

LBD07112-01-5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 S 3. Article VII of section 1 of chapter 154 of the laws of 1921,
2 relating to the Port Authority of New York and New Jersey, is amended to
3 read as follows:

4 ARTICLE VII.

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

15 S 4. Chapter 154 of the laws of 1921, relating to the Port Authority
16 of New York and New Jersey, is amended by adding two new articles VII-B
17 and VII-C to read as follows:

18 ARTICLE VII-B

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

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

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

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

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

36 B. DUTIES OF THE PORT AUTHORITY WITH RESPECT TO THE DISPOSAL OF PROP-
37 erty. (1) THE PORT AUTHORITY SHALL ADOPT BY RESOLUTION COMPREHENSIVE
38 GUIDELINES WHICH SHALL (A) DETAIL THE AUTHORITY'S OPERATIVE POLICY AND
39 INSTRUCTIONS REGARDING THE USE, AWARDED, MONITORING AND REPORTING OF
40 CONTRACTS FOR THE DISPOSAL OF PROPERTY, AND (B) DESIGNATE A CONTRACTING
41 OFFICER WHO SHALL BE RESPONSIBLE FOR THE AUTHORITY'S COMPLIANCE WITH,
42 AND ENFORCEMENT OF, SUCH GUIDELINES. SUCH GUIDELINES SHALL BE CONSISTENT
43 WITH, AND SHALL REQUIRE THE AUTHORITY'S CONTRACTING ACTIVITIES TO COMPLY
44 WITH THIS SECTION, THE AUTHORITY'S ENABLING LEGISLATION AND ANY OTHER
45 APPLICABLE LAW FOR THE DISPOSAL OF PROPERTY, EXCEPT THAT SUCH GUIDELINES
46 MAY BE STRICTER THAN THE PROVISIONS OF THIS SECTION, THE AUTHORITY'S
47 ENABLING LEGISLATION AND ANY OTHER APPLICABLE LAW FOR THE DISPOSAL OF
48 PROPERTY IF THE AUTHORITY DETERMINES THAT ADDITIONAL SAFEGUARDS ARE
49 NECESSARY TO ASSURE THE INTEGRITY OF ITS DISPOSITION ACTIVITIES. GUIDE-
50 LINES APPROVED BY THE AUTHORITY SHALL BE ANNUALLY REVIEWED AND APPROVED
51 BY THE BOARD OF COMMISSIONERS OF THE AUTHORITY. ON OR BEFORE THE THIR-
52 TY-FIRST DAY OF MARCH IN EACH YEAR, THE AUTHORITY SHALL FILE WITH THE
53 STATE COMPTROLLER OF EACH STATE A COPY OF THE GUIDELINES MOST RECENTLY
54 REVIEWED AND APPROVED BY THE AUTHORITY, INCLUDING THE NAME OF THE
55 AUTHORITY'S DESIGNATED CONTRACTING OFFICER. AT THE TIME OF FILING SUCH
56 GUIDELINES WITH THE STATE COMPTROLLER, THE AUTHORITY SHALL ALSO POST

1 SUCH GUIDELINES ON THE AUTHORITY'S INTERNET WEBSITE. GUIDELINES POSTED
2 ON THE AUTHORITY'S INTERNET WEBSITE SHALL BE MAINTAINED ON SUCH WEBSITE
3 AT LEAST UNTIL THE PROCUREMENT GUIDELINES FOR THE FOLLOWING YEAR ARE
4 POSTED ON SUCH WEBSITE.

5 (2) THE PORT AUTHORITY SHALL:

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

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

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

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

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

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

22 C. DISPOSAL OF PORT AUTHORITY PROPERTY. (1) SUPERVISION AND DIRECTION.
23 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CONTRACTING OFFICER
24 DESIGNATED BY THE PORT AUTHORITY SHALL HAVE SUPERVISION AND DIRECTION
25 OVER THE DISPOSITION OF PROPERTY OF THE AUTHORITY.

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

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

45 (4) VALIDITY OF DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT. A
46 DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT EXECUTED BY OR ON BEHALF
47 OF THE PORT AUTHORITY, PURPORTING TO TRANSFER TITLE OR ANY OTHER INTER-
48 EST IN PROPERTY OF THE AUTHORITY UNDER THIS SECTION SHALL BE CONCLUSIVE
49 EVIDENCE OF COMPLIANCE WITH THE PROVISIONS OF THIS SECTION INsofar AS
50 CONCERNS TITLE OR OTHER INTEREST OF ANY BONA FIDE GRANTEE OR TRANSFEREE
51 WHO HAS GIVEN VALUABLE CONSIDERATION FOR SUCH TITLE OR OTHER INTEREST
52 AND HAS NOT RECEIVED ACTUAL OR CONSTRUCTIVE NOTICE OF LACK OF SUCH
53 COMPLIANCE PRIOR TO THE CLOSING.

