

52:27H-29 to 52:27H-44

LEGISLATIVE HISTORY CHECKLIST

(Atlantic City Convention Center Authority Act)

NJSA 52:27H-29 to 52:27H-44

LAWS 1981

CHAPTER 459

Bill No. S3385

Sponsor(s) Perskie

Date Introduced Nov. 12, 1981

Committee: Assembly ---

Senate County and Municipal Government

Amended during passage Yes ~~XXX~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly Dec. 7, 1981

Senate Dec. 3, 1981

Date of approval Jan. 8, 1982

Following statements are attached if available:

Sponsor statement	Yes	No	Original bill not printed. Also Attached: Senate amendments, adopted 11-23-81 (with statement)
Committee Statement: Assembly	Yes	No	
	Senate	Yes	XXX
Fiscal Note	Yes	No	
Veto Message	Yes	No	
Message on signing	<i>yes</i>	Yes	

Following were printed:

Reports Yes ~~XXX~~

Hearings ~~XXX~~ No

See: 974.90 Atlantic City Convention Hall. Blue Ribbon Committee.
G191 Report and recommendations. April 1, 1982. Atlantic City, 1982.
1982b

Note: The above report is a summary from 400+ page report of the Blue Ribbon Committee. For further information on this report, contact Atlantic City Improvement Authority, 1 South New York Avenue, Atlantic City, (609)347-0339

See Also: 6/22/81 Newspaper clipping files in "NJ - Atlantic City Convention Center - 1981 & 1982" in New Jersey Reference Section.

459 81
1-8-82
[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 3385

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 12, 1981

By Senator PERSKIE

Referred to Committee on County and Municipal Government

AN ACT to establish an authority to operate certain convention centers and supplementing Title 52 of the Revised Statutes, and repealing P. L. 1967, c. 309 (C. 40:54B-1 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature finds that the tourist, resort and convention
2 industry of Atlantic City has traditionally made an important
3 contribution to the economic vitality of this State; that the recent
4 revitalization of that industry as a result of the authorization of
5 casino gaming in Atlantic City has resulted in significant economic
6 benefits not only to the residents of the city and its immediate
7 environs, but to all of the residents of the State in the form of
8 increased business and employment opportunities and augmented
9 State and local revenues; and, that the future growth of this
10 industry will depend in part upon the provision and operation of
11 an attractive convention center in Atlantic City and the provision
12 of an adequate mechanism whereby the interests and efforts of the
13 State, the city and the private sector may be effectively coordinated
14 and the financial soundness of a convention center assured.

15 To this end, the Legislature declares the establishment of an
16 authority responsible for the promotion, operation and maintenance
17 of a convention center in Atlantic City to be in the public
18 interest of the citizens of this State.

1 2. This act shall be known and may be cited as the "Atlantic
2 City Convention Center Authority Act."

1 3. There is created a public body corporate and politic,
2 with corporate succession, to be known as the "Atlantic City Con-
3 vention Center Authority." The authority is constituted as an
4 instrumentality of the State exercising public and essential govern-
5 mental functions, and the exercise by the authority of the powers
6 conferred by this act shall be an essential government function of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

7 the State. For the purposes of complying with the provisions of
8 Article V, Section IV, paragraph 1 of the New Jersey Constitution,
9 the authority is allocated within the Department of Commerce and
10 Economic Development, but, notwithstanding the allocation, the
11 authority shall be independent of any supervision or control by
12 the department or by the commissioner or any officer or employee
13 thereof.

1 4. a. The authority shall consist of seven members to be appointed
2 as follows:

3 (1) One resident of the State, to be appointed by the Governor;

4 (2) One resident of the city of Atlantic City, to be appointed by
5 the governing body of that city;

6 (3) Two public members, to be appointed by the Governor upon
7 the nomination of the Casino Hotel Association of Atlantic City;

8 (4) Two public members, to be appointed by the Governor upon
9 the nomination of the Hotel-Motel Association of Atlantic City; and

10 (5) One public member, to be appointed by the Governor upon
11 the nomination of the Greater Atlantic City Chamber of Commerce,
12 who shall not be an employee or associated with the operation of
13 any casino hotel, hotel or motel.

