

52:27H-31.1

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2008 **CHAPTER:** 47

NJSA: 52:27H-31.1 (Authorizes transfer of the Atlantic City Convention Center project to the Atlantic City Convention and Visitors Authority and renames that authority)

BILL NO: A2011 (Substituted for S1393)

SPONSOR(S): Burzichelli

DATE INTRODUCED: January 28, 2008

COMMITTEE: **ASSEMBLY:** Tourism and Gaming
Appropriations

SENATE:

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** June 16, 2008

SENATE: June 23, 2008

DATE OF APPROVAL: July 18, 2008

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Assembly Committee Substitute for A2011 enacted)

A2011

| | | | |
|-----------------------------|--------------------------------------|-----|-----------------------------------|
| SPONSOR'S STATEMENT: | (Begins on page 30 of original bill) | Yes | |
| COMMITTEE STATEMENT: | | Yes | Tourism 5-5-08 Approp. 5-22-08 |
| | SENATE: | No | |

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

S1393

| | | | |
|------------------------------------|--------------------------------------|-----|------------------------------------|
| SPONSOR'S STATEMENT: | (Begins on page 31 of original bill) | Yes | |
| COMMITTEE STATEMENT: | | No | |
| | SENATE: | Yes | Wagering 3-10-08 Budget 6-16-08 |
| FLOOR AMENDMENT STATEMENT: | | No | |
| LEGISLATIVE FISCAL ESTIMATE | | Yes | |

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes
"A.C. assumes control of convention center," Courier-Post, 7-19-08, p. 1B

LAW

§§1,2 -
C.52:27H-31.1 &
52:27H-31.2
§§12-19, 21-25 -
C.52:27H-41.1 to
52:27H-41.13
§27 –
C.52:27H-44.1
§28 - Repealer

P.L. 2008, CHAPTER 47, *approved July 18, 2008*
Assembly Committee Substitute for
Assembly, No. 2011

1 **AN ACT** authorizing the transfer of the Atlantic City convention
2 center project and the renaming of the Atlantic City Convention
3 Center Authority, amending P.L.1971, c.137 and P.L.1991,
4 c.375, amending and supplementing P.L.1981, c.459, and
5 repealing section 13 of P.L.1981, c.459.

6
7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:

9
10 1. (New section) Sections 1 and 2, sections 12 through 19,
11 sections 21 through 25, and section 27 of P.L. , c. (C.)
12 (pending before the Legislature as this bill) shall be known and may
13 be cited as the "Atlantic City Convention Center Transfer Act."

14
15 2. (New section) (a) As used in P.L.1981, c.459 (C.52:27H-29
16 et seq.):

17 "Atlantic City convention center project" or "convention center
18 project" means the project authorized by paragraph (9) of
19 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6).

20 "Convention authority" or "authority" means the Atlantic City
21 Convention and Visitors Authority established pursuant to section 3
22 of P.L.1981, c.459 (C.52:27H-31).

23 "New Jersey Sports and Exposition Authority" means the public
24 body established under section 4 of P.L.1971, c.137 (C.5:10-4).

25 (b) As used in P.L. , c. (C.) (pending before the
26 Legislature as this bill), "Luxury Tax Bond Resolution" shall mean
27 the authority's Convention Center Luxury Tax Bond Resolution
28 adopted on October 28, 1992, as amended and supplemented.

29
30 3. Section 6 of P.L.1971, c.137 (C.5:10-6) is amended to read
31 as follows:

32 6. a. The authority, pursuant to the provisions of P.L.1971,
33 c.137 (C.5:10-1 et seq.), is hereby authorized and empowered,

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.

1 either alone or in conjunction with others, and provided that, in the
2 case of an arrangement with respect to any of the projects set forth
3 in this section which shall be in conjunction with others, the
4 authority shall have sufficient right and power to carry out the
5 public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

6 (1) To establish, develop, construct, operate, acquire, own,
7 manage, promote, maintain, repair, reconstruct, restore, improve
8 and otherwise effectuate, either directly or indirectly through
9 lessees, licensees or agents, a project to be located in the
10 Hackensack meadowlands upon a site not to exceed 750 acres and
11 upon a site or sites outside of that acreage, but either immediately
12 contiguous thereto or immediately across any public road which
13 borders that acreage, consisting of one or more stadiums, coliseums,
14 arenas, pavilions, stands, field houses, playing fields, recreation
15 centers, courts, gymnasiums, clubhouses, a racetrack for the holding
16 of horse race meetings, and other buildings, structures, facilities,
17 properties and appurtenances related to, incidental to, necessary for,
18 or complementary to a complex suitable for the holding of athletic
19 contests or other sporting events, or trade shows, exhibitions,
20 spectacles, public meetings, entertainment events or other
21 expositions, including, but not limited to, driveways, roads,
22 approaches, parking areas, parks, recreation areas, lodging
23 facilities, vending facilities, restaurants, transportation structures,
24 systems and facilities, and equipment, furnishings, and all other
25 structures and appurtenant facilities, related to, incidental to,
26 necessary for, or complementary to the purposes of that project or
27 any facility thereof.

