

5:10-3

**LEGISLATIVE HISTORY CHECKLIST**  
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(Sports and Exposition Authority--authorize  
new project--Atlantic City Convention Center)

**NJSA:** 5:10-3 et seq.

**LAWS OF:** 1991 **CHAPTER:** 375

**BILL NO:** S3773

**SPONSOR(S):** Gormley and others

**DATE INTRODUCED:** December 9, 1991

**COMMITTEE:** **ASSEMBLY:** ---

**SENATE:** Revenue, Finance & Appropriations

**AMENDED DURING PASSAGE:** Yes Amendments during passage  
denoted by asterisks

**DATE OF PASSAGE:** **ASSEMBLY:** January 10, 1992

**SENATE:** January 9, 1992

**DATE OF APPROVAL:** January 13, 1992

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** Yes

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

See newspaper clippings--attached

KBG:pp

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§§12, 14  
C.5:10-14.3 &  
5:10-14.4  
§§13, 15  
C.5:10-5.1 &  
C.5:10-5.2  
§16 - Repealer  
§§17 - Note to  
§§4-11, 16

P.L.1991, CHAPTER 375, *approved January 13, 1992*

1991 Senate No. 3773 (*First Reprint*)

1 AN ACT authorizing the New Jersey Sports and Exposition  
2 Authority to undertake certain projects, including a convention  
3 center project in Atlantic City and providing for the  
4 application of certain tax revenues to that project; amending  
5 P.L.1971, c.137 and P.L.1981, c.459, supplementing P.L.1971,  
6 c.137 and repealing sections 10 and 15 of P.L.1981, c.459.

7

8 BE IT ENACTED *by the Senate and General Assembly of the*  
9 *State of New Jersey:*

10 1. Section 3 of P.L.1971, c.137 (C.5:10-3) is amended to read  
11 as follows:

12 3. The following words or terms as used in this act shall have  
13 ~~the following meaning unless a different meaning clearly appears~~  
14 from the context:

15 a. "Act" means this New Jersey Sports and Exposition  
16 Authority Law.

17 b. "Authority" means the New Jersey Sports and Exposition  
18 Authority created by section 4 of this act.

19 c. "Bonds" means bonds issued by the authority pursuant to the  
20 act.

21 d. "Meadowlands complex" means the sports and exposition  
22 project authorized by paragraph (1) of subsection a. of section 6  
23 of the act.

24 e. "Notes" means notes issued by the authority pursuant to the  
25 act.

26 f. "Projects" means and includes any project which the  
27 authority is authorized to undertake pursuant to paragraphs 1  
28 through [7] 10 of subsection a. of section 6 of P.L.1971, c.137  
29 (C.5:10-6).

30 g. "State" means the State of New Jersey.

31 h. "Hackensack meadowlands" means the Hackensack  
32 Meadowlands District as delineated in P.L.1968, c.404, s.4  
33 (C.13:17-4).

34 i. "Meadowlands Commission" means the Hackensack  
35 Meadowlands Development Commission created by P.L.1968,  
36 c.404.

37 j. "Racing Commission" means the New Jersey Racing  
38 Commission created by P.L.1940, c.17.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:  
Senate SRF committee amendments adopted January 6, 1992.

1 k. "Credit agreement" as used herein includes loan agreement,  
2 revolving credit agreement, agreement establishing a line of  
3 credit, letter of credit, reimbursement agreement, interest  
4 exchange agreement, insurance contract, surety bond,  
5 commitment to purchase bonds, purchase or sale agreements, or  
6 commitments or other contracts or agreements authorized and  
7 approved by the authority in connection with the authorization,  
8 issuance, security, or payment of bonds.

9 l. "Luxury tax" means the tax levied and collected by the city  
10 of Atlantic City, county of Atlantic, pursuant to P.L. 1947, c.71  
11 (C.40:48-8.15 et seq.).

12 m. "Convention center project" means the project authorized  
13 by paragraph 9 of subsection a. of section 6 of P.L.1971, c.137  
14 (C.5:10-6).

15 (cf: P.L.1984, c.215, s.2)

16 2. Section 4 of P.L.1971, C.137 (C.5:10-4) is amended to read  
17 as follows:

18 4. a. There is hereby established in the Department of  
19 Community Affairs a public body corporate and politic, with  
20 corporate succession, to be known as the "New Jersey Sports and  
21 Exposition Authority." The authority is hereby constituted as an  
22 instrumentality of the State exercising public and essential  
23 governmental functions, and the exercise by the authority of the  
24 ~~powers conferred by the act~~ shall be deemed and held to be an  
25 essential governmental function of the State and the application  
26 of the revenue derived from the projects to the purposes provided  
27 in this act shall be deemed and held to be applied in support of  
28 government.

29 b. The authority shall consist of the State Treasurer, the  
30 Attorney General, the President of the New Jersey Sports and  
31 Exposition Authority, and a member of the Hackensack  
32 Meadowlands Development Commission, to be appointed by the  
33 Governor, who shall be members ex officio, and [seven] nine  
34 members appointed by the Governor with the advice and consent  
35 of the Senate for terms of four years, provided that the members  
36 of the authority (other than the ex officio members) first  
37 appointed by the Governor shall serve for terms of one year, two  
38 years, three years and four years, respectively. Each members  
39 shall hold office for the term of his appointment and until his  
40 successor shall have been appointed and qualified. A member  
41 shall be eligible for reappointment. Any vacancy in the  
42 membership occurring other than by expiration of term shall be  
43 filled in the same manner as the original appointment but for the  
44 unexpired term only.

45 c. Each appointed member may be removed from office by the  
46 Governor, for cause, after a public hearing, and may be suspended  
47 by the Governor pending the completion of such hearing. Each  
48 member before entering upon his duties shall take and subscribe

1 an oath to perform the duties of his office faithfully, impartially  
2 and justly to the best of his ability. A record of such oaths shall  
3 be filed in the office of the Secretary of State.

4 d. The chairman shall be appointed by the Governor from the  
5 members of the authority other than ex officio members, and the  
6 members of the authority shall elect one of their number as vice  
7 chairman thereof. The authority shall elect a secretary and a  
8 treasurer, who need not be members, and the same person may be  
9 elected to serve both as secretary and treasurer. The powers of  
10 the authority shall be vested in the members thereof in office  
11 from time to time and ~~[six]~~ seven members of the authority shall  
12 constitute a quorum at any meeting thereof. Action may be  
13 taken and motions and resolutions adopted by the authority at any  
14 meeting thereof by the affirmative vote of at least ~~[six]~~ seven  
15 members of the authority. No vacancy in the membership of the  
16 authority shall impair the right of a quorum of the members to  
17 exercise all the powers and perform all the duties of the  
18 authority.

19 e. Each member and the treasurer of the authority shall  
20 execute a bond to be conditioned upon the faithful performance  
21 of the duties of such member or treasurer, as the case may be, in  
22 such form and amount as may be prescribed by the ~~[Comptroller]~~  
23 Director of the Division of Budget and Accounting in the  
24 Department of the Treasury. Such bonds shall be filed in the  
25 office of the Secretary of State. At all times thereafter the  
26 members and treasurer of the authority shall maintain such bonds  
27 in full force and effect. All costs of such bonds shall be borne by  
28 the authority.

29 f. The members of the authority shall serve without  
30 compensation, but the authority shall reimburse its members for  
31 actual expenses necessarily incurred in the discharge of their  
32 duties. Notwithstanding the provisions of any other law, no  
33 officer or employee of the State shall be deemed to have  
34 forfeited or shall forfeit his office or employment or any benefits  
35 or emoluments thereof by reason of his acceptance of the office  
36 of ex officio member of the authority or his services therein.

37 g. Each ex officio member of the authority may designate an  
38 officer or employee of his department or agency to represent him  
39 at meetings of the authority, and each such designee may  
40 lawfully vote and otherwise act on behalf of the member for  
41 whom he constitutes the designee. Any such designation shall be  
42 in writing delivered to the authority and shall continue in effect  
43 until revoked or amended by writing delivered to the authority.

44 h. The authority may be dissolved by act of the Legislature on  
45 condition that the authority has no debts or obligations  
46 outstanding or that provision has been made for the payment or  
47 retirement of such debts or obligations. Upon any such dissolution  
48 of the authority all property, funds and assets thereof shall be

1 vested in the State.