14 b. Appointments of public members pursuant to paragraphs (3),
15 (4) and (5) of subsection a. of this section shall be made from a
16 list of three different names submitted to the Governor by the
17 nominating entity for each appointment; except that for the first
18 appointments to be made a list of four different names shall be
19 submitted for the two public members to be appointed pursuant
20 to paragraph (3) of that subsection, a list of four shall be sub-
21 mitted for the two members to be appointed pursuant to paragraph
22 (4) of that subsection, and a list of three shall be submitted for
23 the one member to be appointed pursuant to paragraph (5) of that
24 subsection.

25 c. Members appointed pursuant to paragraphs (1) or (2) of
26 subsection a. of this section shall serve at the pleasure of the
27 appointing authority. Public members appointed pursuant to para-
28 graphs (3), (4) or (5) of that subsection shall serve for a term of
29 5 years and until a successor shall have been appointed and quali-
30 fied; except that of the public members first appointed, the Gov-
31 ernor shall designate upon appointment: one member appointed
32 pursuant to paragraph (3) of that subsection to serve for a term
33 of 5 years and one for a term of 3 years; one member appointed
34 pursuant to paragraph (4) of that subsection to serve for a term
35 of 4 years and one for a term of 2 years; and the member appointed
36 pursuant to paragraph (5) of that subsection to serve for a term
37 of 1 year.

1 5. a. Any public member of the authority may be removed by
2 the appointing authority for cause. Any vacancy in the public
3 membership shall be filled in the same manner as the appointment
4 was made, but for the unexpired term.

5 b. Each member of the authority, before entering upon his
6 duties, shall take and subscribe an oath to perform the duties
7 of the office faithfully, impartially and justly to the best of his
8 ability. A record of the oaths shall be filed with the office of the
9 Secretary of State.

10 c. The members of the authority shall serve without compen-
11 sation, but the authority may reimburse its members for necessary
12 expenses incurred in the discharge of their duties.

13 ***d. No member or employee of the authority shall be considered*
14 *to be a State officer or employee or a special State officer or em-*
15 *ployee subject to the provisions of the "New Jersey Conflicts of*
16 *Interest Law," P. L. 1971, c. 182 (C. 52:13D-12 et seq.) solely by*
17 *virtue of that membership or employment.***

1 6. a. The authority shall not be constituted and shall
2 not take action or adopt motions or regulations until all
3 original authorized members shall have been appointed and quali-
4 fied. The powers of the authority shall be vested in the members
5 thereof and a majority of the total authorized membership of the
6 authority shall constitute a quorum at any meeting. Action may
7 be taken and motions and resolutions adopted by the authority at
8 any meeting by the affirmative vote of a majority of the quorum,
9 unless in any case the bylaws of the authority or any of the pro-
10 visions of this act shall require a larger number. The authority
11 may designate one or more of its agents, officers or employees to
12 exercise, under its supervision and control, such administrative
13 functions, powers and duties as it may deem proper, consistent with
14 the provisions of this act and with the bylaws of the authority.
15 No vacancy in the membership of the authority shall affect the
16 right of the quorum to exercise all the rights and perform all the
17 duties of the authority.

18 b. The authority shall designate one of its members to serve as
19 the chairman of the authority, and one to serve as vice-chairman.
20 The authority shall appoint an executive director who shall serve
21 as its chief administrative officer. The executive director shall
22 serve at the pleasure of the authority, and shall be a person quali-
23 fied by training and experience to perform the duties of his office,
24 as those duties shall be prescribed by the bylaws of the authority.

1 7. The authority may be dissolved by law on condition that
2 the authority has no debts, obligations or contractual commit-

3 ments, or on condition that provision has been made for the
4 payment or retirement of debts and obligations and for the
5 release from or satisfaction of contractual commitments. Upon
6 dissolution of the authority all property, funds and assets thereof
7 shall be vested in the **political subdivision with which the*
8 *authority is currently under contract pursuant to section 9 of this*
9 *act at the time of dissolution.**

1 8. A true copy of the minutes of every meeting of the authority
2 shall be forthwith transmitted to the Governor, the presiding
3 officers of each house of the Legislature, and the respective clerks
4 of the city of Atlantic City and the county of Atlantic.