28 (2) To establish, develop, construct, acquire, lease or own,
29 operate, manage, promote, maintain, repair, reconstruct, restore,
30 improve and otherwise effectuate, either directly or indirectly
31 through lessees, licensees or agents, a project, at a site within the
32 State of New Jersey, consisting of a baseball stadium and other
33 buildings, structures, facilities, properties and appurtenances related
34 thereto, or incidental to, necessary for, or complementary to a
35 complex suitable for the holding of professional baseball games and
36 other athletic contests or sporting events, or trade shows,
37 exhibitions, spectacles, public meetings, entertainment events or
38 other expositions, such project to include driveways, roads,
39 approaches, parking areas, parks, recreation areas, vending
40 facilities, restaurants, transportation structures, systems and
41 facilities, and equipment, furnishings and all other structures and
42 appurtenant facilities related to, incidental to, necessary for, or
43 complementary to the purposes of that project or any facility
44 thereof.

45 (3) To establish, develop, construct, acquire, lease or own,
46 operate, manage, promote, maintain, repair, reconstruct, restore,
47 improve and otherwise effectuate, either directly or indirectly

1 through lessees, licensees or agents, projects located within the
2 State of New Jersey, but outside of the meadowlands complex,
3 consisting of aquariums and the buildings, structures, facilities,
4 properties and appurtenances related thereto, or incidental to,
5 necessary for, or complementary to those aquariums, such project to
6 include driveways, roads, approaches, parking areas, parks,
7 recreation areas, vending facilities, restaurants, transportation
8 structures, systems and facilities, and equipment, furnishings and all
9 other structures and appurtenant facilities related to, incidental to,
10 necessary for, or complementary to the purposes of that project or
11 any facility thereof. To provide for a project authorized under this
12 paragraph:

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

14 (b) The authority is authorized to enter into agreements with the
15 State Treasurer providing for the acquisition and construction of an
16 aquarium by the authority, including the land necessary for the
17 aquarium, and the costs thereof, ownership of the aquarium and its
18 land which shall be conveyed to the State upon completion, and the
19 operation by the authority of the aquarium pursuant to a lease or
20 other agreement with the State containing such terms and conditions
21 as the State Treasurer may establish prior to the acquisition and
22 construction by the authority of the aquarium and the disbursements
23 of funds therefor. The State Treasurer is authorized to enter into a
24 lease or other agreement to effectuate the provisions of this
25 subparagraph.

26 (4) To establish, develop, construct, acquire, own, operate,
27 manage, promote, maintain, repair, reconstruct, restore, improve
28 and otherwise effectuate, either directly or indirectly through
29 lessees, licensees or agents, a project consisting of an exposition or
30 entertainment center or hotel or office complex, including any
31 buildings, structures, properties and appurtenances related thereto,
32 incidental thereto, necessary therefor, or complementary thereto,
33 such project to include driveways, roads, approaches, parking areas,
34 parks, recreation areas, vending facilities, restaurants, transportation
35 structures, systems, and equipment, furnishings and all other
36 structures and appurtenances related to, incidental to, necessary for,
37 or complementary to, the purposes of that project. A project
38 authorized under this paragraph may be located within, immediately
39 contiguous to, or immediately across any public road which borders
40 the site of any other project of the authority, except the site of a
41 racetrack authorized by paragraph (5) of this subsection and
42 acquired by the authority prior to 1986.

43 (5) To establish, develop, construct, acquire, own, operate,
44 manage, promote, maintain, repair, reconstruct, restore, improve
45 and otherwise effectuate, either directly or indirectly through
46 lessees, licensees or agents, projects consisting of (a) racetrack
47 facilities located within the State of New Jersey, but outside of the

1 meadowlands complex, (b) their contiguous properties, and (c) their
2 auxiliary facilities, including, without limitation, pavilions, stands,
3 field houses, clubhouses, training tracks for horses, racetracks for
4 the holding of horse race meetings, fairgrounds, other exposition
5 facilities, and other buildings, structures, facilities, properties and
6 appurtenances related to, incidental to, necessary for, or
7 complementary to a complex suitable for the holding of horse race
8 meetings, other sporting events, or trade shows, exhibitions,
9 spectacles, public meetings, entertainment events or other
10 expositions, including, but not limited to, driveways, roads,
11 approaches, parking areas, parks, recreation areas, lodging
12 facilities, vending facilities, restaurants, transportation structures,
13 systems and facilities, equipment, furnishings, and all other
14 structures and appurtenant facilities related to, incidental to,
15 necessary for, or complementary to the purposes of any of those
16 projects or any facility thereof.

17 Notwithstanding any law to the contrary, the acquisition of any
18 existing racetrack facility in and licensed by the State of New
19 Jersey shall be permitted on the condition that payments equivalent
20 to all municipal, school board and county taxes due to each entity
21 shall be paid by the authority to the extent and in accordance with
22 the same payment schedule as taxes would have been paid each
23 year, as though the racetrack facility remained in private ownership.
24 In the event the authority conveys lands or other parts of the
25 racetrack facility to others, the authority shall receive a reduction of
26 such payments commensurate with the amount required to be paid
27 by the subsequent owner of the lands and improvements disposed of
28 by the authority. In addition, the authority shall be responsible for
29 paying all existing local franchise fees, license and parking tax fees
30 in effect at the time of the acquisition.