2 ~~i. A true copy of the minutes of every meeting of the~~  
3 ~~authority shall be forthwith delivered by and under the~~  
4 ~~certification of the secretary thereof to the Governor. No action~~  
5 ~~taken at such meeting by the authority shall have force or effect~~  
6 ~~until 15 days after such copy of the minutes shall have been so~~  
7 ~~delivered unless during such 15-day period the Governor shall~~  
8 ~~approve the same, in which case such action shall become~~  
9 ~~effective upon such approval. If, in said 15-day period, the~~  
10 ~~Governor returns such copy of the minutes with veto of any~~  
11 ~~action taken by the authority or any member thereof at such~~  
12 ~~meeting, such action shall be null and void and of no effect. The~~  
13 ~~powers conferred in this subsection i. upon the Governor shall be~~  
14 ~~exercised with due regard for the rights of the holders of bonds~~  
15 ~~and notes of the authority at any time outstanding, and nothing~~  
16 ~~in, or done pursuant to, this subsection i. shall in any way limit,~~  
17 ~~restrict or alter the obligation or powers of the authority or any~~  
18 ~~representative or officer of the authority to carry out and~~  
19 ~~perform in every detail each and every covenant, agreement or~~  
20 ~~contract at any time made or entered into by or on behalf of the~~  
21 ~~authority with respect to its bonds or notes or for the benefit,~~  
22 ~~protection or security of the holders thereof.~~

23 (cf: P.L.1985, c.500, s.1)

24 3. Section 6 of P.L.1971, c.137 (C.5:10-6) is amended to read  
25 as follows:

26 6. a. The authority, pursuant to the provisions of the act, is  
27 hereby authorized and empowered, either alone or in conjunction  
28 with others, and provided that, in the case of an arrangement  
29 with respect to any of the projects set forth in this section which  
30 shall be in conjunction with others, the authority shall have  
31 sufficient right and power to carry out the public purposes set  
32 forth in this act:

33 (1) To establish, develop, construct, operate, acquire, own,  
34 manage, promote, maintain, repair, reconstruct, restore, improve  
35 and otherwise effectuate, either directly or indirectly through  
36 lessees, licensees or agents, a project to be located in the  
37 Hackensack meadowlands upon a site not to exceed 750 acres and  
38 upon a site or sites outside of that acreage, but either  
39 immediately contiguous thereto or immediately across any public  
40 road which borders that acreage, consisting of one or more  
41 stadiums, coliseums, arenas, pavilions, stands, field houses,  
42 playing fields, recreation centers, courts, gymnasiums,  
43 clubhouses, a racetrack for the holding of horse race meetings,  
44 and other buildings, structures, facilities, properties and  
45 appurtenances related to, incidental to, necessary for, or  
46 complementary to a complex suitable for the holding of athletic  
47 contests or other sporting events, or trade shows, exhibitions,  
48 spectacles, public meetings, entertainment events or other

1 expositions, including, but not limited to, driveways, roads,  
2 approaches, parking areas, parks, recreation areas, lodging  
3 facilities, vending facilities, restaurants, transportation  
4 structures, systems and facilities, and equipment, furnishings, and  
5 all other structures and appurtenant facilities, related to,  
6 incidental to, necessary for, or complementary to the purposes of  
7 that project or any facility thereof.

8 (2) To establish, develop, construct, acquire, lease or own,  
9 operate, manage, promote, maintain, repair, reconstruct, restore,  
10 improve and otherwise effectuate, either directly or indirectly  
11 through lessees, licensees or agents, a project, at a site within  
12 the State of New Jersey, consisting of a baseball stadium and  
13 other buildings, structures, facilities, properties and  
14 appurtenances related thereto, or incidental to, necessary for, or  
15 complementary to a complex suitable for the holding of  
16 professional baseball games and other athletic contests or  
17 sporting events, or trade shows, exhibitions, spectacles, public  
18 meetings, entertainment events or other expositions, such project  
19 to include driveways, roads, approaches, parking areas, parks,  
20 recreation areas, vending facilities, restaurants, transportation  
21 structures, systems and facilities, and equipment, furnishings and  
22 all other structures and appurtenant facilities related to,  
23 incidental to, necessary for, or complementary to the purposes of  
24 that project or any facility thereof.

25 (3) To establish, develop, construct, acquire, lease or own,  
26 operate, manage, promote, maintain, repair, reconstruct, restore,  
27 improve and otherwise effectuate, either directly or indirectly  
28 through lessees, licensees or agents, projects located within the  
29 State of New Jersey, but outside of the meadowlands complex,  
30 consisting of aquariums and the buildings, structures, facilities,  
31 properties and appurtenances related thereto, or incidental to,  
32 necessary for, or complementary to those aquariums, such project  
33 to include driveways, roads, approaches, parking areas, parks,  
34 recreation areas, vending facilities, restaurants, transportation  
35 structures, systems and facilities, and equipment, furnishings and  
36 all other structures and appurtenant facilities related to,  
37 incidental to, necessary for, or complementary to the purposes of  
38 that project or any facility thereof. To provide for a project  
39 authorized under this paragraph:

40 (a) (Deleted by amendment, P.L.1988, c.172.)

41 (b) The authority is authorized to enter into agreements with  
42 the State Treasurer providing for the acquisition and construction  
43 of an aquarium by the authority, including the land necessary for  
44 the aquarium, and the costs thereof, ownership of the aquarium  
45 and its land which shall be conveyed to the State upon  
46 completion, and the operation by the authority of the aquarium  
47 pursuant to a lease or other agreement with the State containing  
48 such terms and conditions as the State Treasurer may establish

1 prior to the acquisition and construction by the authority of the  
2 aquarium and the disbursements of funds therefor. The State  
3 Treasurer is authorized to enter into a lease or other agreement  
4 to effectuate the provisions of this subparagraph.

5 (4) To establish, develop, construct, acquire, own, operate,  
6 manage, promote, maintain, repair, reconstruct, restore, improve  
7 and otherwise effectuate, either directly or indirectly through  
8 lessees, licensees or agents, a project consisting of an exposition  
9 or entertainment center or hotel or office complex, including any  
10 buildings, structures, properties and appurtenances related  
11 thereto, incidental thereto, necessary therefor, or  
12 complementary thereto, such project to include driveways, roads,  
13 approaches, parking areas, parks, recreation areas, vending  
14 facilities, restaurants, transportation structures, systems, and  
15 equipment, furnishings and all other structures and appurtenances  
16 related to, incidental to, necessary for, or complementary to, the  
17 purposes of that project. A project authorized under this  
18 paragraph may be located within, immediately contiguous to, or  
19 immediately across any public road which borders the site of any  
20 other project of the authority, except the site of a racetrack  
21 authorized by paragraph (5) of this subsection and acquired by the  
22 authority prior to 1986.

23 ~~(5) To establish, develop, construct, acquire, own, operate,~~  
24 ~~manage, promote, maintain, repair, reconstruct, restore, improve~~  
25 ~~and otherwise effectuate, either directly or indirectly through~~  
26 ~~lessees, licensees or agents, projects consisting of (a) racetrack~~  
27 ~~facilities located within the State of New Jersey, but outside of~~  
28 ~~the meadowlands complex, (b) their contiguous properties, and (c)~~  
29 ~~their auxiliary facilities, including, without limitation, pavilions,~~  
30 ~~stands, field houses, clubhouses, training tracks for horses,~~  
31 ~~racetracks for the holding of horse race meetings, fairgrounds,~~  
32 ~~other exposition facilities, and other buildings, structures,~~  
33 ~~facilities, properties and appurtenances related to, incidental to,~~  
34 ~~necessary for, or complementary to a complex suitable for the~~  
35 ~~holding of horse race meetings, other sporting events, or trade~~  
36 ~~shows, exhibitions, spectacles, public meetings, entertainment~~  
37 ~~events or other expositions, including, but not limited to,~~  
38 ~~driveways, roads, approaches, parking areas, parks, recreation~~  
39 ~~areas, lodging facilities, vending facilities, restaurants,~~  
40 ~~transportation structures, systems and facilities, equipment,~~  
41 ~~furnishings, and all other structures and appurtenant facilities~~  
42 ~~related to, incidental to, necessary for, or complementary to the~~  
43 ~~purposes of any of those projects or any facility thereof.~~

44 Notwithstanding any law to the contrary, the acquisition of any  
45 existing racetrack facility in and licensed by the State of New  
46 Jersey shall be permitted on the condition that payments  
47 equivalent to all municipal, school board and county taxes due to  
48 each entity shall be paid by the authority to the extent and in

1 accordance with the same payment schedule as taxes would have  
2 been paid each year, as though the racetrack facility remained in  
3 private ownership. In the event the authority conveys lands or  
4 other parts of the racetrack facility to others, the authority shall  
5 receive a reduction of such payments commensurate with the  
6 amount required to be paid by the subsequent owner of the lands  
7 and improvements disposed of by the authority. In addition, the  
8 authority shall be responsible for paying all existing local  
9 franchise fees, license and parking tax fees in effect at the time  
10 of the acquisition.