1 9. The authority shall enter into a contract with any
2 political subdivision of the State which owns or leases any con-
3 vention center, convention hall and related or ancillary facilities
4 for the operation thereof. The convention center, convention hall
5 and related or ancillary facilities shall be in a municipality wherein
6 casino gambling has been duly authorized, except that the authority
7 may operate, pursuant to contract, related or ancillary facilities
8 necessary to the operation of a convention center or hall, which are
9 not located within the borders of a municipality wherein casino
10 gambling is authorized, but which are located within the same
11 county as that municipality.

12 Any contract entered into pursuant to this section shall not
13 exceed 5 years in duration. The first contract so entered into shall
14 have an effective date of July 1, 1982. A contract shall prescribe
15 the use or disposition of any revenues resulting from the operation
16 of any convention center, convention hall and related or ancillary
17 facilities. The provisions of any contract entered into shall not
18 conflict with any bond resolution or trust agreement relating to
19 any facilities subject to the terms of the contract.

1 10. Upon entering into any contract authorized pursuant to
2 section 9 of this act, the authority shall by resolution establish a
3 schedule of rents, admission fees, or other charges for occupancy,
4 use or services of, or admission to, any facilities it shall operate
5 under the contract, and provide for the collection and enforcement
6 of those charges. The resolution shall not become effective until
7 it has been submitted to, reviewed and approved by the governing
8 body of the political subdivision or subdivisions being party to
9 the contract, approval to be by resolution or ordinance, as appro-
10 priate. No resolution of the authority shall be approved unless
11 an opinion has been rendered by the political subdivision's legal
12 counsel stating its validity and compliance with the terms of the
13 contract entered into pursuant to section 9 of this act, and an

14 opinion has been rendered by a bond counsel stating its validity
15 and compliance with the terms of any bond resolution or trust
16 agreement relative to the financing of the facilities which the
17 authority has undertaken to operate pursuant to the contract or
18 this act.

19 Any resolution so approved may be amended or repealed by a
20 resolution adopted in the same manner and under the same condi-
21 tions and requirements.

1 11. Upon entering into any contract authorized pursuant to
2 section 9 of this act, the authority may adopt by resolution a
3 schedule of charges to be paid to the authority by each casino
4 hotel, hotel and motel located in the city of Atlantic City.
5 The schedule shall take effect upon the final adoption of the
6 first operating budget by the authority pursuant to this act, and
7 may thereafter be amended, from time to time, by resolution of
8 the authority.

9 The total charges imposed by the schedule shall assure that
10 the authority shall receive revenues from those charges in an
11 amount which, when added to other anticipated authority revenues,
12 shall be reasonably expected to meet the authority's operating
13 budget for the fiscal year to which the schedule applies. The
14 schedule shall provide that each casino hotel, hotel and motel
15 in the city shall pay, of the total amount of charges to
16 be paid under the schedule, an amount equal in percentage to
17 that which that casino hotel, hotel or motel's rooms available for
18 hire in excess of 25 rooms represents of the total number of rooms
19 available for hire in all casino hotels, hotels and motels in the city,
20 after deducting from that total the number of rooms which each
21 casino hotel, hotel or motel has available for hire in a number of 25
22 or less. For the purposes of computing the above schedule, each
23 room available for hire in a casino hotel in excess of 25 rooms shall
24 first be multiplied by a factor of 1.5 before computing the total
25 number of rooms available for hire in the city, and before comput-
26 ing the amount of charge to be paid by each casino hotel, hotel or
27 motel in the city.

28 The annual payment of the charge, if any, imposed by this section
29 shall be a condition for the issuance to a casino hotel, hotel or motel
30 of a merchantile license by the city of Atlantic City and for the
31 continued operation of a casino hotel under the provisions of the
32 "Casino Control Act," P. L. 1977, c. 110 (C. 5:12-1 et seq.).