31 (6) To establish, develop, acquire, own, operate, manage,
32 promote and otherwise effectuate, in whole or in part, either directly
33 or indirectly through lessees, licensees or agents, projects consisting
34 of events, expositions, teams, team franchises or membership in
35 professional sports leagues.

36 (7) To establish, develop, construct, acquire, own, operate,
37 manage, promote, maintain, repair, reconstruct, restore, improve
38 and otherwise effectuate, either directly or indirectly through
39 lessees, licensees or agents, projects consisting of facilities, at a site
40 or sites within the State of New Jersey and either within or without
41 the meadowlands complex, that are related to, incidental to,
42 necessary for, or complementary to the accomplishment or purpose
43 of any project of the authority authorized by this section, including
44 any buildings, structures, properties and appurtenances related
45 thereto, incidental thereto, necessary therefor, or complementary
46 thereto, such projects to include driveways, roads, approaches,
47 parking areas, parks, recreation areas, off-track and account

1 waging systems and facilities or any interest therein, vending
2 facilities, restaurants, transportation structures, systems, and
3 equipment, furnishings and all other structures and appurtenances
4 related to, incidental to, necessary for, or complementary to the
5 purposes of those projects.

6 (8) To establish, develop, acquire, construct, reconstruct,
7 improve and otherwise effectuate for transfer to, and for use and
8 operation by, Rutgers, the State University, either directly or
9 indirectly through lessees, licensees or agents, facilities located or
10 to be located on property owned, leased, or otherwise used by
11 Rutgers, the State University, consisting of an upgraded and
12 expanded football stadium and a new track and field, soccer and
13 lacrosse facility and the buildings, structures, properties and
14 appurtenances related thereto, or incidental to, necessary for, or
15 complementary to the football stadium and track and field, soccer
16 and lacrosse facility, such facilities to include driveways, access
17 roads, approaches, parking areas, parks, recreation areas, vending
18 facilities, restaurants, transportation structures, systems and
19 equipment, furnishings and all other structures and appurtenances
20 related or incidental to, necessary for, or complementary to the
21 purposes of those facilities; provided however that construction
22 shall not begin on the expansion of the seating capacity of Rutgers
23 Stadium until the Commissioner of Transportation certifies that all
24 funding necessary to complete the Route 18 project in Piscataway
25 Township has been appropriated and construction has begun on the
26 Route 18 project in Piscataway Township under the Department of
27 Transportation's capital program.

28 (9) To acquire by purchase, lease or otherwise, and to develop,
29 construct, operate, own, lease, manage, repair, reconstruct, restore,
30 improve, enlarge or otherwise effectuate, either directly or through
31 lessees, licensees or agents, a project which may hereinafter be
32 referred to as either the Atlantic City convention center project or a
33 convention center project in the city of Atlantic City, Atlantic
34 County, consisting of the existing convention hall and a new
35 convention hall or center, and associated parking areas and railroad
36 terminal facilities and including the leasing of adjacent land for
37 hotel facilities. In connection therewith, the authority is authorized
38 to:

39 (a) Assume existing leasehold or other contractual obligations
40 pertaining to any such facilities or properties or to make provision
41 for the payment or retirement of any debts and obligations of the
42 governmental entity operating any such convention hall or center or
43 of any bonds or other obligations payable from and secured by a
44 lien on or pledge of the luxury tax revenues;

45 (b) Make loans or payments in aid of construction with respect
46 to infrastructure and site development for properties located in the
47 area between the sites of the existing convention hall and a new

1 convention center or located contiguous to or across any public road
2 which borders the area;

3 (c) Convert the existing convention hall or any facilities,
4 structures or properties thereof, or any part thereof, not disposed of
5 by the authority, to any sports, exposition, exhibition, or
6 entertainment use or to use as a forum for public events or
7 meetings, or to any other use which the authority shall determine to
8 be consistent with its operation of the Atlantic City convention
9 center project[.];

10 (d) Transfer, as soon as practicable, its ownership interest or
11 other rights and obligations, other than any bonds, notes, or other
12 obligations, including any credit agreement, of the authority issued
13 and outstanding, or then in effect, on the date of such transfer under
14 the Luxury Tax Bond Resolution, in the Atlantic City convention
15 center project to the Atlantic City Convention and Visitors
16 Authority created under section 3 of P.L.1981, c.459 (C.52:27H-
17 31), and cease any supervision of the Atlantic City Convention and
18 Visitors Authority, to the extent permitted by the terms of the
19 bonds, notes, leases or other financing documents, assignments,
20 agreements or arrangements issued or entered into to finance or
21 refinance, in whole or in part, or incurred in connection with the
22 Atlantic City convention center project, as reasonably determined
23 by the authority but subject to the diligence and reasonable
24 determination provisions of paragraph (6) of subsection f. of this
25 section.

26 (10) To provide a feasibility study for the use and development
27 of the existing convention center in the city of Asbury Park, county
28 of Monmouth and to provide a feasibility study for the construction,
29 use and development of a convention center or recreational facility
30 in any other municipality.

