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1 of whom shall be resident voters of the city of New York, and six resi-  
2 dent voters from the state of New Jersey, at least four of whom shall be  
3 resident voters within the New Jersey portion of the district, the New  
4 York members to be chosen by the state of New York and the New Jersey  
5 members by the state of New Jersey in the manner and for the terms fixed  
6 and determined from time to time by the legislature of each state  
7 respectively, except as herein provided. Each commissioner may be  
8 removed or suspended from office as provided by the law of the state  
9 from which he shall be appointed.

10 2. OFFICERS. A. THE OFFICERS OF THE PORT AUTHORITY SHALL BE A CHAIR-  
11 PERSON, A VICE CHAIRPERSON, A CHIEF EXECUTIVE OFFICER, A GENERAL COUN-  
12 SEL, A CHIEF FINANCIAL OFFICER, A CHIEF ETHICS AND COMPLIANCE OFFICER,  
13 AN INSPECTOR GENERAL, A TREASURER, A COMPTROLLER, AND A SECRETARY.  
14 BEGINNING UPON THE NEXT HIRING OF A CHIEF EXECUTIVE OFFICER BUT NO LATER  
15 THAN A YEAR FROM THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF 2015  
16 THAT AMENDED THIS ARTICLE, THE POSITIONS OF CHAIRPERSON AND VICE CHAIR-  
17 PERSON SHALL BE ROTATED FOR A TERM OF TWO YEARS AMONG COMMISSIONERS  
18 APPOINTED BY NEW YORK AND NEW JERSEY, WITH A CHAIRPERSON ELECTED FIRST  
19 FROM AMONG THOSE COMMISSIONERS APPOINTED BY THE GOVERNOR OF NEW YORK AND  
20 A VICE CHAIRPERSON ELECTED FIRST FROM AMONG THOSE COMMISSIONERS  
21 APPOINTED BY THE GOVERNOR OF NEW JERSEY, AFTER WHICH THE NEXT CHAIR-  
22 PERSON SHALL BE ELECTED FROM AMONG THOSE APPOINTED BY THE GOVERNOR OF  
23 NEW JERSEY AND THE NEXT VICE CHAIRPERSON SHALL BE ELECTED FROM AMONG  
24 THOSE APPOINTED BY THE GOVERNOR OF NEW YORK AND THEREAFTER THE POSITIONS  
25 OF CHAIRPERSON AND VICE CHAIRPERSON SHALL ROTATE EVERY TWO YEARS IN THE  
26 SAME ORDER AS ESTABLISHED HEREIN PROVIDED THAT THE FAILURE OF THE BOARD  
27 OF COMMISSIONERS TO ELECT A NEW CHAIRPERSON AND VICE CHAIRPERSON SHALL  
28 NOT PREVENT THE ROTATION OF THE POSITIONS OF CHAIRPERSON AND VICE CHAIR-  
29 PERSON TO THE NEXT SUCCEEDING STATE.

30 B. NO COMMISSIONER, INCLUDING THE CHAIRPERSON, SHALL SERVE AS THE PORT  
31 AUTHORITY'S CHIEF EXECUTIVE OFFICER, GENERAL COUNSEL, CHIEF FINANCIAL  
32 OFFICER, CHIEF ETHICS AND COMPLIANCE OFFICER, INSPECTOR GENERAL, OR  
33 COMPTROLLER, OR HOLD ANY OTHER EQUIVALENT POSITION WHILE SERVING AS A  
34 COMMISSIONER.

35 3. ROLE AND RESPONSIBILITIES OF COMMISSIONERS. A. THE COMMISSIONERS  
36 SHALL PROMULGATE A COMMISSIONER'S OATH OF OFFICE IN CONSULTATION WITH  
37 THE CHIEF ETHICS AND COMPLIANCE OFFICER.

38 B. AT THE TIME THAT A COMMISSIONER OF THE PORT AUTHORITY TAKES AND  
39 SUBSCRIBES THE COMMISSIONER'S OATH OF OFFICE, OR WITHIN SIXTY DAYS AFTER  
40 THE EFFECTIVE DATE OF THIS SUBDIVISION IF THE COMMISSIONER HAS ALREADY  
41 TAKEN AND SUBSCRIBED THE COMMISSIONER'S OATH OF OFFICE, THE COMMISSIONER  
42 SHALL EXECUTE A STATEMENT DECLARING THAT THE COMMISSIONER UNDERSTANDS  
43 THE COMMISSIONER'S INDEPENDENCE AND FIDUCIARY OBLIGATION TO PERFORM  
44 DUTIES AND RESPONSIBILITIES TO THE BEST OF THE COMMISSIONER'S ABILITIES,  
45 IN GOOD FAITH AND WITH PROPER DILIGENCE AND CARE WHICH AN ORDINARILY  
46 PRUDENT PERSON IN LIKE POSITION WOULD USE UNDER SIMILAR CIRCUMSTANCES  
47 AND MAY TAKE INTO CONSIDERATION THE VIEWS AND POLICIES OF ANY ELECTED  
48 OFFICIALS OR BODIES AND ULTIMATELY APPLY INDEPENDENT JUDGMENT IN THE  
49 BEST INTEREST OF THE PORT AUTHORITY, ITS MISSION, AND THE PUBLIC,  
50 CONSISTENT WITH THE ENABLING COMPACT, MISSION, AND BY-LAWS OF THE PORT  
51 AUTHORITY AND THE APPLICABLE LAWS OF BOTH STATES; AND THAT THE FIDUCIARY  
52 DUTY TO THE PORT AUTHORITY IS DERIVED FROM AND GOVERNED BY ITS MISSION.

53 C. INDIVIDUALS APPOINTED TO THE BOARD OF COMMISSIONERS SHALL PARTIC-  
54 IPATE IN TRAINING APPROVED BY THE CHIEF ETHICS AND COMPLIANCE OFFICER IN  
55 CONSULTATION WITH THE INSPECTOR GENERAL OF THE PORT AUTHORITY REGARDING  
56 THEIR LEGAL, FIDUCIARY, FINANCIAL AND ETHICAL RESPONSIBILITIES AS DIREC-

TORS OF AN AUTHORITY WITHIN SIX MONTHS OF APPOINTMENT TO THE AUTHORITY. THE COMMISSIONERS SHALL PARTICIPATE IN CONTINUING TRAINING AS MAY BE REQUIRED TO REMAIN INFORMED OF BEST PRACTICES, REGULATORY AND STATUTORY CHANGES RELATING TO THE EFFECTIVE OVERSIGHT OF THE MANAGEMENT AND FINANCIAL ACTIVITIES OF PUBLIC AUTHORITIES AND TO ADHERE TO THE HIGHEST STANDARDS OF RESPONSIBLE GOVERNANCE.

D. (1) A COMMISSIONER SHALL NOT VOTE ON OR PARTICIPATE IN ANY BOARD OR COMMITTEE DISCUSSIONS OR DECISIONS WITH RESPECT TO AN ITEM IF THE COMMISSIONER, A MEMBER OF THE COMMISSIONER'S IMMEDIATE FAMILY, OR A BUSINESS IN WHICH THE COMMISSIONER HAS AN INTEREST HAS A DIRECT OR INDIRECT FINANCIAL INVOLVEMENT THAT MAY REASONABLY BE EXPECTED TO IMPAIR THE COMMISSIONER'S OBJECTIVITY OR INDEPENDENT JUDGMENT OR THAT MAY REASONABLY CREATE THE APPEARANCE OF IMPROPRIETY. A COMMISSIONER SHALL REPORT SUCH A NEED FOR RECUSAL TO THE GENERAL COUNSEL WHEN IT ARISES. THE PUBLIC SHALL BE INFORMED OF ANY RECUSALS PRIOR TO ANY BOARD ACTION AND THE MINUTES SHALL CLEARLY REFLECT THAT RECUSAL.

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

(I) "IMMEDIATE FAMILY" SHALL MEAN: A SPOUSE, PARENT, CHILD, OR SIBLING; AND

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

E. (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)(I) THE COMMISSIONERS APPOINTED BY THE GOVERNOR OF THE STATE OF NEW YORK SHALL FILE ANNUAL FINANCIAL DISCLOSURE STATEMENTS PURSUANT TO SECTION 73-A OF THE PUBLIC OFFICERS LAW.