1 12. In addition to the powers granted to the authority in sections
2 10 and 11 of this act, the authority may :

- 3 a. Make and alter bylaws for its organization and internal
4 management and, subject to the restrictions of any contract entered
5 into pursuant to section 9 of this act, make rules and regulations
6 with respect to its operations;
- 7 b. Adopt an official seal and alter the same at its pleasure;
- 8 c. Sue and be sued in its own name;
- 9 d. Make and enter into all contracts or agreements necessary
10 or incidental to the performance of its duties;
- 11 e. Enter into agreements or other transactions with and accept
12 grants and the cooperation of the United States or any agency
13 thereof or any State or local agency in furtherance of the pur-
14 poses of this act, and do any thing necessary in order to avail
15 itself of this aid and cooperation;
- 16 f. Solicit, receive and accept aid, loans or contributions from
17 any source of money, property, labor or other things of value, to
18 be held, used and applied to carry out the purposes of this act
19 subject to the conditions upon which this aid, these loans and con-
20 tributions shall be made, including but not limited to grants from
21 any department or agency of the United States or any State or
22 local agency for any purpose consistent with this act;
- 23 g. Acquire, own, hold, sell, exchange, lease or otherwise dispose of
24 **real or** personal property or any interest therein in the exercise of
25 its powers and the performance of its duties under this act;
- 26 h. Appoint such officers, employees, and agents as it may
27 require for the performance of its duties, and fix their compen-
28 sation, promote and discharge them, all without regard to the
29 provisions of Title 11 of the Revised Statutes;
- 30 i. Provide advisory, consultative and technical assistance and
31 advice to any person, firm, association, partnership or corporation,
32 either public or private, in order to carry out the purposes of this
33 act;
- 34 j. Subject to the provisions of any contract entered into pursuant
35 to section 9 of this act, to invest moneys of the authority not
36 required for immediate use in those obligations, securities and
37 other investments as the authority shall deem prudent;
- 38 k. Procure insurance coverage in such types and amounts and
39 from such insurers as may be advisable;
- 40 l. Engage the services of attorneys, accountants, marketing
41 analysts and financial experts and such other advisors, consultants
42 and agents as may be necessary in its judgment, and fix their
43 compensation;
- 44 m. Maintain an office at such place or places in the city of
45 Atlantic City as it may designate;

46 n. Advertise and promote the tourist, resort, convention and
47 casino gaming industries of Atlantic county; and,

48 o. Do any act necessary to the exercise of these powers or
49 reasonably implied therefrom.

1 13. The authority shall not issue bonds or other obligations for
2 the acquisition of real property or for capital construction.

1 14. a. As soon as it is practicable after the appointment and
2 qualification of the members of the authority, and annually there-
3 after, at least 45 days preceding the commencement of the author-
4 ity's fiscal year on July 1 of each year, the authority shall prepare
5 a budget for its operations and activities for the ensuing fiscal
6 year and introduce the budget by resolution. The budget shall
7 become effective as provided in section 15 of this act.

8 b. The budget shall set forth anticipated revenues for the ensuing
9 fiscal year and the sources thereof, and appropriations for the
10 same period, which appropriations shall not exceed the anticipated
11 revenues. No revenues from any source shall be anticipated unless
12 it can be reasonably expected to be realized during the fiscal year
13 to which the budget applies. Appropriations shall be segregated
14 as salaries and wages, contractual other expenses, and noncon-
15 tractual other expenses.

16 c. An appropriation for "anticipated operating deficit of pre-
17 ceding year" shall appear in each annual budget in the amount by
18 which the liabilities and disbursements of the authority for ex-
19 penditures in the next preceding fiscal year exceed or are likely
20 to exceed receipts and other revenue in that year, subtracting any
21 expenditures provided for by surplus anticipated in the budget.

22 d. No budget required pursuant to this section shall be approved
23 as provided in section 15 of this act, unless it is in compliance
24 with the terms of any contract authorized pursuant to section 9
25 of this act and with the terms of any bond resolution or trust agree-
26 ment relating to the financing of facilities operated by the authority.

1 15. a. The budget as introduced by the authority shall be sub-
2 mitted to the governing body of the city of Atlantic City prior to
3 adoption by the authority. Within 5 days following its receipt
4 of the budget the governing body shall introduce, and within 20
5 days after introduction shall adopt, an ordinance approving or
6 disapproving the budget. The ordinance shall be an emergency
7 measure and shall not require any action or vote of the governing
8 body to declare it so.