31 (11) To provide funding to public or private institutions of higher
32 education in the State to establish, develop, acquire, construct,
33 reconstruct or improve facilities located or to be located on property
34 owned, leased, or otherwise used by an institution, consisting of
35 sports facilities and the buildings, structures, properties and
36 appurtenances related thereto, or incidental to, necessary for, or
37 complementary to those sports facilities, such facilities to include
38 driveways, access roads, approaches, parking areas, parks,
39 recreation areas, vending facilities, restaurants, transportation
40 structures, systems and equipment, furnishings and all other
41 structures and appurtenances related or incidental to, necessary for,
42 or complementary to the purposes of those facilities.

43 (12) To acquire by purchase, lease, or otherwise, including all
44 right, title and interest of the Greater Wildwood Tourism
45 Improvement Development Authority in any property, and to
46 develop, construct, operate, own, lease, manage, repair, reconstruct,
47 restore, improve, enlarge or otherwise effectuate, either directly or

1 through lessees, licensees or agents, a convention center facility in
2 the City of Wildwood, Cape May County, consisting of and
3 including any existing and acquired buildings, structures, properties
4 and appurtenances and including restaurants, retail businesses,
5 access roads, approaches, parking areas, transportation structures
6 and systems, recreation areas, equipment, furnishings, vending
7 facilities, and all other structures and appurtenances incidental to,
8 necessary for, or complementary to the purpose of such Wildwood
9 convention center facility. In connection therewith, the authority is
10 expressly authorized to:

11 (a) assume any existing mortgages, leaseholds or other
12 contractual obligations or encumbrances with respect to the site of
13 the Wildwood convention center facility and any other existing and
14 acquired buildings, structures, properties, and appurtenances;

15 (b) enter into agreements with a local public body or bodies
16 providing for any necessary financial support or other assistance for
17 the operation and maintenance of such Wildwood convention center
18 facility from taxes or other sources of the local public body or
19 bodies as shall be made available for such purposes;

20 (c) to the extent permitted by law and by the terms of the bonds
21 or notes issued to finance the Wildwood convention center facility,
22 transfer its ownership interest or other rights with respect to the
23 convention center facility to another State authority or agency;

24 (d) upon payment of all outstanding bonds and notes issued
25 therefore, transfer its ownership interest and other rights with
26 respect thereto to such other public body as shall be authorized to
27 own and operate such a facility; and

28 (e) convert any existing convention hall or any facilities,
29 structures or properties thereof, or any part thereof, not disposed of
30 by the authority, to any use which the authority shall determine to
31 be consistent with the operation of the Wildwood convention center
32 facility.

33 (13) To acquire by purchase, lease or otherwise, and to develop,
34 construct, own, lease, manage, repair, reconstruct, restore, improve,
35 enlarge or otherwise effectuate, either directly or through lessees,
36 licenses, or agents, all right, title, or interest in the Garden State
37 Arts Center in Holmdel, Monmouth County, and any related or
38 auxiliary facilities and to transfer its interest in the Garden State
39 Arts Center and any related or auxiliary facilities to such other
40 public body that is authorized to own and operate such a facility, or
41 other entity, according to such terms and process as the authority
42 may establish in its discretion.

43 (14) (a) To establish, develop, construct, acquire, lease or own,
44 operate, manage, promote, maintain, repair, reconstruct, restore,
45 improve and otherwise effectuate, either directly or indirectly
46 through lessees, licensees or agents, projects located within the
47 State of New Jersey, but outside the meadowlands complex,

1 provided that the authority first obtains the consent of the
2 municipality or municipalities in which the projects are to be
3 located, consisting of football training facilities that are comparable
4 in quality to National Football League professional football training
5 facilities and the buildings, structures, facilities, uses, properties
6 and appurtenances related thereto, or identical to, necessary for, or
7 complementary to those National Football League-quality
8 professional football league training facilities, such projects to
9 include driveways, roads, approaches, parking areas, parks,
10 recreation areas, restaurants, transportation structures, systems and
11 facilities, and equipment, furnishings and all other structures and
12 appurtenant facilities related to, incidental to, necessary for, or
13 complementary to the purposes of such projects or any facility
14 thereof.

15 (b) For projects developed pursuant to subparagraph (a) of
16 paragraph (14) of this subsection, the authority shall make in-lieu-of
17 tax payments in each municipality affected in amounts negotiated
18 by the authority and each municipality.

19 b. The authority, pursuant to the provisions of P.L.1971, c.137
20 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
21 projects, capital contributions to others for transportation and other
22 facilities, and accommodations for the public's use of any of those
23 projects, (2) to lease any part of any of those project sites not
24 occupied or to be occupied by the facilities of any of those projects,
25 for purposes determined by the authority to be consistent with or
26 related to the purposes of those projects, including, but not limited
27 to, hotels and other accommodations for transients and other
28 facilities related to or incidental to any of those projects, and (3) to
29 sell or dispose of any real or personal property, including, but not
30 limited to, such portion of the site of any of those projects not
31 occupied or to be occupied by the facilities of any of those projects,
32 at not less than the fair market value of the property, except in the
33 case of sale or disposition to the State, any political subdivision of
34 the State or any agency or instrumentality of the State or any
35 political subdivision of the State.