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

(III) IN ADDITION TO THE FINANCIAL DISCLOSURES REQUIRED OF THE COMMISSIONERS, FINANCIAL DISCLOSURES OF EMPLOYEES SHALL, AT A MINIMUM, BE REQUIRED OF THE CHIEF EXECUTIVE OFFICER, THE CHIEF ETHICS AND COMPLIANCE OFFICER, THE CHIEF FINANCIAL OFFICER, THE GENERAL COUNSEL, THE CONTROLLER, TREASURER, AND THE INSPECTOR GENERAL, EMPLOYEES WHO HOLD POLICY-MAKING POSITIONS AS DETERMINED BY THE GENERAL COUNSEL OF THE PORT AUTHORITY, AND EMPLOYEES WHOSE BASE SALARY, EITHER IN THE CURRENT OR PREVIOUS YEAR, EXCEEDS \$150,000, WHICH AMOUNT SHALL BE ADJUSTED FOR INFLATION ANNUALLY IN ACCORDANCE WITH THE CONSUMER PRICE INDEX FOR ALL URBAN WAGE EARNERS AND CLERICAL WORKERS (CPI-W) AS CALCULATED BY THE FEDERAL GOVERNMENT. THESE FINANCIAL DISCLOSURES SHALL BE UPDATED NOT LESS THAN ANNUALLY AND SHALL BE MADE AVAILABLE ON THE PORT AUTHORITY'S WEBSITE.

F. THE BOARD OF COMMISSIONERS SHALL:

(1) ADOPT A MISSION STATEMENT THAT THE PORT AUTHORITY'S MISSION IS TO MEET THE CRITICAL TRANSPORTATION INFRASTRUCTURE NEEDS OF THE BI-STATE REGION'S PEOPLE, BUSINESSES, AND VISITORS BY PROVIDING THE HIGHEST QUALITY AND MOST EFFICIENT TRANSPORTATION AND PORT COMMERCE FACILITIES AND SERVICES TO MOVE PEOPLE AND GOODS WITHIN THE REGION, PROVIDE ACCESS TO THE NATION AND THE WORLD, AND PROMOTE THE REGION'S ECONOMIC DEVELOPMENT;

1 (2) ADOPT A CODE OF CONDUCT APPLICABLE TO COMMISSIONERS, EMPLOYEES,  
2 AND VENDORS AND OTHER CONTRACTORS WITH THE PORT AUTHORITY BASED UPON THE  
3 RECOMMENDATIONS OF THE CHIEF ETHICS AND COMPLIANCE OFFICER THAT SHALL,  
4 AT MINIMUM, INCLUDE THE APPLICABLE STANDARDS ESTABLISHED BY LAW IN EACH  
5 STATE;

6 (3) ESTABLISH A WHISTLEBLOWER ACCESS AND ASSISTANCE PROGRAM PROTECTING  
7 EMPLOYEES FROM RETALIATION FOR DISCLOSING INFORMATION CONCERNING ACTS OF  
8 WRONGDOING, MISCONDUCT, MALFEASANCE, OR OTHER INAPPROPRIATE CONDUCT  
9 BASED UPON THE RECOMMENDATIONS OF THE CHIEF ETHICS AND COMPLIANCE OFFI-  
10 CER;

11 (4) ESTABLISH A POLICY REQUIRING ALL COMMISSIONERS, OFFICERS, AND  
12 EMPLOYEES WITH DECISION-MAKING AUTHORITY TO MAINTAIN RECORDS REGARDING  
13 CONTACT WITH LOBBYISTS. AS USED IN THIS SUBSECTION: (I) "CONTACT" MEANS  
14 ANY CONVERSATION, IN PERSON OR BY TELEPHONIC OR OTHER ELECTRONIC MEANS,  
15 OR CORRESPONDENCE BETWEEN ANY LOBBYIST ENGAGED IN THE ACT OF LOBBYING  
16 AND ANY PERSON WITHIN THE PORT AUTHORITY WHO CAN MAKE OR INFLUENCE A  
17 DECISION ON THE SUBJECT OF THE LOBBYING ON THE BEHALF OF THE PORT  
18 AUTHORITY, AND SHALL INCLUDE, AT A MINIMUM, ALL MEMBERS OF THE BOARD OF  
19 COMMISSIONERS AND ALL OFFICERS OF THE PORT AUTHORITY, (II) "LOBBYIST"  
20 SHALL HAVE THE SAME MEANING AS DEFINED IN THE LAWS OR, RULES OR REGU-  
21 LATIONS OF EITHER STATE, AND (III) "LOBBYING" SHALL MEAN AND INCLUDE ANY  
22 ATTEMPT TO INFLUENCE: (A) THE ADOPTION OR REJECTION OF ANY RULE OR REGU-  
23 LATION HAVING THE FORCE AND EFFECT OF LAW BY THE PORT AUTHORITY, (B) THE  
24 OUTCOME OF ANY PROCEEDING BY THE PORT AUTHORITY TO ESTABLISH, LEVY OR  
25 COLLECT FEES, TOLLS, CHARGES OR FARES, AND (C) THE AUTHORIZATION,  
26 APPROVAL OR AWARD OF ANY AGREEMENTS, CONTRACTS OR PURCHASE ORDERS,  
27 INCLUDING ANY SETTLEMENT OF PORT AUTHORITY CLAIMS, OR ANY EXTENSION,  
28 AMENDMENT OR MODIFICATION OF ANY EXISTING AGREEMENT, CONTRACT OR ORDER;  
29 AND

30 (5) HAVE AN EFFICIENCY STUDY OF THE PORT AUTHORITY AND ITS OPERATIONS  
31 CONDUCTED BY AN INDEPENDENT ENTITY WITHIN THREE YEARS OF THE EFFECTIVE  
32 DATE OF THIS SECTION AND THEREAFTER UPON THE REQUEST OF THE GOVERNORS OF  
33 NEW YORK AND NEW JERSEY, AND IF NO REQUEST IS MADE, NO LATER THAN THREE  
34 YEARS AFTER THE MOST RECENT EFFICIENCY STUDY WAS CONDUCTED.

35 4. COMMITTEE. A. THE BOARD OF COMMISSIONERS SHALL ESTABLISH A COMMIT-  
36 TEE STRUCTURE THAT SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, THE  
37 FOLLOWING RESPONSIBILITIES:

38 (1) A GOVERNANCE RESPONSIBILITY TO BE ASSIGNED TO A COMMITTEE  
39 COMPRISED OF NOT FEWER THAN THREE COMMISSIONERS, WHO SHALL CONSTITUTE A  
40 MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO  
41 UNDERTAKE THE GOVERNANCE DUTIES AND FUNCTIONS. IT SHALL BE THE RESPONSI-  
42 BILITY OF THE MEMBERS OF THIS COMMITTEE TO: KEEP THE BOARD INFORMED OF  
43 CURRENT BEST GOVERNANCE PRACTICES; REVIEW CORPORATE GOVERNANCE TRENDS;  
44 UPDATE THE PORT AUTHORITY'S CORPORATE GOVERNANCE PRINCIPLES; EXAMINE  
45 ETHICAL AND CONFLICT OF INTEREST ISSUES; PERFORM BOARD SELF-EVALUATIONS;  
46 INVESTIGATE TERM LIMITS, REAPPOINTMENTS, AND BOARD RESPONSIBILITIES;  
47 DEVELOP BY-LAWS WHICH INCLUDE RULES AND PROCEDURES FOR THE CONDUCT OF  
48 BOARD BUSINESS; AND ADVISE THE PORT AUTHORITY ON THE SKILLS AND EXPERI-  
49 ENCES REQUIRED OF POTENTIAL COMMISSIONERS;