9 (1) Upon approval, the governing body of the city shall immue-
10 diately forward the introduced budget and a copy of the approving
11 ordinance to the Director of the Division of Local Government

12 Services in the Department of Community Affairs, and shall also
13 forward a copy of the approving ordinance to the authority.

14 (2) Any ordinance disapproving the introduced budget shall set
15 forth the reasons for disapproval and the conditions upon which
16 approval shall be granted, and shall immediately be forwarded
17 to the authority. The authority shall, within 10 days of its receipt
18 amend the introduced budget in accordance with the ordinance
19 of disapproval and resubmit the budget to the governing body for
20 approval. Upon adoption of the resolution, the authority shall
21 immediately forward a copy to the governing body of the city, and
22 shall forward the introduced budget and a copy of any amendments
23 adopted pursuant to this paragraph to the director.

24 b. Upon receipt of an introduced budget pursuant to subsection
25 a. of this section, the director shall immediately review the budget
26 to determine its compliance with the requirements of section 14 of
27 this act. The director shall also forward a copy of the introduced
28 budget and all relevant resolutions to any political subdivision
29 with which the authority has entered into a contract pursuant to
30 section 9 of this act.

31 (1) Prior to his approval of the introduced budget, the director
32 shall convene and hold a public meeting, which shall be not later
33 than 5 days prior to the commencement of the authority's fiscal
34 year, to which he shall summon the executive director or other
35 duly authorized official of the authority; the chief executive officer
36 or other duly authorized officer of any political subdivision with
37 which the authority has entered into a contract pursuant to section 9
38 of this act; and the mayor or other duly authorized official of the
39 city of Atlantic City, each of whom shall be entitled to be heard
40 by the director on the introduced budget. The director may also
41 permit any person to be heard on the budget whom he shall deem
42 appropriate.

43 (2) Thereafter, the director shall approve in writing the intro-
44 duced budget if he finds it to accord with the provisions of section
45 14 of this act. If the director finds that the introduced budget does
46 not accord with that section, he shall disapprove it in writing, and
47 set forth the reasons for his disapproval and the conditions on
48 which approval shall be granted. The authority shall amend the
49 introduced budget in accordance with the director's determination
50 and resubmit it to him for approval not more than 5 days after
51 disapproval, unless prior to that date it appeals the decision of the
52 director in the manner generally provided by law. **On any appeal*
52A *the governing body of Atlantic City shall be entitled to be repre-*
53 *sentated and heard on the matter which is appealed.**

54 (3) Any amendments to the introduced budget occurring after
55 completion of review as provided in subsection a. of this section,
56 but prior to approval by the director, shall be submitted directly
57 to the director after adoption by the authority.

58 c. The authority is prohibited from expending, encumbering or
59 otherwise committing any revenues except in accordance with a
60 budget adopted pursuant to this section; except that, with the prior
61 written consent of the director, the authority shall be authorized
62 to expend revenues when it is necessary to do so pursuant to the
63 terms of any contract entered into pursuant to section 9 of this act.

1 16. On or before the last day of the third month following the
2 close of each fiscal year, the authority shall make an annual report
3 of its activities for the preceding fiscal year to the Governor, the
4 Legislature, the chief executive officer and the governing body of
5 the county of Atlantic and any political subdivision with which a
6 contract has been entered into pursuant to section 9 of this act.
7 The report shall set forth a complete operating and financial
8 statement covering its operations during the year. The director
9 shall audit the books and accounts of the authority for each fiscal
10 year, and a copy of that audit shall be filed with the Governor,
11 the Legislature, the chief executive officer and the governing body
12 of the county of Atlantic and any political subdivision with which
13 a contract has been entered into pursuant to section 9 of this act.

1 17. P. L. 1967, c. 309 (C. 40:54B-1 et seq.) is repealed.

1 18. There is appropriated to the authority from the General
2 State Fund the sum of ~~**\$100,000.00**~~ ****\$90,000.00**** or so much
3 thereof as may be necessary for the purposes of carrying out its
4 functions and duties pursuant to this act.

1 19. This act shall take effect immediately.