36 c. Revenues, moneys or other funds, if any, derived from the
37 operation or ownership of the meadowlands complex, including the
38 conduct of horse race meetings, shall be applied, in accordance with
39 the resolution or resolutions authorizing or relating to the issuance
40 of bonds or notes of the authority, to the following purposes and in
41 the following order:

42 (1) The costs of operation and maintenance of the meadowlands
43 complex and reserves therefor;

44 (2) Principal, sinking fund installments and redemption
45 premiums of and interest on any bonds or notes of the authority
46 payable from such revenues, moneys or other funds and issued for
47 the purposes of the meadowlands complex or for the purposes of

1 refunding the same, including reserves and payments with respect to
2 credit agreements therefor;

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

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

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

9 (6) Except to the extent payments with respect to bonds or notes
10 are provided with priority in accordance with paragraph (2) of this
11 subsection, payments required to be made in accordance with the
12 resolution authorizing or relating to the issuance of bonds or notes
13 of the authority, for the purposes of any project authorized by this
14 act, including payments and reserves with respect to any bonds or
15 notes of the authority with respect to the meadowlands complex
16 which are not provided with priority in accordance with paragraph
17 (2) of this subsection;

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

20 (8) The balance remaining after application in accordance with
21 the above shall be deposited in the General State Fund, provided
22 that (a) there shall be appropriated for authorized State purposes
23 from the amount so deposited that amount which shall be calculated
24 by the State Treasurer to be the debt service savings realized with
25 respect to the refinancing of the initial project as defined in section
26 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by
27 the issuance of bonds of the authority guaranteed by the State, and
28 (b) after such appropriation, 40% of any balance remaining from the
29 amounts so deposited shall be appropriated to the Meadowlands
30 Commission for any of its purposes authorized by P.L.1968, c.404,
31 and any amendments or supplements thereto.

32 d. Revenues, moneys or other funds, if any, derived from the
33 operation or ownership of any project other than the meadowlands
34 complex, the Atlantic City convention center project, or the
35 Wildwood convention center facility and other than a baseball
36 stadium project or an office complex project located on the site of a
37 baseball stadium shall be applied for such purposes, in such manner
38 and subject to such conditions as shall be provided in the resolution
39 authorizing or relating to the issuance of bonds or notes of the
40 authority for the purposes of such project, and the balance, if any,
41 remaining after such application may be applied, to the extent not
42 contrary to or inconsistent with the resolution, in the following
43 order (1) to the purposes of the meadowlands complex, unless
44 otherwise agreed upon by the State Treasurer and the authority, (2)
45 to the purposes of any other project of the authority; and, the
46 balance remaining, if any, shall be deposited in the General Fund.

1 e. Revenues, moneys or other funds, if any, derived from the
2 operation, ownership, or leasing of a baseball stadium project or an
3 office complex project located on the site of a baseball stadium
4 shall be applied for the purposes, in the manner and subject to the
5 conditions as shall be provided in the resolution authorizing or
6 relating to the issuance of bonds or notes of the authority for the
7 purposes of a baseball stadium project or an office complex project
8 located on the site of a baseball stadium, if any, and the balance, if
9 any, remaining after such application shall be applied, to the extent
10 not contrary to or inconsistent with the resolution, to the following
11 purposes and in the following order:

12 (1) The costs of operation and maintenance of a baseball
13 stadium project and an office complex project located on the site of
14 a baseball stadium and reserves therefor;

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

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

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

23 f. Revenues, moneys or other funds, if any, including earned
24 interest, derived from the operation, ownership or leasing of the
25 Atlantic City convention center project shall be applied to the costs
26 of operating **[and]** , maintaining and promoting the Atlantic City
27 convention center project and to the other purposes set forth in
28 paragraphs (1) through (5) of this subsection [as shall be provided
29 by resolution of the authority] , except as provided in paragraph (6)
30 of this subsection.

31 **[Luxury]** Subject to paragraph (6) of this subsection, luxury tax
32 revenues paid to the authority by the State Treasurer pursuant to
33 section 14 of P.L.1991, c.375 (C.5:10-14.4), including earned
34 interest, shall be deposited by the authority in a separate fund or
35 account and applied to the following purposes and in the following
36 order:

37 (1) To pay the principal, sinking fund installments and
38 redemption premiums of and interest on any bonds or notes of the
39 authority, including bonds or notes of the authority issued for the
40 purpose of refunding bonds or notes, issued for purposes of (i) the
41 initial acquisition of the existing properties which will constitute
42 part of the Atlantic City convention center project, if the bonds or
43 notes shall be payable under the terms of the resolution of the
44 authority relating thereto from luxury tax revenues, or (ii) providing
45 improvements, additions or replacements to the Atlantic City
46 convention center project, if the bonds or notes shall be payable
47 under the terms of the resolution of the authority relating thereto

1 from luxury tax revenues; and to pay any amounts due from the
2 authority under any credit agreement entered into by the authority
3 in connection with the bonds or notes.