50 (2) AN AUDIT RESPONSIBILITY TO BE ASSIGNED TO A COMMITTEE COMPRISED OF  
51 NOT FEWER THAN THREE COMMISSIONERS, WHO SHALL CONSTITUTE A MAJORITY ON  
52 THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO UNDERTAKE  
53 THE AUDIT DUTIES AND FUNCTIONS. IT SHALL BE THE RESPONSIBILITY OF THE  
54 MEMBERS OF THIS COMMITTEE TO: RECOMMEND TO THE BOARD THE HIRING OF AN  
55 INDEPENDENT FIRM OF CERTIFIED PUBLIC ACCOUNTANTS TO AUDIT THE FINANCIAL  
56 STATEMENTS OF THE PORT AUTHORITY; ESTABLISH THE COMPENSATION TO BE PAID

TO THE ACCOUNTING FIRM; AND PROVIDE DIRECT OVERSIGHT OF THE ANNUAL INDEPENDENT FINANCIAL AUDIT PERFORMED BY THE ACCOUNTING FIRM HIRED FOR AUDITING PURPOSES. MEMBERS OF THIS COMMITTEE SHALL BE FAMILIAR WITH CORPORATE FINANCIAL AND ACCOUNTING PRACTICES AND SHALL BE FINANCIALLY LITERATE ABOUT APPLICABLE FINANCIAL LAWS, RULES, REGULATIONS, AND STANDARD INDUSTRY PRACTICES; AND

(3) A FINANCE RESPONSIBILITY TO BE ASSIGNED TO A COMMITTEE COMPRISED OF NOT FEWER THAN THREE COMMISSIONERS, WHO SHALL CONSTITUTE A MAJORITY ON THE COMMITTEE, AND WHO SHALL POSSESS THE NECESSARY SKILLS TO UNDERTAKE THE FINANCE DUTIES AND FUNCTIONS. IT SHALL BE THE RESPONSIBILITY OF THE MEMBERS OF THIS COMMITTEE TO OVERSEE AND APPROVE THE ISSUANCE OF DEBT THAT THE PORT AUTHORITY OR ITS SUBSIDIARIES ISSUE.

B. EVERY COMMITTEE ESTABLISHED BY THE BOARD OF COMMISSIONERS SHALL PROMULGATE A WRITTEN CHARTER TO BE APPROVED BY THE BOARD. EACH CHARTER PROMULGATED IN ACCORDANCE WITH THIS SUBDIVISION SHALL BE MADE AVAILABLE TO THE PUBLIC AND POSTED ON THE PORT AUTHORITY'S WEBSITE.

5. WHISTLEBLOWER ACCESS AND ASSISTANCE PROGRAM. A. THE CHIEF ETHICS AND COMPLIANCE OFFICER SHALL RECOMMEND TO THE BOARD OF COMMISSIONERS A WHISTLEBLOWER ACCESS AND ASSISTANCE PROGRAM TO BE ADMINISTERED BY THE INSPECTOR GENERAL WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO:

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

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

(3) OFFERING AN OPPORTUNITY FOR EMPLOYEES TO IDENTIFY CONCERNS REGARDING ANY ISSUE AT THE PORT AUTHORITY. ANY COMMUNICATION 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 THE BOARD OF COMMISSIONERS AND/OR ANY LAW ENFORCEMENT AUTHORITY.

B. 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.

C. AS USED IN THIS SUBDIVISION:

(1) "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.

(2) "WHISTLEBLOWER" MEANS 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 PORT AUTHORITY, CONCERNING THE PORT AUTHORITY'S INVESTMENTS, TRAVEL, ACQUISITION OF REAL OR PERSONAL PROPERTY, THE DISPOSITION OF REAL OR PERSONAL PROPERTY, OR THE PROCUREMENT OF GOODS AND SERVICES.

6. INSPECTOR GENERAL. A. THE INSPECTOR GENERAL SHALL BE RESPONSIBLE FOR RECEIVING AND INVESTIGATING, WHERE APPROPRIATE, ALL COMPLAINTS REGARDING FRAUD, WASTE, AND ABUSE BY COMMISSIONERS, OFFICERS, AND EMPLOYEES OF THE PORT AUTHORITY OR THIRD-PARTIES DOING BUSINESS WITH THE PORT AUTHORITY. THE INSPECTOR GENERAL SHALL ALSO BE RESPONSIBLE FOR CONDUCTING INVESTIGATIONS UPON THE INSPECTOR GENERAL'S OWN INITIATIVE, AS THE INSPECTOR GENERAL SHALL DEEM APPROPRIATE.

B. THE INSPECTOR GENERAL SHALL INFORM THE BOARD OF COMMISSIONERS AND THE CHIEF EXECUTIVE OFFICER OF ALLEGATIONS RECEIVED BY THE INSPECTOR

1 GENERAL AND THE PROGRESS OF INVESTIGATIONS RELATED THERETO, UNLESS  
2 SPECIAL CIRCUMSTANCES REQUIRE CONFIDENTIALITY;

3 C. THE INSPECTOR GENERAL SHALL DETERMINE WITH RESPECT TO ALLEGATIONS  
4 RECEIVED BY THE INSPECTOR GENERAL WHETHER DISCIPLINARY ACTION OR CIVIL  
5 PROSECUTION BY THE PORT AUTHORITY IS APPROPRIATE, AND WHETHER THE MATTER  
6 SHOULD BE REFERRED TO AN APPROPRIATE GOVERNMENTAL AGENCY FOR FURTHER  
7 ACTION;

8 D. THE INSPECTOR GENERAL SHALL PREPARE AND MAKE AVAILABLE TO THE  
9 PUBLIC WRITTEN REPORTS OF COMPLETED INVESTIGATIONS, AS APPROPRIATE AND  
10 TO THE EXTENT PERMITTED BY LAW, SUBJECT TO REDACTIONS TO PROTECT A NEED  
11 FOR CONFIDENTIALITY. THE RELEASE OF ALL OR PORTIONS OF REPORTS MAY BE  
12 DEFERRED TO PROTECT THE CONFIDENTIALITY OF ONGOING INVESTIGATIONS.

13 E. THE INSPECTOR GENERAL SHALL HAVE THE POWER TO:

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

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

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

20 (4) INTERVIEW ANY OFFICER OR EMPLOYEE OF THE PORT AUTHORITY OR ITS  
21 SUBSIDIARIES ON ANY MATTER RELATED TO THE PERFORMANCE OF SUCH OFFICER OR  
22 EMPLOYEE'S OFFICIAL DUTIES. TO THE EXTENT THAT ANY PORTION OF THIS PARA-  
23 GRAPH IS INCONSISTENT WITH ANY CURRENT CONTRACTUAL OBLIGATIONS OF THE  
24 PORT AUTHORITY, THIS PARAGRAPH SHALL NOT BE APPLICABLE TO THOSE OBLI-  
25 GATIONS UNTIL THE EARLIEST EXPIRATION OF THOSE TERMS UNDER THE CONTRACT;

26 (5) MONITOR THE IMPLEMENTATION BY THE PORT AUTHORITY OF ANY RECOMMEN-  
27 DATIONS MADE BY THE INSPECTOR GENERAL; AND

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

30 7. OPEN MEETINGS. A. ALL MEETINGS OF THE PORT AUTHORITY SHALL BE OPEN  
31 TO THE PUBLIC AND MEMBERS OF THE NEWS MEDIA, INDIVIDUALLY AND COLLEC-  
32 TIVELY, FOR THE PURPOSE OF OBSERVING THE FULL DETAILS OF ALL PHASES OF  
33 THE DELIBERATION, POLICY-MAKING, AND DECISION-MAKING OF THE BOARD,  
34 EXCEPT FOR AN EXECUTIVE SESSION INITIATED UPON A MAJORITY VOTE TAKEN IN  
35 AN OPEN MEETING PURSUANT TO A MOTION. THE BOARD OF COMMISSIONERS MAY  
36 EXCLUDE THE PUBLIC ONLY FROM THAT PORTION OF A MEETING AT WHICH THE  
37 BOARD OF COMMISSIONERS DISCUSSES ANY:

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

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

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

46 (4) MATTER INVOLVING THE PURCHASE, LEASE, OR ACQUISITION OF REAL PROP-  
47 erty WITH PORT AUTHORITY FUNDS, THE PROPOSED ACQUISITION OF SECURITIES,  
48 THE SALE OR EXCHANGE OF SECURITIES HELD BY THE PORT AUTHORITY, OR THE  
49 INVESTMENT OF PORT AUTHORITY FUNDS, IF PUBLIC DISCUSSION OF THE MATTER  
50 WOULD ADVERSELY AFFECT THE PUBLIC INTEREST;

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

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

1 (7) CONTRACT NEGOTIATIONS DISCLOSURE OF WHICH WOULD IMPERIL THE PORT  
2 AUTHORITY'S POSITION OR AN OUTCOME IN THE BEST INTEREST OF THE AUTHORI-  
3 TY, ITS MISSION, AND THE PUBLIC;

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

11 (9) DELIBERATION OF THE PORT AUTHORITY OCCURRING AFTER A PUBLIC HEAR-  
12 ING THAT MAY RESULT IN THE IMPOSITION OF A SPECIFIC CIVIL PENALTY UPON  
13 THE RESPONDING PARTY OR THE SUSPENSION OR LOSS OF A LICENSE OR PERMIT  
14 BELONGING TO THE RESPONDING PARTY AS A RESULT OF AN ACT OF OMISSION FOR  
15 WHICH THE RESPONDING PARTY BEARS RESPONSIBILITY.