58 c. The authority is prohibited from expending, encumbering or
 59 otherwise committing any revenues except in accordance with a
 60 budget adopted pursuant to this section; except that, with the prior
 61 written consent of the director, the authority shall be authorized
 62 to expend revenues when it is necessary to do so pursuant to the
 63 terms of any contract entered into pursuant to section 9 of this act.

1 16. On or before the last day of the third month following the
 2 close of each fiscal year, the authority shall make an annual report
 3 of its activities for the preceding fiscal year to the Governor, the
 4 Legislature, the chief executive officer and the governing body of
 5 the county of Atlantic and any political subdivision with which a
 6 contract has been entered into pursuant to section 9 of this act.
 7 The report shall set forth a complete operating and financial
 8 statement covering its operations during the year. The director
 9 shall audit the books and accounts of the authority for each fiscal
 10 year, and a copy of that audit shall be filed with the Governor,
 11 the Legislature, the chief executive officer and the governing body
 12 of the county of Atlantic and any political subdivision with which
 13 a contract has been entered into pursuant to section 9 of this act.

1 17. P. L. 1967, c. 309 (C. 40:54B-1 et seq.) is repealed.

1 18. There is appropriated to the authority from the General
 2 State Fund the sum of \$100,000.00 or so much thereof as may be
 3 necessary for the purposes of carrying out its functions and duties
 4 pursuant to this act.

1 19. This act shall take effect immediately.

STATEMENT

This bill, the "Atlantic City Convention Center Authority Act," establishes a State authority, in but not of the Department of Commerce and Economic Development, to operate the Atlantic City Convention Center. This convention center shall be developed by the Atlantic County Improvement Authority pursuant to companion legislation.

The authority provides an effective mechanism whereby the interests of the State, Atlantic City and the business and tourist industry interests in the successful operation and financial soundness of the convention center may be coordinated.

The authority is empowered to lease the convention center from the county improvement authority or other political subdivision owning the convention center, and to charge rents, admission fees and other charges for the use of the facility. The authority would also be authorized to levy a charge upon casino hotels, hotels and

motels in the city on a pro-rata room charge basis in order to provide for any operating deficit of the convention facility.

The authority would be required to adopt an annual budget to be approved by both the governing body of Atlantic City and the Director of Local Government Services, and to report annually to the Governor, the Legislature, Atlantic City, Atlantic County and the Atlantic County Improvement Authority on its operations and finances for the preceding year.

The bill appropriates \$100,000.00 for the initial costs of the authority in meeting its obligations under the act.

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SENATE AMENDMENTS TO
SENATE, No. 3385
with Senate committee amendments

STATE OF NEW JERSEY

ADOPTED NOVEMBER 23, 1981

Amend page 3, section 5, after line 12, insert new subsection as follows:

“d. No member or employee of the authority shall be considered to be a State officer or employee or a special State officer or employee subject to the provisions of the ‘New Jersey Conflicts of Interest Law,’ P. L. 1971, c. 182 (C. 52:13D-12 et seq.) solely by virtue of that membership or employment.”

Amend page 12, section 18, line 2, omit “\$100,000.00”, insert “\$90,000.00”.

STATEMENT

These amendments (1) insert a provision which was inadvertently omitted from the bill. Since the intent of the authority is to involve the private sector in the promotion and operation of the Atlantic City Convention Hall, it is necessary to exempt the members and employees of the authority from the “New Jersey Conflicts of Interest Law.”

(2) Reduce the appropriation necessary for the purposes of the bill from \$100,000.00 to \$90,000.00.

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SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 3385

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 16, 1981

This bill, the "Atlantic City Convention Center Authority Act," establishes a State authority, in but not of the Department of Commerce and Economic Development, to operate the Atlantic City Convention Center. This convention center shall be developed by the Atlantic County Improvement Authority pursuant to companion legislation.

The authority provides an effective mechanism whereby the interests of the State, Atlantic City and the business and tourist industry interests in the successful operation and financial soundness of the convention center may be coordinated.

The authority is empowered to lease the convention center from the county improvement authority or other political subdivision owning the convention center, and to charge rents, admission fees and other charges for the use of the facility. The authority would also be authorized to levy a charge upon casino hotels, hotels and motels in the city on a pro-rata room charge basis in order to provide for any operating deficit of the convention facility.