4 (2) To pay the costs of operation **[and]** , maintenance and
5 promotion of the Atlantic City convention center project, including
6 amounts payable as operating expenses under the Luxury Tax Bond
7 Resolution or the terms of the bonds, notes, leases or other
8 financing documents, assignments, agreements or arrangements
9 issued or entered into to finance or refinance, in whole or in part, or
10 incurred in connection with, the Atlantic City convention center
11 project.

12 (3) To establish and maintain a working capital and maintenance
13 reserve fund for the Atlantic City convention center project in an
14 amount as shall be determined by the authority to be necessary.

15 (4) To repay to the State those amounts paid by the State with
16 respect to bonds or notes of the authority issued for the purposes of
17 the Atlantic City convention center project.

18 (5) The balance of any luxury tax revenues not required for any
19 of the foregoing purposes and remaining at the end of any calendar
20 year shall be paid to the State Treasurer for application to purposes
21 in the city of Atlantic City pursuant to section 5 of P.L.1981, c.461
22 (C.40:48-8.30a).

23 The authority may pledge the luxury tax revenues paid to it as
24 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as
25 security for the payment of the principal of and interest or premium
26 on **[its]** the bonds or notes issued for the purposes set forth above
27 in paragraph (1) of this subsection f. in the same manner, to the
28 same extent and with the same effect as the pledge of any of its
29 other revenues, receipts and funds authorized by P.L.1971, c.137
30 (C.5:10-1 et seq.).

31 (6) (a) The authority shall promptly and diligently pursue all
32 consents, approvals, waivers or non-objections under the bonds,
33 notes, leases, or other financing documents, assignments,
34 agreements or arrangements issued or entered into to finance or
35 refinance, in whole or in part, or incurred in connection with, the
36 Atlantic City convention center project, that are required for the
37 following actions, which actions may be implemented at the same
38 or at different times.:

39 (i) to permit the State Treasurer to remit to the authority, for
40 deposit to the Luxury Tax Revenue Fund established under the
41 Luxury Tax Bond Resolution, luxury tax revenues held by the State
42 Treasurer in the fund established pursuant to section 5 of P.L.1979,
43 c.273 (C.40:48-8.30) in an amount sufficient to (A) pay the
44 principal, sinking fund installments and redemption premiums, if
45 any, of and interest on any bonds, notes, or other obligations,
46 including any credit agreement, of the authority issued and
47 outstanding or entered into pursuant to the Luxury Tax Bond

1 Resolution, and (B) maintain any reserves required to be held by the
2 trustee pursuant to the Luxury Tax Bond Resolution, and to remit
3 the balance of the luxury tax revenues held by the State Treasurer in
4 such fund, including interest thereon, to the Atlantic City
5 Convention and Visitors Authority to be applied as provided in
6 section 25 of P.L. , c. (C.) (pending before the Legislature
7 as this bill) subject, however, to the lien of the Luxury Tax Bond
8 Resolution, until all bonds, notes, and other obligations, including
9 any credit agreement, of the authority issued and outstanding or
10 entered into pursuant to the Luxury Tax Bond Resolution have been
11 paid or defeased in full.

12 (ii) to permit the authority to transfer its ownership interest or
13 other rights and obligations, other than any bonds, notes, or other
14 obligations, including any credit agreement, of the authority issued
15 and outstanding, or then in effect, on the date of such transfer under
16 the Luxury Tax Bond Resolution, in the Atlantic City convention
17 center project to the Atlantic City Convention and Visitors
18 Authority, and cease any supervision of the Atlantic City
19 Convention and Visitors Authority.

20 (iii) to implement any other provisions of P.L. , c. (C.)
21 (pending before the Legislature as this bill).

22 (b) Upon obtaining such consents, approvals, waivers or non-
23 objections or upon the reasonable determination by the authority or
24 the State Treasurer that such consents, approvals or non-objections
25 have been obtained, are unnecessary or that the absence of such
26 consents, approvals or non-objections shall not result in a material
27 default, the State Treasurer shall thereafter remit to the authority
28 from the fund only those monies required to satisfy the obligations
29 of subparagraphs (a)(i)(A) and (a)(i)(B) of this paragraph; the
30 balance of the luxury tax revenues held by the State Treasurer in
31 such fund, including interest thereon, shall be paid promptly to the
32 Atlantic City Convention and Visitors Authority to be applied as
33 provided in section 25 of P.L. , c. (C.) (pending before the
34 Legislature as this bill), subject, however, to the lien of the Luxury
35 Tax Bond Resolution until all bonds, notes, and other obligations,
36 including any credit agreement, of the authority issued and
37 outstanding or entered into pursuant to the Luxury Tax Bond
38 Resolution have been paid or defeased in full.

39 (c) When all bonds, notes, or other obligations, including any
40 credit agreement, of the authority issued and outstanding or entered
41 into pursuant to the Luxury Tax Bond Resolution have been paid or
42 defeased in full, any amounts received by the authority from the
43 funds and accounts held under the Luxury Tax Bond Resolution
44 shall forthwith be transferred to the Atlantic City Convention and
45 Visitors Authority to be applied as provided in section 25 of P.L. ,
46 c. (C.) (pending before the Legislature as this bill).