16 B. THE PORT AUTHORITY SHALL MAKE MEETING AGENDAS AVAILABLE TO THE  
17 PUBLIC AT LEAST 72 HOURS BEFORE EACH MEETING OF THE BOARD AND EACH MEET-  
18 ING OF EACH COMMITTEE. IN ADDITION, THE PORT AUTHORITY SHALL SEND VIA  
19 ELECTRONIC MAIL THE AGENDA AND PUBLIC DOCUMENTS PERTAINING TO A BOARD OR  
20 COMMITTEE MEETING TO THE PUBLIC INFORMATION OFFICE OF EACH STATE'S  
21 LEGISLATURE AT LEAST 72 HOURS BEFORE THE MEETING. PUBLIC NOTICE OF THE  
22 TIME AND PLACE OF A MEETING SHALL BE PROVIDED TO APPROPRIATE MEDIA  
23 OUTLETS, SHALL BE CONSPICUOUSLY POSTED IN ONE OR MORE DESIGNATED AREAS,  
24 AND SHALL BE CONSPICUOUSLY POSTED VIA THE PORT AUTHORITY'S OFFICIAL  
25 WEBSITE AT LEAST FIVE BUSINESS DAYS BEFORE THE MEETING.

26 C. THE PORT AUTHORITY SHALL MAKE AVAILABLE TO THE PUBLIC DOCUMENTS IN  
27 THE FOLLOWING MANNER: THE AGENDA AND PUBLIC DOCUMENTS PERTAINING TO A  
28 BOARD OR COMMITTEE MEETING SHALL BE AVAILABLE FOR PUBLIC INSPECTION AT  
29 AN OFFICE OF THE PORT AUTHORITY; AND THE AGENDA AND PUBLIC DOCUMENTS  
30 PERTAINING TO A BOARD OR COMMITTEE MEETING SHALL BE POSTED ON THE PORT  
31 AUTHORITY'S WEBSITE.

32 D. AT EACH PUBLIC MEETING OF THE BOARD AND AT EACH PUBLIC MEETING OF  
33 EACH COMMITTEE, THE PUBLIC SHALL BE ALLOTTED AT LEAST 30 MINUTES TO  
34 SPEAK ON ANY TOPIC ON THE AGENDA. THE BOARD OR COMMITTEE SHALL EXPAND  
35 THE COMMENT TIME WHEN NECESSARY TO PROVIDE A REASONABLE OPPORTUNITY FOR  
36 THE PUBLIC TO COMMENT. THE PUBLIC SPEAKING PERIOD SHALL TAKE PLACE PRIOR  
37 TO ANY BOARD OR COMMITTEE ACTION.

38 E. THE PORT AUTHORITY SHALL KEEP REASONABLY COMPREHENSIBLE MINUTES OF  
39 ALL ITS MEETINGS SHOWING THE TIME AND PLACE, THE MEMBERS PRESENT, THE  
40 SUBJECTS CONSIDERED, THE ACTIONS TAKEN, AND THE VOTE OF EACH MEMBER. THE  
41 MINUTES SHALL BE AVAILABLE TO THE PUBLIC WITHIN TWO WEEKS FROM THE DATE  
42 OF THE MEETING TO THE EXTENT THAT PUBLIC DISCLOSURE SHALL NOT BE INCON-  
43 SISTENT WITH PARAGRAPH A OF THIS SUBDIVISION. THE MINUTES SHALL INDICATE  
44 FOR EACH ITEM ON THE AGENDA THE VOTE OR RECUSAL OF EACH BOARD MEMBER IN  
45 ATTENDANCE AT AN OPEN MEETING, OR AN EXECUTIVE SESSION OF THE BOARD OR A  
46 COMMITTEE OF THE BOARD. EACH ITEM ON THE AGENDA SHALL BE VOTED ON SEPA-  
47 RATELY.

48 8. BARRIER-FREE ACCESS. THE PORT AUTHORITY SHALL MAKE OR CAUSE TO BE  
49 MADE ALL REASONABLE EFFORTS TO ENSURE THAT MEETINGS ARE HELD IN FACILI-  
50 TIES THAT PERMIT BARRIER-FREE PHYSICAL ACCESS TO PEOPLE WITH DISABILI-  
51 TIES. IF THE BOARD DETERMINES TO USE VIDEO CONFERENCING OR SIMILAR TECH-  
52 NOLOGY TO CONDUCT ITS MEETING, IT SHALL PROVIDE AN OPPORTUNITY FOR THE  
53 PUBLIC TO ATTEND, LISTEN AND OBSERVE SUCH A MEETING.

54 S 3. Subdivisions 2 and 3 of article 15-A of section 1 of chapter 154  
55 of the laws of 1921 relating to the port authority of New York and New

Jersey, as added by chapter 275 of the laws of 1992, are amended to read as follows:

2. As used in this act:

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

b. "COMMITTEE" OR "COMMITTEES" MEANS ANY STANDING COMMITTEE ESTABLISHED BY THE BOARD TASKED WITH, INCLUDING, BUT NOT LIMITED TO, THE AUDIT RESPONSIBILITY, GOVERNANCE RESPONSIBILITY AND FINANCE RESPONSIBILITY REQUIRED TO BE ESTABLISHED PURSUANT TO THIS ACT.

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

[c.] D. "NEWS MEDIA" MEANS PERSONS REPRESENTING MAJOR WIRE SERVICES, TELEVISION NEWS SERVICES, RADIO NEWS SERVICES AND NEWSPAPERS, WHETHER LOCATED IN THE STATE OF NEW YORK OR NEW JERSEY OR ANY OTHER STATE.

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

3. A. The board shall, WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF 2015 THAT AMENDED THIS SUBDIVISION, adopt [and promulgate] appropriate rules and regulations concerning PROPER NOTICE TO THE PUBLIC AND THE NEWS MEDIA OF ITS MEETINGS AND the right of the public AND THE NEWS MEDIA to be present at meetings of the authority. The board may incorporate in its rules and regulations conditions under which it may exclude the public from a meeting or a portion thereof.

B. Any rules or regulations adopted hereunder shall become a part of the minutes of the port authority of New York and New Jersey and shall be subject to the approval of the governor or New Jersey and the governor of New York.

S 4. Chapter 154 of the laws of 1921 relating to the port authority of New York and New Jersey is amended by adding three new articles 7-B, 7-C and 7-D to read as follows:

#### ARTICLE VII-B

1. NEEDS ASSESSMENT. THE PORT AUTHORITY SHALL REQUIRE THAT A NEEDS ASSESSMENT BE CONDUCTED BY AN INDEPENDENT ENTITY PRIOR TO ANY INCREASE IN TOLLS FOR THE USE OF ANY PORT AUTHORITY BRIDGE OR TUNNEL, OR FARES FOR THE USE OF THE PORT AUTHORITY TRANS-HUDSON CORPORATION RAIL SYSTEM. THE ASSESSMENT SHALL BE PRESENTED BY THE INDEPENDENT ENTITY TO THE BOARD OF COMMISSIONERS AT A PUBLIC MEETING TO BE HELD AT LEAST NINETY DAYS PRIOR TO ANY MEETING OF THE BOARD OF COMMISSIONERS TO VOTE TO ANY INCREASE IN THE TOLLS FOR THE USE OF ANY PORT AUTHORITY BRIDGE OR TUNNEL, OR FARES FOR THE USE OF THE PORT AUTHORITY TRANS-HUDSON CORPORATION RAIL SYSTEM.