The authority would be required to adopt an annual budget to be approved by both the governing body of Atlantic City and the Director of Local Government Services, and to report annually to the Governor, the Legislature, Atlantic City, Atlantic County and the Atlantic County Improvement Authority on its operations and finances for the preceding year.

The bill appropriates \$100,000.00 for the initial costs of the authority in meeting its obligations under the act.

The Senate committee amendments, proposed by the sponsor, make several minor changes in the bill to provide:

a. That the assets of the authority shall vest upon dissolution in the entity owning the convention hall center;

b. Clarification that the authority may own or lease real property, even though it is not permitted to issue bonds for acquisition of real property; and,

c. That the city of Atlantic City shall be heard on any appeal of a determination of the Director of Local Government Services on the authority budget.

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JANUARY 8, 1982

DAVID DE MAIO

Governor Brendan Byrne, at a public ceremony in Atlantic City, today signed a package of three bills providing for the construction and operation of a convention center in Atlantic City.

The bills were sponsored in the Senate by Senator Steven P. Perskie (D-Atlantic) and in the Assembly by Assemblyman Michael J. Matthews (D-Atlantic).

The first bill, S-3385, designated the "Atlantic City Convention Center Authority Act," establishes a State Authority to operate an Atlantic City Convention Center. The Authority would administratively fall under the jurisdiction of the new Department of Commerce and Economic Development, but would remain autonomous.

The Authority would consist of seven members: one state resident appointed by the Governor; one Atlantic City resident appointed by the City; two members appointed by the Governor upon nomination by the Casino Hotel Association of Atlantic City; another two upon the nomination of the city's Hotel-Motel Association; and one member appointed by the Governor upon nomination by the Atlantic City Chamber of Commerce.

Under the bill, the Authority is empowered to lease the convention center from the developer or owner, as the case may be, and charge rents, admissions fees and other user charges subject to approval by the owner or developer.

The Authority is also empowered to levy a charge upon Atlantic City casino-hotels, hotels and motels having 25 or more rooms in order to fund any operating deficit the convention center might incur. The owner or developer of the center would contract with the Authority regarding the disposition of any revenues.

In addition, the Authority will be required to adopt an annual budget, to be approved by both the Director of Local Government Services and the Atlantic City governing body, and to report annually to the Governor, Legislature, the City, Atlantic County and the Atlantic County Improvement Authority on all operations and finances for the preceding year.

The bill appropriates \$100,000 in start-up funds for the Authority.

The second companion bill, A-3672, makes various amendments to the laws governing county improvement authorities in order to expand the existing powers of these authorities with respect to convention halls. The bill also clarifies the financing powers regarding low and moderate-income housing for these authorities.

Specifically, the bill permits the Atlantic County Improvement Authority to provide for the financing, construction and operating costs of a convention center. It also permits the ACIA to make mortgage loans available for low and moderate-income housing. (Last Monday, Byrne announced an agreement between the New Jersey Mortgage Finance Agency and the ACIA under which the county and NJMFA will jointly administer approximately 15-percent of the proceeds from mortgage bonds sold by the State in 1982 and 1983.)

The final companion bill, A-3750, authorizes an increase from three to seven-percent in the so-called "luxury tax" on certain sales and services, in order to finance convention center bond payments by the Atlantic County Improvement Authority. Taxes on the sale of alcoholic beverages will remain at three percent.

Revenues from the increase in these taxes are specifically dedicated to the payment of principal and interest on ACIA bonds for projects in Atlantic City. Payments would first be made on convention center bonds, with remaining revenues financing any operating deficit for the center, or for loan and grant payments for low and moderate-income housing projects initiated by the county improvement Authority.

The bill also establishes a development fund to finance low and moderate-income housing and other ACIA projects in Atlantic City. The development fund would be used to finance projects before the commencement of bond payments on the convention center, and after the center's completion.

A convention center for Atlantic City is expected to cost between \$80 million and \$120 million. The annual debt service on such a project would be \$12 million to \$15 million, according to the Department of Treasury.