11 (6) To establish, develop, acquire, own, operate, manage,  
12 promote and otherwise effectuate, in whole or in part, either  
13 directly or indirectly through lessees, licensees or agents,  
14 projects consisting of events, expositions, teams, team franchises  
15 or membership in professional sports leagues.

16 (7) To establish, develop, construct, acquire, own, operate,  
17 manage, promote, maintain, repair, reconstruct, restore, improve  
18 and otherwise effectuate, either directly or indirectly through  
19 lessees, licensees or agents, projects consisting of facilities, at a  
20 site or sites within the State of New Jersey and either within or  
21 without the meadowlands complex, that are related to, incidental  
22 to, necessary for, or complementary to the accomplishment or  
23 purpose of any project of the authority authorized by this section,  
24 including any buildings, structures, properties and appurtenances  
25 related thereto, incidental thereto, necessary therefor, or  
26 complementary thereto, such projects to include driveways,  
27 roads, approaches, parking areas, parks, recreation areas, vending  
28 facilities, restaurants, transportation structures, systems, and  
29 equipment, furnishings and all other structures and appurtenances  
30 related to, incidental to, necessary for, or complementary to the  
31 purposes of those projects.

32 (8) To establish, develop, acquire, construct, reconstruct,  
33 improve and otherwise effectuate for transfer to, and for use and  
34 operation by, Rutgers, the State University, either directly or  
35 indirectly through lessees, licensees or agents, facilities located  
36 or to be located on property owned, leased, or otherwise used by  
37 Rutgers, the State University, consisting of <sup>1</sup>[sports and  
38 exposition facilities] an upgraded and expanded football stadium  
39 and a new track and field, soccer and lacrosse facility<sup>1</sup> and the  
40 buildings, structures, properties and appurtenances related  
41 thereto, or incidental to, necessary for, or complimentary to  
42 <sup>1</sup>[those sports and exposition facilities] the football stadium and  
43 track and field, soccer and lacrosse facility<sup>1</sup>, such facilities to  
44 include driveways, <sup>1</sup>access<sup>1</sup> roads, approaches, parking areas,  
45 parks, recreation areas, vending facilities, restaurants,  
46 transportation structures, systems and equipment, furnishings and  
47 all other structures and appurtenances related or incidental to,  
48 necessary for, or complementary to the purposes of those



1 facilities<sup>1</sup>; provided however that construction shall not begin on  
2 the expansion of the seating capacity of Rutgers Stadium until  
3 the Commissioner of Transportation certifies that all funding  
4 necessary to complete the Route 18 project in Piscataway  
5 Township has been appropriated and construction has begun on  
6 the Route 18 project in Piscataway Township under the  
7 Department of Transportation's capital program<sup>1</sup>.

8 (9) To acquire by purchase, lease or otherwise, and to develop,  
9 construct, operate, own, lease, manage, repair, reconstruct,  
10 restore, improve, enlarge or otherwise effectuate, either directly  
11 or through lessees, licensees or agents, a convention center  
12 project in the city of Atlantic City, Atlantic County, consisting  
13 of the existing convention hall and a new convention hall or  
14 center, and associated parking areas and railroad terminal  
15 facilities and including the leasing of adjacent land for hotel  
16 facilities. In connection therewith, the authority is authorized to:

17 (a) Assume existing leasehold or other contractual obligations  
18 pertaining to any such facilities or properties or to make  
19 provision for the payment or retirement of any debts and  
20 obligations of the governmental entity operating any such  
21 convention hall or center or of any bonds or other obligations  
22 payable from and secured by a lien on or pledge of the luxury tax  
23 revenues;

24 (b) Make loans or payments in aid of construction with respect  
25 to infrastructure and site development for properties located in  
26 the area between the sites of the existing convention hall and a  
27 new convention center or located contiguous to or across any  
28 public road which borders the area;

29 (c) Convert the existing convention hall or any facilities,  
30 structures or properties thereof, or any part thereof, not disposed  
31 of by the authority, to any sports, exposition, exhibition, or  
32 entertainment use or to use as a forum for public events or  
33 meetings, or to any other use which the authority shall determine  
34 to be consistent with its operation of the convention center  
35 project.

36 (10) To provide a feasibility study for the use and development  
37 of the existing convention center in the city of Asbury Park,  
38 county of Monmouth<sup>1</sup> and to provide a feasibility study for the  
39 construction, use and development of a convention center or  
40 recreational facility in any other municipality<sup>1</sup>.

41 <sup>1</sup>(11) To provide funding to public or private institutions of  
42 higher education in the State to establish, develop, acquire,  
43 construct, reconstruct or improve facilities located or to be  
44 located on property owned, leased, or otherwise used by an  
45 institution, consisting of sports facilities and the buildings,  
46 structures, properties and appurtenances related thereto, or  
47 incidental to, necessary for, or complimentary to those sports  
48 facilities, such facilities to include driveways, access roads,

1 approaches, parking areas, parks, recreation areas, vending  
2 facilities, restaurants, transportation structures, systems and  
3 equipment, furnishings and all other structures and appurtenances  
4 related or incidental to, necessary for, or complementary to the  
5 purposes of those facilities.<sup>1</sup>

6 b. The authority, pursuant to the provisions of the act, is  
7 authorized (1) to make, as part of any of the projects, capital  
8 contributions to others for transportation and other facilities, and  
9 accommodations for the public's use of any of those projects, (2)  
10 to lease any part of any of those project sites not occupied or to  
11 be occupied by the facilities of any of those projects, for  
12 purposes determined by the authority to be consistent with or  
13 related to the purposes of those projects, including, but not  
14 limited to, hotels and other accommodations for transients and  
15 other facilities related to or incidental to any of those projects,  
16 and (3) to sell or dispose of any real or personal property,  
17 including, but not limited to, such portion of the site of any of  
18 those projects not occupied or to be occupied by the facilities of  
19 any of those projects, at not less than the fair market value of  
20 the property, except in the case of sale or disposition to the  
21 State, any political subdivision of the State or any agency or  
22 instrumentality of the State or any political subdivision of the  
23 State.

24 c. Revenues, moneys or other funds, if any, derived from the  
25 operation or ownership of the meadowlands complex, including  
26 the conduct of horse race meetings, shall be applied, in  
27 accordance with the resolution or resolutions authorizing or  
28 relating to the issuance of bonds or notes of the authority, to the  
29 following purposes and in the following order:

30 (1) The costs of operation and maintenance of the  
31 meadowlands complex and reserves therefor;

32 (2) Principal, sinking fund installments and redemption  
33 premiums of and interest on any bonds or notes of the authority  
34 payable from such revenues, moneys or other funds and issued for  
35 the purposes of the meadowlands complex or for the purposes of  
36 refunding the same, including reserves and payments with respect  
37 to credit agreements therefor;

38 (3) The costs of any major or extraordinary repairs, renewals  
39 or replacements with respect to the meadowlands complex or  
40 incidental improvements thereto, not paid pursuant to paragraph  
41 (1) above, including reserves therefor;

42 (4) Payments required to be made pursuant to section 18b.;

43 (5) Payments authorized to be made pursuant to section 18c.;

44 (6) Except [as] to the extent payments with respect to bonds or  
45 notes are provided with priority in accordance with paragraph (2)  
46 of this subsection, payments required to be made in accordance  
47 with the resolution authorizing or relating to the issuance of  
48 bonds or notes of the authority, for the purposes of any project

1 authorized by this act, including payments and reserves with  
2 respect to any bonds or notes of the authority with respect to the  
3 meadowlands complex which are not provided with priority in  
4 accordance with paragraph (2) of this subsection;

5 (7) Payments required to be made to repay any obligation  
6 incurred by the authority to the State;

7 (8) The balance remaining after application in accordance with  
8 the above shall be deposited in the General State Fund, provided  
9 that (a) there shall be appropriated for authorized State purposes  
10 from the amount so deposited that amount which shall be  
11 calculated by the State Treasurer to be the debt service savings  
12 realized with respect to the refinancing of the initial project as  
13 defined in section 1 of P.L.1973, c.286 (C.5:10-14.1) at the  
14 meadowlands complex, by the issuance of bonds of the authority  
15 guaranteed by the State, and (b) after such appropriation, 40% of  
16 any balance remaining from the amounts so deposited shall be  
17 appropriated to the Meadowlands Commission for any of its  
18 purposes authorized by P.L.1968, c.404, and any amendments or  
19 supplements thereto.