2. PUBLIC HEARINGS. NOT LESS THAN 30 DAYS AND NOT MORE THAN 90 DAYS PRIOR TO ANY VOTE OR ACTION TAKEN BY THE BOARD OF COMMISSIONERS RELATING TO ANY INCREASE IN THE TOLLS FOR THE USE OF ANY PORT AUTHORITY BRIDGE OR TUNNEL, OR FARES FOR THE USE OF THE PORT AUTHORITY TRANS-HUDSON CORPORATION RAIL SYSTEM, THE PORT AUTHORITY SHALL CONDUCT AT LEAST SIX PUBLIC HEARINGS IN THE MANNER PRESCRIBED AS FOLLOWS:

A. LOCATIONS FOR PUBLIC HEARINGS SHALL BE SELECTED IN SUCH A WAY AS TO BE GEOGRAPHICALLY ACCESSIBLE TO A MAJORITY OF USERS OF THE FACILITY OR



1 FACILITIES TO BE IMPACTED BY THE TOLL OR FARE INCREASE, AS DETERMINED BY  
2 PORT AUTHORITY DATA, PROVIDED THAT AT LEAST ONE HEARING SHALL BE HELD IN  
3 EACH STATE.

4 B. AT LEAST 72 HOURS BEFORE THE FIRST HEARING HELD PURSUANT TO THIS  
5 SECTION, THE PORT AUTHORITY SHALL MAKE THE FOLLOWING INFORMATION AVAIL-  
6 ABLE TO THE PUBLIC, INCLUDING POSTING ON THE PORT AUTHORITY'S OFFICIAL  
7 WEBSITE:

8 (1) A WRITTEN EXPLANATION OF WHY THE INCREASE IN TOLLS OR FARES IS  
9 NECESSARY;

10 (2) THE AMOUNT OF REVENUE EXPECTED TO BE GENERATED FROM THE INCREASE  
11 IN TOLLS OR FARES; AND

12 (3) A DETAILED EXPLANATION OF HOW THE REVENUES RAISED FROM THE  
13 INCREASE IN TOLLS OR FARES IS EXPECTED TO BE SPENT.

14 C. EACH HEARING SHALL BE ATTENDED BY AT LEAST TWO COMMISSIONERS FROM  
15 NEW YORK AND TWO COMMISSIONERS FROM NEW JERSEY IN OFFICE AT THE TIME OF  
16 THE HEARING.

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

20 E. THE PORT AUTHORITY SHALL ENSURE THAT EACH OF THE REQUIREMENTS SET  
21 FORTH IN THIS SUBDIVISION SHALL BE COMPLIED WITH BEFORE PLACING ON THE  
22 MEETING AGENDA OF THE BOARD OF COMMISSIONERS ANY ITEM OR MATTER RELATING  
23 TO AN INCREASE IN TOLLS OR FARES.

24 3. SUBSIDIARIES OF THE PORT AUTHORITY. A. THE PORT AUTHORITY SHALL  
25 PROVIDE NOTICE TO THE GOVERNOR OF EACH STATE, THE MAJORITY LEADER OF  
26 EACH HOUSE OF THE LEGISLATURE OF EACH STATE, THE CHAIR OF THE FINANCE  
27 COMMITTEE OF NEW YORK, THE CHAIR OF THE SENATE BUDGET AND APPROPRIATIONS  
28 COMMITTEE OF NEW JERSEY, THE CHAIR OF ASSEMBLY WAYS AND MEANS COMMITTEE  
29 OF NEW YORK, AND THE CHAIR OF THE BUDGET COMMITTEE OF NEW JERSEY THAT IT  
30 WILL BE CREATING A SUBSIDIARY NO LESS THAN 60 DAYS PRIOR TO THE FORMA-  
31 TION OF THE SUBSIDIARY.

32 B. THE CREATION OF A SUBSIDIARY CORPORATION SHALL BE APPROVED BY THE  
33 BOARD OF COMMISSIONERS.

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

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

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

44 (3) THE COMPLETE BY-LAWS AND LEGAL ORGANIZATION PAPERS OF THE SUBSID-  
45 IARY;

46 (4) A COMPLETE REPORT OF THE PURPOSE, OPERATIONS, MISSION AND PROJECTS  
47 OF THE SUBSIDIARY; AND

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

50 ARTICLE VII-C

51 1. ANNUAL REPORTING. THE PORT AUTHORITY SHALL PUBLISH A COMPREHENSIVE  
52 ANNUAL FINANCIAL REPORT, SUBMITTED ANNUALLY TO THE GOVERNORS AND STATE  
53 LEGISLATURES OF NEW YORK AND NEW JERSEY AND MADE AVAILABLE ON THE PORT  
54 AUTHORITY'S WEBSITE WITHIN 120 DAYS AFTER THE END OF ITS FISCAL YEAR.

1 THE ANNUAL REPORT SHALL INCLUDE THE AGENCY'S FINANCIAL STATEMENTS,  
2 STATISTICAL AND OTHER REGIONAL DATA, AND A NARRATIVE OF THE AGENCY'S  
3 ACTIVITIES DURING THE YEAR OF THE REPORT. THE ANNUAL REPORT SHALL  
4 INCLUDE:

5 A. AN INTRODUCTORY SECTION INCLUDING: (1) A LETTER OF TRANSMITTAL TO  
6 THE GOVERNORS OF NEW YORK AND NEW JERSEY; (2) INFORMATION REGARDING THE  
7 BOARD OF COMMISSIONERS, PORT AUTHORITY OFFICERS AND EXECUTIVE MANAGE-  
8 MENT; (3) A LETTER TO THE BOARD OF COMMISSIONERS FROM THE CHIEF EXECU-  
9 TIVE OFFICER OF THE PORT AUTHORITY HIGHLIGHTING IMPORTANT DEVELOPMENTS;  
10 (4) A DESCRIPTION OF MAJOR AGENCY ACTIVITIES UNDERTAKEN DURING THE PRIOR  
11 YEAR; AND (5) A LETTER TO THE BOARD OF COMMISSIONERS FROM THE CHIEF  
12 FINANCIAL OFFICER OF THE PORT AUTHORITY WITH RESPECT TO THE CONSOLIDATED  
13 FINANCIAL STATEMENTS OF THE PORT AUTHORITY.

14 B. A FINANCIAL SECTION INCLUDING: (1) AN INDEPENDENT AUDITOR'S REPORT;  
15 (2) MANAGEMENT'S DISCUSSION AND ANALYSIS; (3) FINANCIAL STATEMENTS; (4)  
16 ITS FINANCIAL REPORTS CERTIFIED BY THE CHAIR AND VICE-CHAIR OF THE  
17 BOARD, CHIEF EXECUTIVE OFFICER, AND CHIEF FINANCIAL OFFICER OF THE PORT  
18 AUTHORITY, INCLUDING (A) AUDITED FINANCIALS IN ACCORDANCE WITH GENERALLY  
19 ACCEPTED ACCOUNTING PRINCIPLES, KNOWN AS GAAP, AND THE ACCOUNTING STAND-  
20 ARDS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD, KNOWN AS  
21 GASB, (B) GRANT AND SUBSIDY PROGRAMS, (C) CURRENT RATINGS, IF ANY, OF  
22 ITS BONDS ISSUED BY RECOGNIZED BOND RATING AGENCIES AND NOTICE OF CHANG-  
23 ES IN SUCH RATINGS, AND (D) LONG-TERM LIABILITIES, INCLUDING LEASES AND  
24 EMPLOYEE BENEFIT PLANS; (5) A SCHEDULE OF ITS BONDS AND NOTES OUTSTAND-  
25 ING AT THE END OF ITS FISCAL YEAR, TOGETHER WITH A STATEMENT OF THE  
26 AMOUNTS REDEEMED AND INCURRED DURING SUCH FISCAL YEAR AS PART OF A SCHE-  
27 DULE OF DEBT ISSUANCE THAT INCLUDES THE DATE OF ISSUANCE, TERM, AMOUNT,  
28 INTEREST RATE AND MEANS OF REPAYMENT INCLUDING ALL REFINANCINGS, CALLS,  
29 REFUNDINGS, DEFEASEMENTS AND INTEREST RATE EXCHANGE OR OTHER SUCH AGREE-  
30 MENTS; AND (6) AT A MINIMUM A FOUR-YEAR FINANCIAL PLAN, INCLUDING (A) A  
31 CURRENT AND PROJECTED CAPITAL BUDGET, AND (B) AN OPERATING BUDGET  
32 REPORT, INCLUDING AN ACTUAL VERSUS ESTIMATED BUDGET, WITH AN ANALYSIS  
33 AND MEASUREMENT OF FINANCIAL AND OPERATING PERFORMANCE.

