEAR FINANCIAL PLAN, INCLUDING  
43 (A) A CURRENT AND PROJECTED CAPITAL BUDGET, AND (B) AN OPERATING BUDGET  
44 REPORT, INCLUDING AN ACTUAL VERSUS ESTIMATED BUDGET, WITH AN ANALYSIS  
45 AND MEASUREMENT OF FINANCIAL AND OPERATING PERFORMANCE; (14) ITS BOARD  
46 PERFORMANCE EVALUATIONS; PROVIDED, HOWEVER, THAT SUCH EVALUATIONS SHALL  
47 NOT BE SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF INFORMATION LAWS OF  
48 EACH STATE; (15) A DESCRIPTION OF THE TOTAL AMOUNTS OF ASSETS, SERVICES  
49 OR BOTH ASSETS AND SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING,  
50 INCLUDING (A) THE NATURE OF THOSE ASSETS AND SERVICES, (B) THE NAMES OF  
51 THE COUNTERPARTIES, AND (C) WHERE THE CONTRACT PRICE FOR ASSETS  
52 PURCHASED EXCEEDS FAIR MARKET VALUE, OR WHERE THE CONTRACT PRICE FOR  
53 ASSETS SOLD IS LESS THAN FAIR MARKET VALUE, A DETAILED EXPLANATION OF  
54 THE JUSTIFICATION FOR MAKING THE PURCHASE OR SALE WITHOUT COMPETITIVE  
55 BIDDING, AND A CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF  
56 FINANCIAL OFFICER OF THE PORT 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 PORT 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 CHAIR AND VICE-CHAIR OF THE BOARD; AND THE EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE PORT 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 PORT 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, INCLUDING 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 PORT 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,

1 FAIRNESS OPINIONS, OR CONTRIBUTION-IN-KIND REPORTS; (4) ACTUARIAL  
2 SERVICES; (5) INTERNAL AUDIT OUTSOURCING SERVICES; (6) MANAGEMENT FUNC-  
3 TIONS OR HUMAN SERVICES; (7) BROKER OR DEALER, INVESTMENT ADVISOR, OR  
4 INVESTMENT BANKING SERVICES; AND (8) LEGAL SERVICES AND EXPERT SERVICES  
5 UNRELATED TO THE AUDIT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

55 (1) "LOBBYIST" SHALL HAVE THE SAME MEANING AS DEFINED IN THE LAWS OR,  
56 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,

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

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

(3) "CONTACT" SHALL MEAN ANY CONVERSATION, IN PERSON OR BY TELEPHONIC OR OTHER ELECTRONIC 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 PORT 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 WITHIN ONE HUNDRED EIGHTY DAYS OF THE EFFECTIVE DATE OF THIS ARTICLE. 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) THE PURPOSE FOR WHICH THE SUBSIDIARY CORPORATION SHALL BE ORGANIZED SHALL BE FOR A PROJECT OR PROJECTS WHICH THE AUTHORITY HAS THE POWER TO PURSUE PURSUANT TO ITS CORPORATE PURPOSES;

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

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

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

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

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

E. ON OR BEFORE THE FIRST DAY OF JANUARY, TWO THOUSAND SIXTEEN, 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 PORT AUTHORITY SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS AS PROVIDED IN THIS SECTION.

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

(B) EMPLOYEES OF THE PORT AUTHORITY WHO HOLD A POLICY-MAKING POSITION, AS DETERMINED BY THE 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 130 OF THE CIVIL SERVICE LAW OF THE STATE OF NEW

YORK AS OF APRIL FIRST OF THE YEAR IN WHICH AN ANNUAL FINANCIAL DISCLOSURE STATEMENT SHALL BE FILED, SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS PURSUANT TO SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS LAW.

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

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

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

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

(A) "GAAP" MEANS THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ESTABLISHED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD.

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

2. (A) THE PORT AUTHORITY SHALL PREPARE A DETAILED ANNUAL OPERATING BUDGET BEGINNING WITH THE FISCAL YEAR COMMENCING AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF 2015 WHICH ADDED THIS SECTION.

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

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

3. (A) THE PORT AUTHORITY SHALL PREPARE A LONG-RANGE CAPITAL STRATEGY PLAN AND SHALL REVISE THE LONG-RANGE PLAN EVERY FOUR YEARS BEGINNING WITH THE FISCAL YEAR COMMENCING AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF 2015 WHICH ADDED THIS SECTION.