20 d. Revenues, moneys or other funds, if any, derived from the  
21 operation or ownership of any project other than the  
22 meadowlands complex or the convention center project, and other  
23 than a baseball stadium project or an office complex project  
24 located on the site of a baseball stadium shall be applied for such  
25 purposes, in such manner and subject to such conditions as shall  
26 be provided in the resolution authorizing or relating to the  
27 issuance of bonds or notes of the authority for the purposes of  
28 such project, and the balance, if any, remaining after such  
29 application may be applied, to the extent not contrary to or  
30 inconsistent with the resolution, in the following order (1) to the  
31 purposes of the meadowlands complex, unless otherwise agreed  
32 upon by the State Treasurer and the authority, (2) to the purposes  
33 of any other project of the authority; and, the balance remaining,  
34 if any, shall be deposited in the General Fund.

35 e. Revenues, moneys or other funds, if any, derived from the  
36 operation, ownership, or leasing of a baseball stadium project or  
37 an office complex project located on the site of a baseball  
38 stadium shall be applied for the purposes, in the manner and  
39 subject to the conditions as shall be provided in the resolution  
40 authorizing or relating to the issuance of bonds or notes of the  
41 authority for the purposes of a baseball stadium project or an  
42 office complex project located on the site of a baseball stadium,  
43 if any, and the balance, if any, remaining after such application  
44 shall be applied, to the extent not contrary to or inconsistent  
45 with the resolution, to the following purposes and in the following  
46 order:

47 (1) The costs of operation and maintenance of a baseball  
48 stadium project and an office complex project located on the site

1 of a baseball stadium and reserves therefor;

2 (2) Payments made to repay the bonded indebtedness incurred  
3 by the authority for the purposes of a baseball stadium project or  
4 an office complex project located on the site of a baseball  
5 stadium;

6 ~~(3) Payments equivalent to an amount required to be made by~~  
7 ~~the State for payments in lieu of taxes pursuant to P.L.1977,~~  
8 ~~c.272 (C.54:4-2.2a et seq.);~~

9 (4) The balance remaining after application in accordance with  
10 the above shall be deposited in the General Fund.

11 f. Revenues, moneys or other funds, if any, derived from the  
12 operation, ownership or leasing of the convention center project  
13 shall be applied to the costs of operating and maintaining the  
14 convention center project and to the other purposes set forth in  
15 this subsection as shall be provided by resolution of the authority.

16 Luxury tax revenues paid to the authority by the State  
17 Treasurer pursuant to section 14 of P.L.199 , c. (C. ) (now  
18 before the Legislature as this bill) shall be deposited by the  
19 authority in a separate fund or account and applied to the  
20 following purposes and in the following order:

21 (1) To pay the principal, sinking fund installments and  
22 redemption premiums of and interest on any bonds or notes of the  
23 authority, including bonds or notes of the authority issued for the  
24 purpose of refunding bonds or notes, issued for purposes of (i) the  
25 initial acquisition of the existing properties which will constitute  
26 part of the convention center project, if the bonds or notes shall  
27 be payable under the terms of the resolution of the authority  
28 relating thereto from luxury tax revenues, or (ii) providing  
29 improvements, additions or replacements to the convention  
30 center project, if the bonds or notes shall be payable under the  
31 terms of the resolution of the authority relating thereto from  
32 luxury tax revenues; and to pay any amounts due from the  
33 authority under any credit agreement entered into by the  
34 authority in connection with the bonds or notes.

35 (2) To pay the costs of operation and maintenance of the  
36 convention center project<sup>1</sup>, including without limitation amounts  
37 to meet obligations assumed by the authority with respect to the  
38 railroad terminal and other facilities located at the site or sites  
39 thereof]<sup>1</sup>.

40 (3) To establish and maintain a working capital and  
41 maintenance reserve fund for the convention center project in an  
42 amount as shall be determined by the authority to be necessary.

43 (4) To repay to the State those amounts paid by the State with  
44 respect to bonds or notes of the authority issued for the purposes  
45 of the convention center project.

46 (5) The balance of any luxury tax revenues not required for any  
47 of the foregoing purposes and remaining at the end of any  
48 calendar year shall be paid to the State Treasurer for application

1 to purposes in the city of Atlantic City pursuant to section 5 of  
2 P.L.1981, c.461 (C.40:48-8.30 (a)).

3 The authority may pledge the luxury tax revenues paid to it as  
4 provided for in section 14 of P.L.199, c. (C. ) (now before the  
5 Legislature as this bill) as security for the payment of the  
6 principal of and interest or premium on its bonds or notes issued  
7 for the purposes set forth above in paragraph (1) of this  
8 subsection f. in the same manner, to the same extent and with  
9 the same effect as the pledge of any of its other revenues,  
10 receipts and funds authorized by this act.

11 (cf: P.L.1988, c.172, s.1.)

12 4. Section 1 of P.L.1981, c.459 (C.52:27H-29) is amended to  
13 read as follows:

14 1. The Legislature finds that the tourist, resort and convention  
15 industry of Atlantic City has traditionally made an important  
16 contribution to the economic vitality of this State; that the  
17 recent revitalization of that industry as a result of the  
18 authorization of casino gaming in Atlantic City has resulted in  
19 significant economic benefits not only to the residents of the city  
20 and its immediate environs, but to all of the residents of the  
21 State in the form of increased business and employment  
22 opportunities and augmented State and local revenues; and that  
23 the future growth of this industry will depend in part upon the  
24 provision and operation of an attractive convention center in  
25 Atlantic City and the provision of an adequate mechanism  
26 whereby the interests and efforts of the State, the city and the  
27 private sector may be effectively coordinated and the financial  
28 soundness of a convention center assured.

29 To this end, the Legislature declares the establishment of an  
30 authority [responsible for the promotion, operation and  
31 maintenance of] having the requisite power to promote, operate  
32 and maintain a convention center in Atlantic City under the  
33 supervision of the New Jersey Sports and Exposition Authority to  
34 be in the public interest of the citizens of this State.

35 (cf: P.L.1981, c.459, s.1)

36 5. Section 4 of P.L.1981, c.459 (C.52:27H-32) is amended to  
37 read as follows:

38 4. a. The authority shall consist of seven members [to be  
39 appointed as follows:

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

41 (2) One resident of the city of Atlantic City to be appointed by  
42 the governing body of that city;-

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

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

48 (5) One public member, to be appointed by the Governor upon

1 the nomination of the Greater Atlantic City Chamber of  
2 Commerce, who shall not be an employee or associated with the  
3 operation of any casino hotel, hotel or motel.

4 b. Appointments of public members pursuant to paragraphs (3),  
5 (4) and (5) of subsection a. of this section shall be made from a  
6 list of three different names submitted to the Governor by the  
7 nominating entity for each appointment; except that for the first  
8 appointments to be made a list of four different names shall be  
9 submitted for the two public members to be appointed pursuant  
10 to paragraph (3) of that subsection, a list of four shall be  
11 submitted for the two members to be appointed pursuant to  
12 paragraph (4) of that subsection, and a list of three shall be  
13 submitted for the one member to be appointed pursuant to  
14 paragraph (5) of that subsection.