34 C. A STATISTICAL SECTION PRESENTING ADDITIONAL INFORMATION AS CONTEXT  
35 FOR FURTHER UNDERSTANDING OF THE INFORMATION IN THE FINANCIAL STATE-  
36 MENTS, NOTE DISCLOSURES AND SCHEDULES, INCLUDING (1) FINANCIAL TRENDS;  
37 (2) DEBT CAPACITY; (3) OPERATING AND SERVICE DATA; (4) INFORMATION ON  
38 PORT AUTHORITY OPERATING RESULTS; (5) INFORMATION ON PORT AUTHORITY  
39 CAPITAL PROGRAM COMPONENTS; (6) INFORMATION ON PORT AUTHORITY FACILITY  
40 TRAFFIC; AND (7) SELECTED STATISTICAL, DEMOGRAPHIC AND ECONOMIC DATA ON  
41 THE NEW YORK-NEW JERSEY METROPOLITAN REGION.

42 D. A CORPORATE INFORMATION SECTION PROVIDING: (1) A LIST OF ALL REAL  
43 PROPERTY OF THE PORT AUTHORITY; (2) A LIST AND FULL DESCRIPTION OF REAL  
44 PROPERTY AND PERSONAL PROPERTY THAT HAS A SALE PRICE OF OVER \$10,000  
45 DISPOSED OF DURING THE PERIOD, INCLUDING THE PRICE RECEIVED BY THE PORT  
46 AUTHORITY AND THE NAME OF THE PURCHASER FOR ALL PROPERTY SOLD BY THE  
47 PORT AUTHORITY DURING THE PERIOD; (3) A COMPENSATION SCHEDULE THAT SHALL  
48 INCLUDE, BY POSITION, TITLE AND NAME OF THE PERSON HOLDING SUCH POSITION  
49 OR TITLE, THE SALARY, COMPENSATION, ALLOWANCE AND/OR BENEFITS PROVIDED  
50 TO ANY OFFICER, DIRECTOR OR EMPLOYEE IN A DECISION MAKING OR MANAGERIAL  
51 POSITION OF SUCH AUTHORITY WHOSE BASE SALARY IS IN EXCESS OF \$150,000;  
52 (4) BIOGRAPHICAL INFORMATION, NOT INCLUDING CONFIDENTIAL PERSONAL INFOR-  
53 MATION, FOR ALL DIRECTORS AND OFFICERS AND EMPLOYEES FOR WHOM SALARY  
54 REPORTING IS REQUIRED; (5) A DESCRIPTION OF THE AUTHORITY AND ITS BOARD  
55 STRUCTURE, INCLUDING (A) NAMES OF COMMITTEES AND COMMITTEE MEMBERS, (B)  
56 LISTS OF BOARD MEETINGS AND ATTENDANCE, (C) DESCRIPTIONS OF MAJOR

1 AUTHORITY UNITS, SUBSIDIARIES, AND (D) NUMBER OF EMPLOYEES; (6) ITS  
2 MISSION STATEMENT, CHARTER, IF ANY, AND BY-LAWS; AND (7) A DESCRIPTION  
3 OF ANY MATERIAL PENDING LITIGATION IN WHICH THE PORT AUTHORITY IS  
4 INVOLVED AS A PARTY DURING THE REPORTING YEAR.

5 2. AUDITS AND FINANCIAL STATEMENTS. A. THE PORT AUTHORITY SHALL  
6 PREPARE FINANCIAL STATEMENTS ON AN ANNUAL BASIS, IN ACCORDANCE WITH  
7 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, KNOWN AS GAAP, AND THE  
8 ACCOUNTING STANDARDS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS  
9 BOARD, KNOWN AS GASB.

10 B. THE AUDIT COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE PORT  
11 AUTHORITY SHALL ARRANGE FOR AN INDEPENDENT FIRM OF CERTIFIED PUBLIC  
12 ACCOUNTANTS TO PERFORM AN AUDIT OF THE FINANCIAL STATEMENTS OF THE PORT  
13 AUTHORITY EACH YEAR, IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING  
14 PRINCIPLES AND STANDARDS REFERENCED IN PARAGRAPH A OF THIS SUBDIVISION.  
15 EACH INDEPENDENT FIRM OF CERTIFIED PUBLIC ACCOUNTANTS THAT PERFORMS ANY  
16 AUDIT REQUIRED BY THIS ARTICLE SHALL TIMELY REPORT TO THE AUDIT COMMIT-  
17 TEE OF THE PORT AUTHORITY: (1) ALL CRITICAL ACCOUNTING POLICIES AND  
18 PRACTICES TO BE USED; AND (2) OTHER MATERIAL WRITTEN COMMUNICATIONS,  
19 THAT IS NOT PRIVILEGED OR CONFIDENTIAL, BETWEEN THE INDEPENDENT FIRM OF  
20 CERTIFIED PUBLIC ACCOUNTANTS AND THE MANAGEMENT OF THE PORT AUTHORITY,  
21 INCLUDING THE MANAGEMENT LETTER ALONG WITH MANAGEMENT'S RESPONSE OR PLAN  
22 OF CORRECTIVE ACTION, MATERIAL CORRECTIONS IDENTIFIED OR SCHEDULE OF  
23 UNADJUSTED DIFFERENCES.

24 C. EVERY FINANCIAL STATEMENT PREPARED PURSUANT TO THIS SUBDIVISION  
25 SHALL BE APPROVED BY THE BOARD OF COMMISSIONERS. AS A CONDITION TO THE  
26 ISSUANCE OF THE ANNUAL FINANCIAL STATEMENTS OF THE PORT AUTHORITY, THE  
27 CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER OF THE PORT  
28 AUTHORITY SHALL BE REQUIRED TO MAKE A WRITTEN CERTIFICATION TO THAT  
29 EFFECT THAT, TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THE FINANCIAL  
30 AND OTHER INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS IS ACCU-  
31 RATE IN ALL MATERIAL RESPECTS AND HAS BEEN REPORTED IN A MANNER DESIGNED  
32 TO PRESENT FAIRLY THE PORT AUTHORITY'S NET ASSETS, CHANGES IN NET  
33 ASSETS, AND CASH FLOWS, IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING  
34 PRINCIPLES AND STANDARDS REFERENCED IN PARAGRAPH A OF THIS SUBDIVISION;  
35 AND, THAT ON THE BASIS THAT THE COST OF INTERNAL CONTROLS SHOULD NOT  
36 OUTWEIGH THEIR BENEFITS, THE PORT AUTHORITY HAS ESTABLISHED A COMPREHEN-  
37 SIVE FRAMEWORK OF INTERNAL CONTROLS TO PROTECT ITS ASSETS FROM LOSS,  
38 THEFT, OR MISUSE, AND TO PROVIDE REASONABLE (RATHER THAN ABSOLUTE)  
39 ASSURANCE REGARDING THE RELIABILITY OF FINANCIAL REPORTING AND THE PREP-  
40 ARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH  
41 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND STANDARDS REFERENCED IN  
42 PARAGRAPH A OF THIS SUBDIVISION.