(B) THE CAPITAL STRATEGY PLAN SHALL SPECIFY THE PROJECTS TO BE INITIATED AND THE EXPECTED COST OF THOSE PROJECTS. THE COMMITMENT PLANS SHALL INCLUDE A FINANCING PLAN THAT IDENTIFIES THE SOURCE OF FUNDING FOR EACH PROJECT.

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

4. THE PORT AUTHORITY SHALL ALSO PROVIDE THAT MAJOR CAPITAL PROJECTS ARE MONITORED BY INDEPENDENT ENGINEERING CONSULTANTS. THE INDEPENDENT CONSULTANTS SHALL PREPARE QUARTERLY REPORTS TO BE PROVIDED TO THE BOARD

1 AND TO THE PUBLIC. THE QUARTERLY REPORTS PREPARED BY INDEPENDENT  
2 CONSULTANTS SHALL INCLUDE, BUT NOT BE LIMITED TO, A COMPARISON OF ACTUAL  
3 AND TARGET PERFORMANCE MEASURES INCLUDING, BUT NOT LIMITED TO, COSTS AND  
4 CONSTRUCTION SCHEDULES, AND A NARRATIVE EXPLANATION OF ANY DISCREPANCY  
5 THEREOF.

6 ARTICLE VII-C

7 S 1. NEEDS ASSESSMENT. THE PORT AUTHORITY SHALL REQUIRE THAT A NEEDS  
8 ASSESSMENT BE CONDUCTED BY AN INDEPENDENT ENTITY PRIOR TO ANY INCREASE  
9 IN FEES, TOLLS, CHARGES OR FARES. THE ASSESSMENT SHALL BE PRESENTED BY  
10 THE INDEPENDENT ENTITY TO THE BOARD OF COMMISSIONERS AT A PUBLIC MEETING  
11 TO BE HELD AT LEAST 120 DAYS PRIOR TO ANY MEETING OF THE COMMISSIONERS  
12 TO VOTE TO INCREASE ANY FEES, TOLLS, CHARGES OR FARES.

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

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

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

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

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

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

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

39 (E) THE PORT AUTHORITY SHALL HOLD NO MORE THAN ONE PUBLIC HEARING IN A  
40 SINGLE DAY, AND AT LEAST ONE-HALF OF THE PUBLIC HEARINGS SHALL BE SCHED-  
41 ULED TO BEGIN AFTER 6:30 P.M., EASTERN STANDARD TIME, ON A WEEKDAY.

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

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

55 (B) THE PORT AUTHORITY SHALL MAKE AVAILABLE TO THE PUBLIC SUCH DOCU-  
56 MENTS IN THE FOLLOWING MANNER: (1) THE AGENDA AND PUBLIC DOCUMENTS



1 PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE AVAILABLE FOR PUBLIC  
2 INSPECTION AT AN OFFICE OF THE PORT AUTHORITY; AND (2) THE AGENDA AND  
3 PUBLIC DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE  
4 POSTED ON THE PORT AUTHORITY'S OFFICIAL INTERNET WEBSITE. IN ADDITION,  
5 THE PORT AUTHORITY SHALL SEND VIA ELECTRONIC MAIL, THE AGENDA AND PUBLIC  
6 DOCUMENTS PERTAINING TO A BOARD OR COMMITTEE MEETING TO EACH MEMBER OF  
7 THE NEW YORK STATE AND THE NEW JERSEY STATE LEGISLATURES.

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

12 S 6. (A) THE PORT AUTHORITY AT THE REQUEST OF EITHER HOUSE OF THE  
13 STATE LEGISLATURE SHALL BE REQUIRED TO APPEAR BEFORE A COMMITTEE OF THE  
14 REQUESTING STATE LEGISLATURE TO PRESENT TESTIMONY ON ANY TOPIC OR  
15 SUBJECT REQUESTED BY THE COMMITTEE OR TO RESPOND TO QUESTIONS BY MEMBERS  
16 OF SUCH COMMITTEE.