1 g. Revenues, moneys or other funds, if any, derived from the
2 ownership or operation of the Wildwood convention center facility
3 shall be applied to the costs of operating and maintaining the
4 Wildwood convention center facility and to the other purposes set
5 forth in this subsection as shall be provided by resolution of the
6 authority.

7 The tourism related tax revenues paid to the authority pursuant to
8 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall
9 be deposited by the authority in a separate fund or account and
10 applied to any or all of the following purposes pursuant to an
11 allocation of funds approved by the State Treasurer in writing and
12 in advance of any application of such funds:

13 (1) to pay amounts due with respect to any obligations
14 transferred to the authority pursuant to section 17 of P.L.1997,
15 c.273 (C.40:54D-25.1) pertaining to the Wildwood convention
16 center facility;

17 (2) to repay to the State those amounts paid with respect to
18 bonds or notes of the authority issued for the purposes of the
19 Wildwood convention center facility;

20 (3) to pay the cost of operation and maintenance reserve for the
21 Wildwood convention center facility;

22 (4) to establish and maintain a working capital and maintenance
23 of the Wildwood convention center facility.

24 The balance, if any, of any tourism related tax revenues not
25 allocated to any of the purposes set forth in the previous paragraphs
26 and remaining at the end of the calendar year shall be paid to the
27 State Treasurer for deposit in the General Fund.

28 (cf: P.L.2005, c.302, s.1)

29
30 4. Section 14 of P.L.1991, c.375 (C.5:10-14.4) is amended to
31 read as follows:

32 14. Notwithstanding the provisions of P.L.1947, c.71 (C.40:48-
33 8.15 et seq.), in the event that the convention hall or halls or
34 convention center project, including the site of a convention hall or
35 convention center project to be constructed, located in any
36 municipality which levies a luxury tax pursuant to such law, shall
37 be purchased, leased or otherwise acquired by the New Jersey
38 Sports and Exposition Authority and for so long as the **[authority]**
39 New Jersey Sports and Exposition Authority or the Atlantic City
40 Convention and Visitors Authority shall be the owner or be
41 responsible for supervision of the operation of the convention hall
42 or halls or convention center project[:

43 a. Subject to and after providing for the payment of the
44 amounts, if any, **], and, in any event, for so long as any bonds or**
45 notes issued by the New Jersey Sports and Exposition Authority for
46 the Atlantic City convention center project, or other obligations or
47 financing arrangements entered into or issued by the New Jersey

1 Sports and Exposition Authority in connection with the Atlantic
2 City convention center project, which are payable from, or secured
3 by such luxury taxes, or required to be paid from [the] luxury tax
4 revenues of the municipality [under any resolution, indenture or
5 security agreement authorizing or securing bonds or other
6 obligations of a county improvement authority and to be applied to
7 the payment of the principal of and interest on those bonds or other
8 obligations issued for the convention center project and to the
9 maintenance of reserves therefor and the allocation of moneys for
10 future debt service payments, all the remaining luxury] remain
11 outstanding:

12 a. Luxury tax revenues on deposit in the luxury tax fund
13 created pursuant to section 5 of P.L.1979, c.273 (C.40:48-8.30),
14 [including any balance not required for those purposes on deposit
15 in the luxury tax fund on the date of enactment of P.L.1991, c.375]
16 shall be [paid] remitted promptly during each year, commencing
17 with the year in which P.L.1991, c.375 is enacted, by the State
18 Treasurer from the luxury tax fund to the New Jersey Sports and
19 Exposition Authority [for application to the purposes of the
20 convention center project] or the Atlantic City Convention and
21 Visitors Authority or both, as the case may be, in accordance with
22 the provisions of subsection f. of section 6 of P.L.1971, c.137
23 (C.5:10-6).

24 b. No further bonds or other obligations, other than refunding
25 bonds, shall be issued and no lease shall be entered into, by any
26 public body other than the [New Jersey Sports and Exposition
27 Authority] Atlantic City Convention and Visitors Authority, the
28 payment of which is to be made from or secured by the luxury tax
29 revenues of the municipality; and

30 c. Luxury tax revenues of the municipality which are in excess
31 of the requirements with respect thereto of, first, the obligations of
32 the New Jersey Sports and Exposition Authority under the bonds,
33 notes, leases, or other financing documents, assignments,
34 agreements or arrangements issued or entered into to finance or
35 refinance, in whole or in part, or incurred in connection with, the
36 Atlantic City convention center project, and thereafter, of the
37 Atlantic City Convention and Visitors Authority, as the case may
38 be, relating to the convention center project shall be applied to the
39 purposes set forth in [section 5 of P.L.1981, c.461 (C.40:48-
40 8.30a)] , or in accordance with, the provisions of section 25 of
41 P.L. , c. (C.) (pending before the Legislature as this bill), as
42 appropriate.