43 D. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE  
44 PORT AUTHORITY SHALL NOT CONTRACT WITH AN INDEPENDENT FIRM OF CERTIFIED  
45 PUBLIC ACCOUNTANTS FOR AUDIT SERVICES TO THE AUTHORITY IF THE LEAD OR  
46 COORDINATING AUDIT PARTNER HAVING PRIMARY RESPONSIBILITY FOR THE AUDIT,  
47 OR THE AUDIT PARTNER RESPONSIBLE FOR REVIEWING THE AUDIT, HAS PERFORMED  
48 AUDIT SERVICES FOR THE TWO PREVIOUS FISCAL YEARS OF SUCH AUTHORITY.

49 E. THE PORT AUTHORITY SHALL NOT CONTRACT WITH THE INDEPENDENT FIRM OF  
50 CERTIFIED PUBLIC ACCOUNTANTS PERFORMING THE PORT AUTHORITY'S AUDIT FOR  
51 ANY NON-AUDIT SERVICES TO SUCH AUTHORITY CONTEMPORANEOUSLY WITH THE  
52 AUDIT, UNLESS RECEIVING PREVIOUS WRITTEN APPROVAL BY THE AUDIT COMMITTEE  
53 INCLUDING: (1) BOOKKEEPING OR OTHER SERVICES RELATED TO THE ACCOUNTING  
54 RECORDS OR FINANCIAL STATEMENTS OF SUCH AUTHORITY; (2) FINANCIAL INFOR-  
55 MATION SYSTEMS DESIGN AND IMPLEMENTATION; (3) APPRAISAL OR VALUATION  
56 SERVICES, FAIRNESS OPINIONS, OR CONTRIBUTION-IN-KIND REPORTS; (4) ACTU-

1 ARIAL SERVICES; (5) INTERNAL AUDIT OUTSOURCING SERVICES; (6) MANAGEMENT  
2 FUNCTIONS OR HUMAN SERVICES; (7) BROKER OR DEALER, INVESTMENT ADVISOR,  
3 OR INVESTMENT BANKING SERVICES; AND (8) LEGAL SERVICES AND EXPERT  
4 SERVICES UNRELATED TO THE AUDIT.

5 F. THE PORT AUTHORITY SHALL NOT CONTRACT WITH AN INDEPENDENT FIRM OF  
6 CERTIFIED PUBLIC ACCOUNTANTS FOR ANY AUDIT SERVICE IF THE CHIEF EXECU-  
7 TIVE OFFICER, COMPTROLLER, CHIEF FINANCIAL OFFICER, TREASURER, OR ANY  
8 OTHER PERSON SERVING IN AN EQUIVALENT POSITION FOR THE AUTHORITY, WAS  
9 EMPLOYED BY THAT INDEPENDENT FIRM OF CERTIFIED PUBLIC ACCOUNTANTS AND  
10 PARTICIPATED IN ANY CAPACITY IN THE AUDIT OF THE AUTHORITY DURING THE  
11 ONE YEAR PERIOD PRECEDING THE DATE OF THE INITIATION OF THE AUDIT.

12 3. THE PORT AUTHORITY SHALL MAKE ACCESSIBLE TO THE PUBLIC VIA ITS  
13 WEBSITE AN EXECUTIVE SUMMARY OF ITS MOST RECENT INDEPENDENT AUDIT REPORT  
14 UNLESS SUCH INFORMATION IS EXEMPT FROM DISCLOSURE PURSUANT TO EITHER  
15 STATE'S FREEDOM OF INFORMATION LAWS.

16 ARTICLE VII-D

17 1. PROPERTY DISPOSITION. ANY SALE OF REAL PROPERTY BY THE PORT AUTHOR-  
18 ITY SHALL BE UNDERTAKEN AND CONDUCTED PURSUANT TO THE PROVISIONS OF THE  
19 EXISTING LAWS GOVERNING THE SALE OF REAL PROPERTY BY THE PORT AUTHORITY  
20 IN THE STATE IN WHICH SUCH REAL PROPERTY IS LOCATED AND BY APPROVAL OF  
21 THE BOARD OF COMMISSIONERS.

22 A. NO DISPOSITION OF REAL PROPERTY, OR ANY INTEREST IN REAL PROPERTY,  
23 SHALL BE MADE UNLESS AN APPRAISAL OF THE VALUE OF SUCH REAL PROPERTY HAS  
24 BEEN MADE BY AN INDEPENDENT APPRAISER AND INCLUDED IN THE RECORD OF THE  
25 TRANSACTION, AND, PROVIDED FURTHER, THAT NO DISPOSITION OF ANY OTHER  
26 REAL PROPERTY, WHICH BECAUSE OF ITS UNIQUE NATURE OR THE UNIQUE CIRCUM-  
27 STANCES OF THE PROPOSED TRANSACTION IS NOT READILY VALUED BY REFERENCE  
28 TO AN ACTIVE MARKET FOR SIMILAR REAL PROPERTY, SHALL BE MADE WITHOUT A  
29 SIMILAR APPRAISAL.

30 B. DISPOSAL OF REAL PROPERTY FOR LESS THAN FAIR MARKET VALUE. NO PROP-  
31 ERTY OWNED, LEASED, OR OTHERWISE IN THE CONTROL OF THE PORT AUTHORITY  
32 MAY BE SOLD, LEASED, OR OTHERWISE ALIENATED FOR LESS THAN ITS FAIR  
33 MARKET VALUE UNLESS:

34 (I) THE TRANSFEREE IS A GOVERNMENT OR OTHER PUBLIC ENTITY, AND THE  
35 TERMS AND CONDITIONS OF THE TRANSFER REQUIRE THAT THE OWNERSHIP AND USE  
36 OF THE REAL PROPERTY WILL REMAIN WITH THE GOVERNMENT OR ANY OTHER PUBLIC  
37 ENTITY; OR

38 (II) THE PURPOSE OF THE TRANSFER IS WITHIN THE PURPOSE, MISSION, OR  
39 GOVERNING STATUTE OF THE PORT AUTHORITY AND A WRITTEN DETERMINATION IS  
40 MADE BY THE BOARD OF COMMISSIONERS THAT THERE IS NO REASONABLE ALTERNA-  
41 TIVE TO THE PROPOSED BELOW-MARKET TRANSFER THAT WOULD ACHIEVE THE SAME  
42 PURPOSE OF SUCH TRANSFER, PRIOR TO BOARD APPROVAL OF SUCH A TRANSFER.

43 C. THE BOARD SHALL ADOPT, WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF  
44 THIS ARTICLE, APPROPRIATE RULES AND REGULATIONS CONCERNING DISPOSITION,  
45 ACQUISITION, AND TRANSFER OF REAL PROPERTY OR ANY INTEREST IN REAL PROP-  
46 ERTY BY THE PORT AUTHORITY WHICH SHALL, AT A MINIMUM, INCLUDE A REQUIRE-  
47 MENT THAT THE FOLLOWING INFORMATION BE MADE AVAILABLE TO THE BOARD OF  
48 COMMISSIONERS AT THE MEETING WHERE APPROVAL OF SUCH A DISPOSITION,  
49 ACQUISITION OR TRANSFER IS SCHEDULED:

50 (I) A FULL DESCRIPTION OF THE PROPERTY;

51 (II) A DESCRIPTION OF THE PURPOSE OF THE DISPOSITION, ACQUISITION, OR  
52 TRANSFER;

53 (III) A STATEMENT OF THE VALUE TO BE RECEIVED FROM SUCH A DISPOSITION,  
54 ACQUISITION, OR TRANSFER;

1 (IV) THE NAMES OF ANY PRIVATE PARTIES PARTICIPATING IN THE DISPOSI-  
2 TION, ACQUISITION, OR TRANSFER; AND

3 (V) IN THE CASE OF A PROPERTY DISPOSITION FOR LESS THAN FAIR MARKET  
4 VALUE, AN EXPLANATION AND A WRITTEN DETERMINATION BY THE BOARD OF  
5 COMMISSIONERS THAT THERE IS NO REASONABLE ALTERNATIVE TO THE PROPOSED  
6 BELOW-MARKET VALUE THAT WOULD ACHIEVE THE SAME PURPOSE OF SUCH DISPOSI-  
7 TION.