54 (5) BIDS FOR DISPOSAL; ADVERTISING; PROCEDURE; DISPOSAL BY NEGOTI-
55 ATION; EXPLANATORY STATEMENT. (A) ALL DISPOSALS OR CONTRACTS FOR
56 DISPOSAL OF PROPERTY OF THE PORT AUTHORITY MADE OR AUTHORIZED BY THE

1 CONTRACTING OFFICER SHALL BE MADE AFTER PUBLICLY ADVERTISING FOR BIDS
2 EXCEPT AS PROVIDED IN SUBPARAGRAPH (C) OF THIS PARAGRAPH.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54 (II) EACH SUCH STATEMENT SHALL BE TRANSMITTED TO THE PERSONS ENTITLED
55 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 REPORT OR REPORTS SETTING FORTH: (1) ITS OPERATIONS AND ACCOMPLISHMENTS; (2) ITS FINANCIAL REPORTS CERTIFIED BY THE CHAIR AND VICE-CHAIR OF THE BOARD; AND THE EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE PORT AUTHORITY, INCLUDING (A) AUDITED FINANCIALS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, KNOWN

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

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

7 C. EVERY FINANCIAL REPORT SUBMITTED UNDER THIS SECTION SHALL BE
8 APPROVED BY THE BOARD AND SHALL BE CERTIFIED IN WRITING BY THE CHAIR AND
9 VICE-CHAIR OF THE BOARD; AND THE EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE
10 DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE PORT AUTHORITY, THAT BASED
11 ON THE OFFICER'S KNOWLEDGE (1) THE INFORMATION PROVIDED THEREIN IS ACCU-
12 RATE, CORRECT AND DOES NOT CONTAIN ANY UNTRUE STATEMENT OF MATERIAL
13 FACT; (2) DOES NOT OMIT ANY MATERIAL FACT WHICH, IF OMITTED, WOULD CAUSE
14 THE FINANCIAL STATEMENTS TO BE MISLEADING IN LIGHT OF THE CIRCUMSTANCES
15 UNDER WHICH SUCH STATEMENTS ARE MADE; AND (3) FAIRLY PRESENTS IN ALL
16 MATERIAL RESPECTS THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF
17 THE AUTHORITY AS OF, AND FOR, THE PERIODS PRESENTED IN THE FINANCIAL
18 STATEMENTS.

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

26 B. EACH CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM THAT PERFORMS ANY
27 AUDIT REQUIRED BY THIS ARTICLE SHALL TIMELY REPORT TO THE AUDIT COMMIT-
28 TEE OF SUCH AUTHORITY: (1) ALL CRITICAL ACCOUNTING POLICIES AND PRAC-
29 TICES TO BE USED; (2) ALL ALTERNATIVE TREATMENTS OF FINANCIAL INFORMA-
30 TION WITHIN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THAT HAVE BEEN
31 DISCUSSED WITH MANAGEMENT OFFICIALS OF THE PORT AUTHORITY, RAMIFICATIONS
32 OF THE USE OF SUCH ALTERNATIVE DISCLOSURES AND TREATMENTS, AND THE
33 TREATMENT PREFERRED BY THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM;
34 AND (3) OTHER MATERIAL WRITTEN COMMUNICATIONS BETWEEN THE CERTIFIED
35 INDEPENDENT PUBLIC ACCOUNTING FIRM AND THE MANAGEMENT OF THE AUTHORITY,
36 INCLUDING AS THE MANAGEMENT LETTER ALONG WITH MANAGEMENT'S RESPONSE OR
37 PLAN OF CORRECTIVE ACTION, MATERIAL CORRECTIONS IDENTIFIED OR SCHEDULE
38 OF UNADJUSTED DIFFERENCES, WHERE APPLICABLE.

39 C. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE
40 CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PROVIDING SUCH AUTHORITY'S
41 ANNUAL INDEPENDENT AUDIT WILL BE PROHIBITED IN PROVIDING AUDIT SERVICES
42 TO THE AUTHORITY IF THE LEAD OR COORDINATING AUDIT PARTNER HAVING PRIMA-
43 RY RESPONSIBILITY FOR THE AUDIT, OR THE AUDIT PARTNER RESPONSIBLE FOR
44 REVIEWING THE AUDIT, HAS PERFORMED AUDIT SERVICES FOR THAT ISSUER IN
45 EACH OF THE FIVE PREVIOUS FISCAL YEARS OF SUCH AUTHORITY.

