



NEW YORK STATE SENATOR

Stephen M. Saland

## Senate Passes Bill to Increase Port Authority Accountability

STEPHEN M. SALAND March 15, 2012

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### *Legislation Seeks To Reform Organizational Deficiencies*

The New York State Senate today passed legislation to ensure the proper functioning of the Port Authority of New York and New Jersey as an open, transparent and accountable interstate authority. The bill (S.5878) is named the Port Authority of New York and New Jersey Transparency and Accountability Act and is part of a bipartisan, bi-state effort designed to create a new system of accountability at the Port Authority.

A scathing preliminary audit report issued by the Port Authority's consulting firm last month found the Authority to be a "challenged and dysfunctional organization suffering from poorly coordinated capital planning, insufficient cost controls, and a lack of transparent and effective oversight." The audit confirmed that the agency is in need of a complete top to bottom organizational redesign, however, laws governing the bi-state agency do not take effect until New Jersey and New York have enacted substantively identical legislation.

The legislation would:

- Require an independent auditing of the Port Authority;

- Lay out specific requirements for open public meetings and publication of minutes of meetings of the Board of Commissioners;
- Establish specific requirements for public hearings to be held in the port district of New York and New Jersey to discuss any proposed
- fee, toll, charge, or fare increase;
- Establish Audit, Finance and Governance Committees;
- Require financial disclosures and training for Commissioners and certification of those disclosures by the Chairman, Vice-Chairman of the Board of Commissioners of the Port Authority and the Executive Director, Deputy Executive Director, and the Chief Financial Officer of the Port Authority; and
- Create a fiduciary responsibility for Commissioners.

The bill will be sent to the Assembly. It is also expected to pass in the New Jersey Legislature this week.