15 c. Members appointed pursuant to paragraph (1) or (2) of  
16 subsection a. of this section shall serve at the pleasure of the  
17 appointing authority. Public]. Any member holding office on the  
18 date this section becomes effective shall continue as a member  
19 until replaced in accordance with the procedures hereinafter set  
20 forth, provided that no such member shall hold office beyond  
21 June 30, 1992. As soon as practicable after the date on which  
22 this section becomes effective, vacancies in the membership of  
23 the authority shall be filled and new appointments to the  
24 membership of the authority shall be made as provided in this  
25 section so that the membership of the authority shall consist of  
26 the following:

27 (1) Six public members, to be appointed by the Governor with  
28 the advice and consent of the Senate; and

29 (2) The President of the New Jersey Sports and Exposition  
30 Authority, who shall be an ex officio member.

31 b. Vacancies to be filled in the membership of the authority  
32 and any new appointments made to such membership after the  
33 date on which this section becomes effective shall be filled or  
34 made so as to provide, as promptly as practicable consistent with  
35 the membership provisions set forth in subsection a. of this  
36 section, for the incumbency of the member set forth in paragraph  
37 (2) of subsection a. of this section and then the incumbency of the  
38 members set forth in paragraph (1) of subsection a. of this  
39 section. The ex-officio member of the authority may designate  
40 an officer or employee of the New Jersey Sports and Exposition  
41 Authority to represent the ex officio member at meetings of the  
42 authority and that designee may lawfully vote and otherwise act  
43 on behalf of the ex officio member. Any such designation shall  
44 be in writing delivered to the authority and shall continue in  
45 effect until revoked or amended by writing delivered to the  
46 authority

47 c. No more than 3 of the public members appointed pursuant  
48 to paragraph (1) [(3), (4) or (5)] of [that] subsection a. of this

1 section shall be affiliated with the same political party. The  
2 public members of the authority shall serve for a term of 5 years  
3 and until a successor shall have been appointed and qualified;  
4 except that of the public members first appointed pursuant to the  
5 provisions of P.L.199 , c. (now before the Legislature as this  
6 bill), the Governor shall designate upon appointment: [one  
7 member appointed pursuant to paragraph (3) of that subsection to  
8 serve for a term of 5 years and one for a term of 3 years; one  
9 member appointed pursuant to paragraph (4) of that subsection to  
10 serve for a term of 4 years and one for a term of 2 years; and the  
11 member appointed pursuant to paragraph (5) of that subsection to  
12 serve for a term of 1 year] two members for a term of 5 years,  
13 one for a term of 4 years, one for a term of 3 years, one for a  
14 term of 2 years and one for a term of 1 year.

15 (cf: P.L.1981, c.459, s.4)

16 6. Section 6 of P.L.1981, c.459 (C.52:27H-34) is amended to  
17 read as follows:

18 6. a. The authority shall not be constituted and shall not take  
19 ~~action or adopt motions or regulations until all original~~  
20 authorized members shall have been appointed and qualified. The  
21 powers of the authority shall be vested in the members thereof  
22 and a majority of the total authorized membership of the  
23 authority shall constitute a quorum at any meeting. Action may  
24 be taken and motions and resolutions adopted by the authority at  
25 any meeting by the affirmative vote of a majority of the quorum,  
26 unless in any case the bylaws of the authority or any of the  
27 provisions of this act shall require a larger number. The  
28 authority may designate one or more of its agents, officers or  
29 employees to exercise, under its supervision and control, such  
30 administrative functions, powers and duties as it may deem  
31 proper, consistent with the provisions of this act and with the  
32 bylaws of the authority. No vacancy in the membership of the  
33 authority shall affect the right of the quorum to exercise all the  
34 rights and perform all the duties of the authority.

35 b. The chairman of the authority shall be appointed by the  
36 Governor, and the authority shall designate one of its members to  
37 serve as the [chairman of the authority, and one to serve as]  
38 vice-chairman. [The] Subject to approval by the New Jersey  
39 Sports and Exposition Authority, the authority shall appoint an  
40 executive director who shall serve as its chief administrative  
41 officer. The executive director shall <sup>1</sup>[serve at the pleasure of  
42 the authority, and shall]<sup>1</sup> be a person qualified by training and  
43 experience to perform the duties of his office, as those duties  
44 shall be prescribed by the bylaws of the authority.

45 (cf: P.L.1981, c.459, s.6)

46 7. Section 8 of P.L.1981, c.459 (C.52:27H-36) is amended to  
47 read as follows:

48 8. A true copy of the minutes of every meeting of the

1 authority shall be forthwith transmitted to the Governor, the  
2 presiding officers of each house of the Legislature, and the  
3 respective clerks of the city of Atlantic City and the county of  
4 Atlantic]. No action taken at that meeting by the authority shall  
5 have force or effect until 15 days after the copy of the minutes  
6 shall have been so delivered unless during the 15-day period the  
7 Governor shall approve the same, in which case the action shall  
8 become effective upon that approval. If, in the 15-day period,  
9 the Governor returns the copy of the minutes with veto of any  
10 action taken by the authority or any member thereof at that  
11 meeting, that action shall be null and of no effect.

12 (cf: P.L.1981, c.459, s.8)

13 8. Section 9 of P.L.1981, c.459 (C.52:27H-37) is amended to  
14 read as follows:

15 9. The authority shall [enter into a contract with any political  
16 subdivision of the State which owns or leases any convention  
17 center, convention hall and related or ancillary facilities for the  
18 operation thereof. The convention center, convention hall and  
19 related or ancillary facilities shall be in a municipality wherein  
20 ~~casino gambling has been duly authorized, except that the~~  
21 authority may operate, pursuant to contract, related or ancillary  
22 facilities necessary to the operation of a convention center or  
23 hall, which are not located within the borders of a municipality  
24 wherein casino gambling is authorized, but which are located  
25 within the same county as that municipality.

26 Any contract entered into pursuant to this section shall not  
27 exceed 5 years in duration. The first contract so entered into  
28 shall have an effective date of January 1, 1983. A contract shall  
29 prescribe the use or disposition of any revenues resulting from  
30 the operation of any convention center, convention hall and  
31 related or ancillary facilities. The provisions of any contract  
32 entered into shall not conflict with any bond resolution or trust  
33 agreement relating to any facilities subject to the terms of the  
34 contract.] have the power to operate the convention center  
35 project of the New Jersey Sports and Exposition Authority in the  
36 city of Atlantic City under a contract with the New Jersey Sports  
37 and Exposition Authority containing the terms and provisions as  
38 the New Jersey Sports and Exposition Authority shall determine  
39 to be in furtherance of the purposes of this act.

40 (cf: P.L.1982, c.104, s.1)

41 9. Section 12 of P.L.1981, c.459 (C.52:27H-40) is amended to  
42 read as follows:

43 12. In addition to the powers granted to the authority in  
44 [sections 10 and 11 of] this act, the authority, consistent with the  
45 terms of any contract entered into pursuant to section 9 of this  
46 act, may:

47 a. Make and alter bylaws for its organization and internal  
48 management and, subject to the restrictions of any contract



- 1 entered into pursuant to section 9 of this act, make rules and  
2 regulations with respect to its operations;
- 3 b. Adopt an official seal and alter the same at its pleasure;
- 4 c. Sue and be sued in its own name;
- 5 d. Make and enter into all contracts or agreements necessary  
6 or incidental to the performance of its duties;
- 7 e. Enter into agreements or other transactions with and accept  
8 grants and the cooperation of the United States or any agency  
9 thereof or any State or local agency in furtherance of the  
10 purposes of this act, and do anything necessary in order to avail  
11 itself of this aid and cooperation;
- 12 f. Solicit, receive and accept aid, loans or contributions from  
13 any source of money, property, labor or other things of value, to  
14 be held, used and applied to carry out the purposes of this act  
15 subject to the conditions upon which this aid, these loans and  
16 contributions shall be made, including but not limited to grants  
17 from any department or agency of the United States or any State  
18 or local agency for any purpose consistent with this act;
- 19 g. Acquire, own, hold, sell, exchange, lease or otherwise  
20 dispose of real or personal property or any interest therein in the  
21 ~~exercise of its powers and the performance of its duties under~~  
22 this act;
- 23 h. [Appoint] Subject to approval by the New Jersey Sports and  
24 Exposition Authority, appoint such officers, employees, and  
25 agents as it may require for the performance of its duties, and fix  
26 their compensation, promote and discharge them, all without  
27 regard to the provisions of Title [11 of the Revised Statutes] 11A  
28 of the New Jersey Statutes;
- 29 i. Provide advisory, consultative and technical assistance and  
30 advice to any person, firm, association, partnership or  
31 corporation, either public or private, in order to carry out the  
32 purposes of this act;
- 33 j. Subject to the provisions of any contract entered into  
34 pursuant to section 9 of this act, to invest moneys of the  
35 authority not required for immediate use in those obligations,  
36 securities and other investments as the authority shall deem  
37 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,  
42 consultants and agents as may be necessary in its judgment, and  
43 fix their compensation;
- 44 m. Maintain an office at such place or places in the <sup>6</sup>city of  
45 Atlantic City as it may designate;
- 46 n. Advertise and promote the tourist, resort, convention and  
47 casino gaming industries of the city of Atlantic [county] City and  
48 for these purposes establish funds, adopt and collect fees and

1 other charges and make expenditures consistent with the  
2 provisions of the operating contract with the New Jersey Sports  
3 and Exposition Authority; and

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

6 Notwithstanding, the provisions of P.L.1981, c.459  
7 (C.52:27H-29 et seq.) or any other law to the contrary, any  
8 contracts or agreements to be entered into by the authority in  
9 the exercise of the powers granted to the authority shall be  
10 subject to prior approval by the New Jersey Sports and Exposition  
11 Authority.