46 D. THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PERFORMING THE
47 PORT AUTHORITY'S AUDIT SHALL BE PROHIBITED FROM PERFORMING ANY NON-AUDIT
48 SERVICES TO SUCH AUTHORITY CONTEMPORANEOUSLY WITH THE AUDIT, UNLESS
49 RECEIVING PREVIOUS WRITTEN APPROVAL BY THE AUDIT COMMITTEE INCLUDING:
50 (1) BOOKKEEPING OR OTHER SERVICES RELATED TO THE ACCOUNTING RECORDS OR
51 FINANCIAL STATEMENTS OF SUCH AUTHORITY; (2) FINANCIAL INFORMATION
52 SYSTEMS DESIGN AND IMPLEMENTATION; (3) APPRAISAL OR VALUATION SERVICES,
53 FAIRNESS OPINIONS, OR CONTRIBUTION-IN-KIND REPORTS; (4) ACTUARIAL
54 SERVICES; (5) INTERNAL AUDIT OUTSOURCING SERVICES; (6) MANAGEMENT FUNC-
55 TIONS OR HUMAN SERVICES; (7) BROKER OR DEALER, INVESTMENT ADVISOR, OR

1 INVESTMENT BANKING SERVICES; AND (8) LEGAL SERVICES AND EXPERT SERVICES
2 UNRELATED TO THE AUDIT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 D. THE PORT AUTHORITY SHALL ADOPT A POLICY IMPLEMENTING THE REQUIRE-
20 MENTS OF THIS SECTION WITHIN ONE HUNDRED EIGHTY DAYS OF THE EFFECTIVE
21 DATE OF THIS ARTICLE. SUCH POLICY SHALL APPOINT AN OFFICER TO WHOM ALL
22 SUCH RECORDS SHALL BE DELIVERED. SUCH OFFICER SHALL MAINTAIN SUCH
23 RECORDS FOR NOT LESS THAN SEVEN YEARS IN A FILING SYSTEM DESIGNED TO
24 ORGANIZE SUCH RECORDS IN A MANNER SO AS TO MAKE SUCH RECORDS USEFUL TO
25 DETERMINE WHETHER THE DECISIONS OF THE AUTHORITY WERE INFLUENCED BY
26 LOBBYING CONTACTS.

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

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

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

38 B. FUNCTIONS AND DUTIES. THE INSPECTOR GENERAL SHALL HAVE THE FOLLOW-
39 ING DUTIES AND RESPONSIBILITIES:

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

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

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

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

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

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

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

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

(1) SUBPOENA AND ENFORCE THE ATTENDANCE OF WITNESSES;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E. ON OR BEFORE THE FIRST DAY OF JANUARY, TWO THOUSAND 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

1 STATEMENTS PURSUANT TO SECTION SEVENTY-THREE-A OF THE PUBLIC OFFICERS
2 LAW.

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

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

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

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

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

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

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

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

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

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

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

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

52 4. THE PORT AUTHORITY SHALL ALSO PROVIDE THAT MAJOR CAPITAL PROJECTS
53 ARE MONITORED BY INDEPENDENT ENGINEERING CONSULTANTS. THE INDEPENDENT
54 CONSULTANTS SHALL PREPARE QUARTERLY REPORTS TO BE PROVIDED TO THE BOARD
55 AND TO THE PUBLIC. THE QUARTERLY REPORTS PREPARED BY INDEPENDENT
56 CONSULTANTS SHALL INCLUDE, BUT NOT BE LIMITED TO, A COMPARISON OF ACTUAL

1 AND TARGET PERFORMANCE MEASURES INCLUDING, BUT NOT LIMITED TO, COSTS AND
2 CONSTRUCTION SCHEDULES, AND A NARRATIVE EXPLANATION OF ANY DISCREPANCY
3 THEREOF.

4 ARTICLE VII-C

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 S 2. As used in this act:

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

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

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

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

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

55 S 3. A. NOTWITHSTANDING THE PROVISION OF ANY OTHER LAW TO THE CONTRA-
56 RY, ALL MEETINGS OF THE BOARD ARE DECLARED TO BE PUBLIC MEETINGS AND

1 SHALL BE OPEN TO THE PUBLIC AND MEMBERS OF THE NEWS MEDIA, INDIVIDUALLY
2 AND COLLECTIVELY, FOR THE PURPOSE OF OBSERVING THE FULL DETAILS OF ALL
3 PHASES OF THE DELIBERATION, POLICY-MAKING, AND DECISION-MAKING OF THE
4 BOARD.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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