17 (B) THE PORT AUTHORITY SHALL, AT A MINIMUM, BE REPRESENTED BY THE  
18 CHAIR OR VICE-CHAIR OF THE BOARD, THE EXECUTIVE DIRECTOR OR DEPUTY EXEC-  
19 UTIVE DIRECTOR, THE CHIEF FINANCIAL OFFICER, AND ANY STAFF DEEMED NECES-  
20 SARY BY THE CHAIR OR VICE-CHAIR OF THE BOARD, THE EXECUTIVE DIRECTOR OR  
21 DEPUTY EXECUTIVE DIRECTOR, OR THE CHIEF FINANCIAL OFFICER TO PRESENT  
22 TESTIMONY OR RESPOND TO QUESTIONS AT ANY APPEARANCE REQUIRED PURSUANT TO  
23 THIS SECTION. THE COMMITTEE MAY REQUEST THE APPEARANCE OF ANY OFFICER OR  
24 EMPLOYEE OF THE PORT AUTHORITY.

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

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

36 S 2. As used in this act:

37 a. "Board" means the board of commissioners of the Port Authority of  
38 New York and New Jersey.

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

43 C. "Meeting" means any gathering, whether corporeal or by means of  
44 communication equipment, which is attended by, or open to, the board,  
45 held with the intent, on the part of the board members present, to  
46 discuss or act as a unit upon the specific public business of the  
47 authority. "Meeting" does not mean a gathering (1) attended by less than  
48 an effective majority of the board, or (2) attended by or open to all  
49 the members of three or more similar public bodies at a convention or  
50 similar gathering.

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

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

1 S 3. A. NOTWITHSTANDING THE PROVISION OF ANY OTHER LAW TO THE CONTRA-  
2 RY, ALL MEETINGS OF THE BOARD ARE DECLARED TO BE PUBLIC MEETINGS AND  
3 SHALL BE OPEN TO THE PUBLIC AND MEMBERS OF THE NEWS MEDIA, INDIVIDUALLY  
4 AND COLLECTIVELY, FOR THE PURPOSE OF OBSERVING THE FULL DETAILS OF ALL  
5 PHASES OF THE DELIBERATION, POLICY-MAKING, AND DECISION-MAKING OF THE  
6 BOARD.

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

18 C. Any rules or regulations adopted hereunder shall become a part of  
19 the minutes of the port authority of New York and New Jersey and shall  
20 be subject to the approval of the governor of New Jersey and the gover-  
21 nor of New York.

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

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

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

32 (3) ANY COLLECTIVE BARGAINING AGREEMENT, OR THE TERMS AND CONDITIONS  
33 WHICH ARE PROPOSED FOR INCLUSION IN ANY COLLECTIVE BARGAINING AGREEMENT,  
34 INCLUDING THE NEGOTIATION OF THE TERMS AND CONDITIONS THEREOF WITH  
35 EMPLOYEES OR REPRESENTATIVES OF EMPLOYEES OF THE PORT AUTHORITY;

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

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

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

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

54 (8) ANY DELIBERATION OF THE PORT AUTHORITY OCCURRING AFTER A PUBLIC  
55 HEARING THAT MAY RESULT IN THE IMPOSITION OF A SPECIFIC CIVIL PENALTY  
56 UPON THE RESPONDING PARTY OR THE SUSPENSION OR LOSS OF A LICENSE OR

1 PERMIT BELONGING TO THE RESPONDING PARTY AS A RESULT OF AN ACT OR OMIS-  
2 SION FOR WHICH THE RESPONDING PARTY BEARS RESPONSIBILITY.

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

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

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

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

18 (IV) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III) OF THIS  
19 PARAGRAPH TO THE CONTRARY, THE COMMISSIONERS OF THE PORT AUTHORITY OF  
20 NEW YORK AND NEW JERSEY APPOINTED BY THE GOVERNOR OF THE STATE OF NEW  
21 YORK; ALL OFFICERS OF SUCH PORT AUTHORITY; AND ANY EMPLOYEE OF SUCH PORT  
22 AUTHORITY WHO HOLDS A POLICY-MAKING POSITION, AS DETERMINED BY SUCH PORT  
23 AUTHORITY, OR WHOSE ANNUAL SALARY EQUALS OR EXCEEDS THE SALARY RATE OF  
24 SG-24 AS SET FORTH IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION ONE  
25 HUNDRED THIRTY OF THE CIVIL SERVICE LAW AS OF APRIL FIRST OF THE YEAR IN  
26 WHICH AN ANNUAL FINANCIAL DISCLOSURE STATEMENT SHALL BE FILED.

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

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