12 (cf: P.L.1981, c.459, s.12)

13 10. Section 14 P.L.1981, c.459 (C.52:27H-42) is amended to  
14 read as follows:

15 14. a. As soon as it is practicable after the appointment and  
16 qualification of the members of the authority, and annually  
17 thereafter, at least 45 days preceding the commencement of the  
18 authority's fiscal year on July 1 of each year, the authority shall  
19 prepare a proposed budget for its operations and activities for the  
20 ensuing fiscal year [and introduce the budget by resolution. The  
21 budget shall become effective as provided in section 15 of this  
22 act].

23 b. The budget shall set forth anticipated revenues for the  
24 ensuing fiscal year and the sources thereof, and appropriations  
25 for the same period, which appropriations shall not exceed the  
26 anticipated revenues. No revenue from any source shall be  
27 anticipated unless it can be reasonably expected to be realized  
28 during the fiscal year to which the budget applies. Appropriations  
29 shall be segregated as salaries and wages, contractual other  
30 expenses, and noncontractual other expenses.

31 c. An appropriation for "anticipated operating deficit of  
32 preceding year" shall appear in each annual budget in the amount  
33 by which the liabilities and disbursements of the authority for  
34 expenditures in the next preceding fiscal year exceed or are  
35 likely to exceed receipts and other revenue in that year,  
36 subtracting any expenditures provided for by surplus anticipated  
37 in the budget.

38 d. No proposed budget [required] prepared by the authority  
39 pursuant to this section shall be approved [as provided in section  
40 15 of this act,] by the authority unless it is in compliance with  
41 the terms of any contract authorized pursuant to section 9 of this  
42 act and [with the terms of any bond resolution or trust agreement  
43 relating to the financing of facilities operated by the authority]  
44 has been approved by the New Jersey Sports and Exposition  
45 Authority.

46 (cf: P.L.1981, c.459, s.14)

47 11. Section 16 P.L.1981, c.459 (C.52:27H-44) is amended to  
48 read as follows:

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  
3 ~~report of its activities for the preceding fiscal year to the~~  
4 ~~Governor, the Legislature, [the chief executive officer and the~~  
5 ~~governing body of the county of Atlantic and any political~~  
6 ~~subdivision with which a contract has been entered into pursuant~~  
7 ~~to section 9 of this act] and the New Jersey Sports and Exposition~~  
8 ~~Authority.~~ The report shall set forth a complete operating and  
9 financial statement covering its operations during the year. The  
10 director shall audit the books and accounts of the authority for  
11 each fiscal year, and a copy of that audit shall be filed with the  
12 Governor, the Legislature, [the chief executive officer and the  
13 governing body of the county of Atlantic and any political  
14 subdivision with which a contract has been entered into pursuant  
15 to section 9 of this act] and the New Jersey Sports and Exposition  
16 Authority.

17 (cf: P.L.1981, c.459, s.16)

18 12. (New section) a. The State Treasurer shall establish a  
19 special fund to be known as the "Sports Authority Fund" and shall  
20 ~~pay into the fund amounts from the General Fund as shall be~~  
21 ~~necessary to pay the principal and interest on bonds or notes of~~  
22 ~~the authority issued pursuant to this section and to pay any~~  
23 ~~amounts due from the authority under any credit agreement~~  
24 ~~entered into by the authority in connection with the bonds or~~  
25 ~~notes, provided that all payments from the General Fund shall be~~  
26 ~~subject and dependent upon appropriations made from time to~~  
27 ~~time for those purposes.~~

28 b. <sup>1</sup>(1)<sup>1</sup> The State Treasurer and the authority are authorized  
29 to enter into agreements as shall be necessary to effectuate the  
30 purposes of this section, including without limitation, provisions  
31 for securing the payment of bonds or notes issued by the  
32 authority pursuant to <sup>1</sup>subsection d. of<sup>1</sup> this section and the  
33 interest thereon and providing for the investment of moneys in  
34 the fund; provided that the agreements shall be subject to  
35 approval by the presiding officers of both houses of the  
36 Legislature<sup>1</sup>, and provided further that when the purposes of this  
37 section have been satisfied, and upon the earlier of:

38 (a) the certification by the State Treasurer that the revenues  
39 of the authority are sufficient to satisfy the requirements of  
40 paragraphs (1), (2), (3), (4), (5) and (6) of subsection c. of section 6  
41 of P.L.1971, c.137 (C.5:10-6) for the term of bonds or notes  
42 issued pursuant to subsection d. of this section; or

43 (b) the satisfaction of the requirements for the payment of  
44 bonds or notes issued pursuant to P.L. .c. (C. )(now pending  
45 before the Legislature as this bill);  
46 the State Treasurer and the authority shall not, except for the  
47 refunding of bonds or notes issued pursuant to subsection d. of  
48 this section which produces debt service savings, enter into any

1 further agreements regarding payments by the State Treasurer  
2 into the "Sports Authority Fund" for any reason, including but not  
3 limited to, the financing or restructuring of the debt of the  
4 authority.

5 (2) The agreements shall indicate the nature and scope of the  
6 projects to be financed pursuant to this section.

7 (3) The agreements shall provide that with respect to the  
8 Atlantic City convention center project, the authority shall  
9 review all existing expert studies that present options as to the  
10 scope and nature of the project and the linkages between the  
11 project and the economic development of Atlantic City. Based  
12 upon its analysis of the available studies and such other expert  
13 studies as the authority may authorize, the authority shall report  
14 to the Legislature and include in the minutes of the authority its  
15 proposal for the development of the convention center. The  
16 report shall include an explanation for the selection of the  
17 project option proposed by the authority<sup>1</sup>.

18 c. Notwithstanding anything to the contrary in this act, if and  
19 ~~to the extent provided in any agreement between the State~~  
20 ~~Treasurer and the authority, all or part of the revenues of the~~  
21 ~~authority, other than luxury tax revenues or revenues of the~~  
22 ~~convention center project, in excess of the requirements of the~~  
23 ~~resolutions authorizing or relating to the issuance of any of the~~  
24 ~~authority's bonds or notes, except those issued pursuant to this~~  
25 ~~section, shall be paid into the General Fund in repayment to the~~  
26 ~~State for amounts previously paid by the State pursuant to this~~  
27 ~~section with respect to the payment of principal and interest on~~  
28 ~~bonds or notes issued for any of the purposes set forth in this~~  
29 ~~section, except the purposes set forth in paragraphs (3), (4) and~~  
30 ~~(5) of subsection d. of this section, and any payments on account~~  
31 ~~of any credit agreements with respect to the bonds or notes.~~  
32 ~~Except as otherwise provided in this section, bonds or notes of~~  
33 ~~the authority issued pursuant to this section shall be authorized,~~  
34 ~~sold and issued in the manner and be entitled to the benefits,~~  
35 ~~protection and provisions as apply to bonds and notes of the~~  
36 ~~authority authorized to be issued pursuant to P.L.1971, c.137,~~  
37 ~~(C.5:10-1 et seq.).~~

38 d. In addition to its other powers to issue bonds and notes, the  
39 authority shall have power to issue from time to time bonds and  
40 notes payable from amounts in the Sports Authority Fund  
41 established pursuant to subsection a. of this section, as follows:

42 (1) To provide sufficient funds to refund from time to time  
43 outstanding bonds or notes of the authority issued for the  
44 meadowlands complex or the monmouth racetrack project  
45 authorized pursuant to paragraph (5) of subsection a. of section 6  
46 of P.L.1971, c.137 (C.5:10-6), whether or not the bonds or notes  
47 or interest thereon have become due, to provide for the  
48 establishment of funds or reserves to secure payment of the

1 bonds or notes or any other bonds or notes issued or to be issued  
2 for those purposes or interest thereon, and to provide for the  
3 ~~payment of all other costs or expenses of the authority incident~~  
4 to or necessary to carry out the refunding; provided that the  
5 refunding bonds issued at any time pursuant to this paragraph  
6 shall not exceed that amount estimated to be necessary so that  
7 subsequent to the refunding, the revenues from the meadowlands  
8 complex or the monmouth racetrack project, as the case may be,  
9 shall be sufficient to pay all costs payable from those revenues,  
10 as shall be estimated in a determination by the authority made in  
11 accordance with the agreement between the authority and the  
12 State Treasurer;

13 (2) To finance or refinance a capital program for the  
14 meadowlands complex and the monmouth racetrack project  
15 authorized pursuant to paragraph (5) of subsection a. of section 6  
16 of P.L.1971, c.137 (C.5:10-6), adopted by the authority to provide  
17 for major repairs, reconstruction and improvements which are  
18 legally mandated or otherwise needed to meet environmental or  
19 safety requirements, ~~to prevent a loss of revenues, to augment~~  
20 revenues or to continue or enhance the operations of any of the  
21 facilities thereof<sup>1</sup>, provided that the aggregate cost of the  
22 projects financed pursuant to this paragraph shall not exceed  
23 \$30,000,000, exclusive of interest paid during construction<sup>1</sup>;

24 (3) To provide for the financing or refinancing of the facilities  
25 for Rutgers, the State University pursuant to paragraph (8) of  
26 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6);

27 (4) To provide for the financing or refinancing of the  
28 convention center project;

29 (5) To finance or refinance feasibility studies for public  
30 projects consistent with the purposes of the authority; and

31 (6) To provide for the financing or refinancing of any other  
32 project of the authority, but only if and to the extent expressly  
33 authorized by law enacted subsequent to the enactment of this  
34 act.

35 <sup>1</sup>(7) To provide for the financing of the facilities at  
36 institutions of higher education pursuant to paragraph (11) of  
37 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), based  
38 upon a list of projects recommended by the Chancellor of Higher  
39 Education following a competitive application process, provided  
40 that the aggregate financing of the projects undertaken pursuant  
41 to this paragraph shall not exceed \$5,000,000.<sup>1</sup>

42 e. Bonds and notes authorized pursuant to this section shall be  
43 special obligations of the authority payable as herein provided.  
44 Bonds and notes shall not be deemed to constitute a debt or  
45 liability of the State or a pledge of the faith and credit of the  
46 State but are dependent for repayment upon appropriations as  
47 provided by law from time to time. These bonds and notes and  
48 the interest thereon may also be payable from the proceeds

1 thereof set aside for that purpose and income accruing therefrom.

2 13. (New section) In accordance with procedures which shall  
3 be established by the State Treasurer and the authority, the  
4 proposed annual operating budget of the authority and the capital  
5 budgets for all projects of the authority, and any amendments  
6 thereto, shall be submitted to the State Treasurer <sup>1</sup>and the Joint  
7 Budget Oversight Committee of the Legislature<sup>1</sup> prior to  
8 submission to the members of the authority so as to provide the  
9 State Treasurer <sup>1</sup>and the Joint Budget Oversight Committee<sup>1</sup>  
10 adequate time to provide comments with respect thereto.

11 <sup>1</sup>The annual operating budget of the authority and the capital  
12 budgets for all projects of the authority, and any amendments  
13 thereto shall be adopted as part of, and recorded in the full text  
14 of, the minutes of the authority.<sup>1</sup>

15 14. (New section) Notwithstanding the provisions of P.L.1947,  
16 c.71 (C.40:48-8.15 et seq.), in the event that the convention hall  
17 or halls, including the site of a convention hall to be constructed,  
18 located in any municipality which levies a luxury tax pursuant to  
19 such law, shall be purchased, leased or otherwise acquired by the  
20 New Jersey Sports and Exposition Authority and for so long as the  
21 authority shall be the owner or be responsible for supervision of  
22 the operation of the convention hall or halls:

23 a. Subject to and after providing for the payment of the  
24 amounts, if any, required to be paid from the luxury tax revenues  
25 of the municipality under any resolution, indenture or security  
26 agreement authorizing or securing bonds or other obligations of a  
27 county improvement authority and to be applied to the payment  
28 of the principal of and interest on those bonds or other  
29 obligations issued for the convention center project and to the  
30 maintenance of reserves therefor and the allocation of moneys  
31 for future debt service payments, all the remaining luxury tax  
32 revenues on deposit in the luxury tax fund created pursuant to  
33 section 5 of P.L.1979, c.273 (C.40:48-8.30), including any balance  
34 not required for those purposes on deposit in the luxury tax fund  
35 on the date of enactment of P.L.199 , c. (now before the  
36 Legislature as this bill), shall be paid promptly during each year,  
37 commencing with the year in which P.L.199 , c. (now before the  
38 Legislature as this bill) is enacted, by the State Treasurer from  
39 the luxury tax fund to the New Jersey Sports and Exposition  
40 Authority for application to the purposes of the convention  
41 center project.

42 b. No further bonds or other obligations, other than refunding  
43 bonds, shall be issued and no lease shall be entered into, by any  
44 public body other than the New Jersey Sports and Exposition  
45 Authority, the payment of which is to be made from or secured  
46 by the luxury tax revenues of the municipality; and

47 c. Luxury tax revenues of the municipality which are in excess  
48 of the requirements with respect thereto of the New Jersey

1 Sports and Exposition Authority relating to the convention center  
2 project shall be applied to the purposes set forth in section 5 of  
3 P.L.1981, c.461 (C.40:48-8.30a).

4 d. If the luxury tax of the municipality, including any increase  
5 thereof adopted by the municipality after the enactment of  
6 P.L.199 , c. (now before the Legislature as this bill), shall be  
7 pledged to the payment of bonds or notes of the New Jersey  
8 Sports and Exposition Authority, the municipality shall not repeal  
9 the luxury tax, nor reduce the rate of the tax, nor <sup>1</sup>[reduce or  
10 diminish the extent of the] eliminate from taxation any<sup>1</sup> retail  
11 sales <sup>1</sup>that are<sup>1</sup> subject to the tax <sup>1</sup>on the date of enactment of  
12 P.L. ,c. (C. )(now pending before the Legislature as this  
13 bill)<sup>1</sup>, so long as the bonds or notes shall remain outstanding.

14 <sup>1</sup>15. (New section) The State Treasurer, in consultation with  
15 the State Auditor and the New Jersey Sports and Exposition  
16 Authority, shall enter into a contract with a person qualified to  
17 conduct an independent operations and financial audit of the  
18 authority and may prescribe any supporting documentation to be  
19 provided under the terms of the contract. The contract shall  
20 require that recommendations be made regarding a reasonable  
21 operations and maintenance budget. Copies of the audit shall be  
22 submitted to the authority, the State Treasurer and the Joint  
23 Budget Oversight Committee of the Legislature.<sup>1</sup>

24 <sup>1</sup>[15.] <sup>1</sup>16.<sup>1</sup> Sections 10 and 15 of P.L.1981, c.459 (C.52:27H-38  
25 and 52:27H-43) are repealed.

26 <sup>1</sup>[16.] <sup>1</sup>17.<sup>1</sup> This act shall take effect immediately, except that  
27 sections 4 through 11 and section <sup>1</sup>[15] <sup>1</sup>16<sup>1</sup> of this act shall take  
28 effect upon the acquisition by the New Jersey Sports and  
29 Exposition Authority, by purchase, lease or otherwise, of the  
30 convention center facilities in Atlantic City, including the  
31 existing convention hall and the site of the convention center to  
32 be constructed.