8 D. NOT LESS THAN TEN DAYS IN ADVANCE OF ANY MEETING OF THE BOARD OF  
9 COMMISSIONERS OF THE PORT AUTHORITY AT WHICH THE BOARD OF COMMISSIONERS  
10 IS TO CONSIDER AN ACTION TO AUTHORIZE THE SALE OF REAL PROPERTY OWNED BY  
11 THE PORT AUTHORITY, THE CHIEF EXECUTIVE OFFICER OF THE PORT AUTHORITY  
12 SHALL PROVIDE PUBLIC NOTICE OF SUCH PROPOSED ACTION ALONG WITH RELEVANT  
13 MATERIAL TERMS AND PROVISIONS OF SUCH SALE INCLUDING, BUT NOT LIMITED  
14 TO, THE INFORMATION MADE AVAILABLE PURSUANT TO PARAGRAPH C OF THIS  
15 SUBDIVISION, BY POSTING ON THE PORT AUTHORITY'S WEBSITE.

16 E. THE CHIEF EXECUTIVE OFFICER MAY AUTHORIZE OR ARRANGE FOR CONTRACTS  
17 FOR THE SALE OF PERSONAL PROPERTY OWNED BY THE PORT AUTHORITY OR ARRANGE  
18 FOR CONTRACTS FOR THE SALE OF PERSONAL PROPERTY OWNED BY THE PORT  
19 AUTHORITY UPON SUCH TERMS AND CONDITIONS AS THE CHIEF EXECUTIVE OFFICER  
20 MAY DEEM PROPER AND EXECUTE THE SAME ON BEHALF OF THE PORT AUTHORITY  
21 WHERE THE VALUE OF SUCH PERSONAL PROPERTY IS NOT IN EXCESS OF ONE  
22 MILLION DOLLARS; PROVIDED, HOWEVER, THAT PERSONAL PROPERTY VALUED AT  
23 MORE THAN \$250,000 SHALL NOT BE SOLD BY AUTHORITY OF THE CHIEF EXECUTIVE  
24 OFFICER OTHER THAN TO THE HIGHEST BIDDER AFTER PUBLIC ADVERTISEMENT.  
25 WHERE THE VALUE OF SUCH PERSONAL PROPERTY IS IN EXCESS OF \$1,000,000,  
26 THE SALE OF SUCH PROPERTY MUST BE AUTHORIZED BY THE BOARD OF COMMISSION-  
27 ERS OF THE PORT AUTHORITY UPON SUCH TERMS AS THE BOARD OF COMMISSIONERS  
28 MAY DEEM PROPER.

29 F. THE PORT AUTHORITY MAY RETAIN BROKERS OR THIRD-PARTY VENDORS THAT  
30 FACILITATE ONLINE AUCTIONS, OR ASSIST IN DISPOSING OF SURPLUS REAL AND  
31 PERSONAL PROPERTY OF THE PORT AUTHORITY.

32 2. DEBT ISSUANCE. A. THE ISSUANCE OF ANY BONDS, NOTES OR OTHER  
33 INSTRUMENTS OF INDEBTEDNESS BY THE PORT AUTHORITY SHALL BE UNDERTAKEN IN  
34 A MANNER CONSISTENT WITH APPLICABLE LAWS GOVERNING THE PORT AUTHORITY  
35 AND COVENANTS WITH THE HOLDERS OF THE PORT AUTHORITY'S BONDS, NOTES OR  
36 OTHER INSTRUMENTS OF INDEBTEDNESS.

37 B. AT LEAST SIXTY DAYS PRIOR TO THE END OF ITS FISCAL YEAR, THE PORT  
38 AUTHORITY SHALL SUBMIT TO THE GOVERNOR, STATE COMPTROLLER, AND LEGISLA-  
39 TURE OF EACH STATE A STATEMENT OF INTENT IN REGARDS TO THE ISSUANCE OF  
40 AND OVERALL AMOUNT OF BONDS, NOTES, OR OTHER DEBT OBLIGATIONS ANTIC-  
41 IPATED, AT THE TIME THE STATEMENT IS SUBMITTED, DURING THE NEXT FISCAL  
42 YEAR.

43 3. CAPITAL PLAN. THE PORT AUTHORITY SHALL ADOPT A TEN-YEAR CAPITAL  
44 PLAN THAT IS DEVELOPED USING A COMPREHENSIVE PLANNING PROCESS AND RISK-  
45 BASED PRIORITIZATION THAT CONSIDERS ASSET CONDITION, OPERATIONAL AND  
46 REVENUE IMPACT, THREAT ASSESSMENT, CUSTOMER SERVICE, REGIONAL BENEFIT,  
47 AND REGULATORY OR STATUTORY REQUIREMENTS. THE CAPITAL PLAN SHALL BE  
48 DEPENDENT UPON THE AVAILABILITY OF SUFFICIENT FUNDING AND OTHER  
49 RESOURCES TO PURSUE THE CAPITAL PROJECTS PROPOSED FOR THE TEN-YEAR PERI-  
50 OD. PERFORMANCE PROGRESS AND REVISIONS TO REFLECT CHANGES IN PROGRAMS,  
51 POLICIES AND PROJECTS AND THE ENVIRONMENT IN WHICH THE PORT AUTHORITY  
52 OPERATES SHALL BE REVIEWED REGULARLY BY A COMMITTEE DESIGNATED BY THE  
53 BOARD OF COMMISSIONERS, AND THE CAPITAL PLAN SHALL BE REVISED PERIOD-  
54 ICALLY AS NECESSARY AND APPROPRIATE, AND SHALL BE REVIEWED WITH THE  
55 BOARD OF COMMISSIONERS ANNUALLY. THE PORT AUTHORITY SHALL PUBLISH AN  
56 ANNUAL REPORT ON THE STATUS OF THE CAPITAL PROGRAM AND SUCH REPORT SHALL

1 BE MADE PUBLICLY AVAILABLE ON THE PORT AUTHORITY'S WEBSITE. PRIOR TO  
2 ADOPTION OF A CAPITAL PLAN, THE PORT AUTHORITY SHALL MAKE SUCH PROPOSED  
3 PLAN AVAILABLE FOR PUBLIC REVIEW AND COMMENTS ON ITS PUBLIC WEBSITE FOR  
4 AT LEAST TWO WEEKS PRIOR TO APPROVAL, AND ALL COMMENTS RECEIVED ARE TO  
5 BE DISTRIBUTED TO THE BOARD OF COMMISSIONERS FOR REVIEW PRIOR TO CONSID-  
6 ERATION OF THE CAPITAL PLAN.

7 4. OPERATING BUDGET. THE PORT AUTHORITY SHALL PREPARE A DETAILED ANNU-  
8 AL OPERATING BUDGET BEGINNING WITH THE FISCAL YEAR COMMENCING AFTER THE  
9 EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF 2015 WHICH ADDED THIS ARTI-  
10 CLE. A PRELIMINARY ANNUAL OPERATING BUDGET SHALL BE MADE PUBLICLY AVAIL-  
11 ABLE ON THE PORT AUTHORITY'S WEBSITE IN JULY OF EVERY FISCAL YEAR AND A  
12 FINAL ANNUAL OPERATING BUDGET SHALL BE MADE PUBLICLY AVAILABLE IN FEBRU-  
13 ARY OF EACH FISCAL YEAR.

14 S 5. Severability clause. If any clause, sentence, paragraph, subdivi-  
15 sion, section or part of this act shall be adjudged by any court of  
16 competent jurisdiction to be invalid, such judgment shall not affect,  
17 impair, or invalidate the remainder thereof, but shall be confined in  
18 its operation to the clause, sentence, paragraph, subdivision, section  
19 or part thereof directly involved in the controversy in which such judg-  
20 ment shall have been rendered. It is hereby declared to be the intent of  
21 the legislature that this act would have been enacted even if such  
22 invalid provisions had not been included herein.

23 S 6. This act shall take effect upon the enactment into law by the  
24 state of New Jersey of legislation having an identical effect with this  
25 act, but if the state of New Jersey shall have already enacted such  
26 legislation this act shall take effect immediately. The chairperson of  
27 the port authority shall notify the legislative bill drafting commission  
28 upon the enactment into law of such legislation by both such states in  
29 order that the commission may maintain an accurate and timely effective  
30 data base of the official text of the laws of the state of New York in  
31 furtherance of effecting the provisions of section 44 of the legislative  
32 law and section 70-b of the public officers law.