33  
34  
35 **AUTHORITIES AND REGIONAL AGENCIES**

36  
37 Authorizes Sports and Exposition Authority to undertake projects  
38 relating to sports facilities at Rutgers University and the  
39 Atlantic City Convention Center and to enter into agreements  
40 with the State regarding debt financing.

## STATEMENT

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The bill would authorize the issuance of bonds by the New Jersey Sports and Exposition Authority pursuant to a contract between the authority and the State. The contract would be entered into by the State Treasurer, with the approval of the legislative leaders, and would provide for the payment of the bonds from State appropriations. The proceeds of the bonds would be used to refund certain outstanding bonds of the authority in connection with a restructuring of authority debt in order to take advantage of the current lower market rates and save approximately \$170 million; to pay for major repairs and improvements legally required or otherwise needed to meet environmental or safety requirements or to maintain or enhance revenues of the authority; and to finance feasibility studies, including a feasibility study for the existing convention center in the City of Asbury Park.

The bill would also increase the public membership of the authority from seven to nine members.

In addition, this bill permits the Sports and Exposition Authority to issue bonds for sports and exposition facilities at Rutgers, the State University and for the convention center facilities in Atlantic City. Regarding the sports and exposition facilities, Rutgers Stadium needs to be upgraded and expanded and the running track needs to be relocated. These renovations are necessary to bring the stadium up to the standards of the Big East Conference and to provide an improved facility for track and field, soccer and lacrosse programs as well as special olympic events.

The purpose of the convention center facilities project is to enhance Atlantic City's competitiveness in the convention business, expand the tourist attractions in Atlantic City, and to attract new visitors. To accomplish this, the Sports and Exposition Authority would construct a new convention center in Atlantic City. In addition, all luxury tax revenues levied and collected by Atlantic City would be directed to the authority. The authority would then sell bonds against the revenues to

acquire the site and old convention hall from the Atlantic County Improvement Authority which would use those moneys to retire its outstanding bonds. This transaction basically permits the transfer of ownership and responsibility for the convention center facilities and eliminates restrictive bond covenants.

Luxury tax revenues remaining after debt service payments would be used first for operating and maintenance costs of the convention center facilities and then be paid to the State.

The bill reorganizes the Atlantic City Convention Center Authority and permits the reorganized authority to operate the convention center facilities pursuant to a contract with the



1 authority. A companion bill permits a marketing fee to be  
2 imposed on occupied hotel rooms in order to promote tourism,  
3 conventions, resorts and casino gaming.

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6 **AUTHORITIES AND REGIONAL AGENCIES**

7  
8 Authorizes Sports and Exposition Authority to undertake projects  
9 relating to sports facilities at Rutgers University and the  
10 Atlantic City Convention Center and to enter into agreements  
11 with the State regarding debt financing.

SENATE REVENUE, FINANCE AND  
APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3773

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 6, 1992

The Senate Revenue, Finance and Appropriations Committee reports favorably Senate Bill No. 3773, with committee amendments.

Senate Bill No. 3773, as amended, would authorize the issuance of bonds by the New Jersey Sports and Exposition Authority (NJSEA) pursuant to a contract between the authority and the State. The contract would be entered into by the State Treasurer, with the approval of the legislative leaders, and would provide for the payment of the bonds from State appropriations. The proceeds of the bonds would be used to refund certain outstanding bonds of the authority in connection with a restructuring of authority debt in order to take advantage of the current lower market rates and save approximately \$170 million; to pay for major repairs and improvements legally required or otherwise needed to meet environmental or safety requirements or to maintain or enhance revenues of the authority; and to finance feasibility studies, including a feasibility study for the existing convention center in the City of Asbury Park. In addition, this bill permits the Sports and Exposition Authority to issue bonds for sports facilities at Rutgers, the State University and other institutions of higher education and for the convention center facilities in Atlantic City.

The Rutgers projects include the upgrading and expansion of Rutgers Stadium and the construction of a new facility for track and field, soccer and lacrosse. The projects at other colleges would be identified by the Chancellor of Higher Education through a competitive application process. The convention center facilities project is intended to enhance Atlantic City's competitiveness in the convention business, expand the tourist attractions in Atlantic City, and to attract new visitors. Under the bill's provisions, the NJSEA is authorized to build a new convention center in Atlantic City and undertake related development activities.

The bill also provides that all luxury tax revenues levied and collected by Atlantic City would be directed to the NJSEA. The NJSEA would then sell bonds against the revenues to acquire the site and old convention hall from the Atlantic County Improvement Authority. This transaction permits the transfer of ownership and responsibility for the convention center facilities. Luxury tax revenues remaining after debt service payments would be used first for operating and maintenance costs of the convention center facilities and then be paid to the State.

The bill would also increase the public membership of the NJSEA from seven to nine members.

The bill reorganizes the Atlantic City Convention Center Authority and permits that reorganized authority to operate the convention center facilities pursuant to a contract with the NJSEA.

#### COMMITTEE AMENDMENTS

##### The committee amendments:

1. Permit the authority to undertake feasibility studies of convention centers and recreational facilities in additional municipalities.

2. Clarify provisions for the removal of the executive director of the Atlantic City Convention Center Authority.

3. Provide that the agreement between the Treasurer and the New Jersey Sports and Exposition Authority specify the projects to be undertaken, limit the State's obligation to the financing and refunding costs of those projects and the present authority debt that is to be refinanced under the bill, and specify the process under which the scope and nature of the Atlantic City project shall be determined.

4. Cap the cost of new capital projects at existing authority facilities at \$30,000,000.

5. Require that the full text of the operating and capital budgets of the authority be included in the minutes of the authority.

6. Require an independent operations and fiscal audit of the authority. It is the committee's expectation that the audit will be performed by a "big eight" accounting firm pursuant to a request for proposal.

7. Provide up to \$5,000,000 for sports facilities at 4-year and 2-year public and private colleges.

8. Prohibit work on the Rutgers Stadium expansion until the appropriation of funds for and the beginning of construction on Route 18 in Piscataway Township.

#### FISCAL IMPACT

According to the New Jersey Sports and Exposition Authority the annual debt service costs will be \$17,600,000 for the Sports Complex refinancing and capital improvements, \$12,800,000 for the Atlantic City Convention Center, and \$2,100,000 for the Rutgers project. This annual cost of \$32,500,000 would be payable from the General Fund. The annual net cost would be reduced by any moneys paid by the authority into the General Fund, pursuant to the terms of the agreement between the State and the authority.

According to the authority, the construction cost for the Atlantic City Convention Center will be approximately \$195,000,000 and the cost of the projects at Rutgers will be approximately \$25,000,000.



S3773

## OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001  
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Release: MONDAY  
JAN. 13, 1992

Governor Jim Florio today signed legislation that will create thousands of new jobs and combat the national recession by financing the construction of the Atlantic City Convention Center and the expansion of the Rutgers University Stadium.

"This bill is about jobs and it's about investing in our state's future," Governor Florio said. "This bill is about putting people back to work and fighting this national recession while Washington continues to sit on the sidelines."

Governor Florio signed the bill in Atlantic City at a previously scheduled appearance before the AFL-CIO's legislative conference.

The refinancing will provide approximately \$27 million for upgrading the Rutgers Stadium, expanding its seating capacity from 23,000 to 45,000, and building a second, smaller facility for other sports events.

"This will allow us to bring the football stadium up to the standards of the Big East Conference as Rutgers enters the conference and begins competing against some of the biggest teams in the nation," Governor Florio said. "At the same time, it lets Rutgers increase its football revenues, so more University funds are free for academic purposes."

The refinancing also will provide approximately \$163 million in bond funds for the construction of a new convention center in Atlantic City.

"We are fulfilling the promise of Atlantic City by making sure it stays competitive in the business of attracting tourism and industry to New Jersey," Governor Florio said. "This legislation is also a fine example of the kind of bipartisan teamwork needed to keep New Jersey moving forward in this national recession."

In addition, the law provides up to \$30 million for repairs and improvements to the Meadowlands sports complex and Monmouth Park.

-more-

The law allows the New Jersey Sports and Exposition Authority to refinance and restructure its debt in order to finance the construction of the Atlantic City Convention Center and the expansion of the Rutgers Stadium.

Under the law, approximately \$193 million in appropriation bonds will be issued, payable from state appropriations under an agreement between the state treasurer and the Sports Authority. The refinancing of the Sports Authority's debt is expected to save \$170 million over the life of the bonds.

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