43 d. If the luxury tax of the municipality, including any increase
44 thereof adopted by the municipality after the enactment of
45 P.L.1991, c.375 (C.5:10-3 et al.), shall be pledged to the payment of
46 the bonds [or] , notes [of] , leases, or other financing documents,

1 assignments, agreements or arrangements issued or entered into by
2 the New Jersey Sports and Exposition Authority or the Atlantic City
3 Convention and Visitors Authority to finance or refinance, in whole
4 or in part, or incurred by the New Jersey Sports and Exposition
5 Authority or the Atlantic City Convention and Visitors Authority in
6 connection with, the Atlantic City convention center project, the
7 municipality shall not repeal the luxury tax, nor reduce the rate of
8 the tax, nor eliminate from taxation any retail sales that are subject
9 to the tax on the date of enactment of P.L.1991, c.375 (C.5:10-3 et
10 al.), so long as [the] such bonds [or] , notes, leases, or other
11 financing documents, assignments, agreements or arrangements
12 shall remain outstanding.

13 e. As soon as practicable, and to the extent permitted by the
14 terms of the Luxury Tax Bond Resolution and the bonds, notes,
15 leases, or other financing documents, assignments, agreements or
16 arrangements issued to finance, or entered into to finance or
17 refinance, in whole or in part, or incurred in connection with, the
18 Atlantic City convention center project, and subject to the diligence
19 and reasonable determination provisions of subsection f. of section
20 6 of P.L.1991, c.375 (C.5:10-6), the New Jersey Sports and
21 Exposition Authority shall transfer its ownership interest or other
22 rights in the Atlantic City convention center project to the Atlantic
23 City Convention and Visitors Authority, and cease any supervision
24 of the Atlantic City Convention and Visitors Authority. Upon such
25 transfer, (i) the Atlantic City Convention and Visitors Authority
26 shall assume all of the powers, rights, assets and duties of the
27 authority with respect to the Atlantic City convention center project
28 to the extent provided by P.L. , c. (C.) (pending before the
29 Legislature as this bill), and such powers shall then and thereafter
30 be vested in and shall be exercised by the Atlantic City Convention
31 and Visitors Authority, and (ii) all debts, liabilities, obligations and
32 contracts of the authority with respect to the Atlantic City
33 convention center project, other than any bonds, notes, or other
34 obligations, including any credit agreement, of the authority issued
35 and outstanding, or then in effect, on the date of such transfer under
36 the Luxury Tax Bond Resolution, are imposed upon the Atlantic
37 City Convention and Visitors Authority, and all creditors of the
38 authority and persons having claims against or contracts with the
39 authority of any kind or character relating to the Atlantic City
40 convention center project may enforce those debts, claims and
41 contracts against the Atlantic City Convention and Visitors
42 Authority as successor to the authority in the same manner as they
43 might have had against the authority, and the rights and remedies of
44 those holders, creditors and persons having claims against or
45 contracts with the authority relating to the Atlantic City convention
46 center project shall not be limited or restricted in any manner by
47 P.L. , c. (C.) (pending before the Legislature as this bill).

1 All expenses incurred in carrying out the transfer of the Atlantic
2 City convention center project from the authority to the Atlantic
3 City Convention and Visitors Authority pursuant to the provisions
4 of P.L. , c. (C.) (pending before the Legislature as this bill),
5 including expenses incurred to obtain any required consents,
6 approvals, waivers or non-objections as described in subsection f.
7 of section 6 of P.L.1971, c.137 (C.5:10-6), shall be payable solely
8 from luxury tax revenues and other amounts held under the Luxury
9 Tax Bond Resolution to the extent available to pay such expenses.
10 (cf: P.L.1991, c.375, s.14)

11

12 5. Section 1 of P.L.1981, c.459 (C.52:27H-29) is hereby
13 amended to 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 recent
17 revitalization of that industry as a result of the authorization of
18 casino gaming in Atlantic City has resulted in significant economic
19 benefits not only to the residents of the city and its immediate
20 environs, but to all of the residents of the State in the form of
21 increased business and employment opportunities and augmented
22 State and local revenues; and that the future growth of this industry
23 will depend in part upon the provision and operation of an attractive
24 convention center in Atlantic City or the promotion and marketing
25 of the city of Atlantic City and the provision of an adequate
26 mechanism whereby the interests and efforts of the State, the city
27 and the private sector may be effectively coordinated and the
28 financial soundness of a convention center assured.

29 To this end, the Legislature declares the establishment of an
30 authority having the requisite power to own, lease, promote, operate
31 and], maintain, transfer and sell a convention center project in
32 Atlantic City under the supervision of the New Jersey Sports and
33 Exposition Authority] and to promote and market the city of
34 Atlantic City to be in the public interest of the citizens of this State.

35 The Legislature further finds that it is in the best interests of the
36 State for the Atlantic City Convention and Visitors Authority
37 established pursuant to the provisions of P.L.1981, c.459
38 (C.52:27H-29 et seq.), which is the entity most closely related to the
39 facilities and operations of the Atlantic City convention center
40 project, to acquire ownership of and assume responsibility and
41 control over the daily operations of the project.

42 (cf: P.L.1991, c.375, s.4)

43

44 6. Section 2 of P.L.1981, c.459 (C.52:27H-30) is amended to
45 read as follows:

46 2. This act shall be known and may be cited as the "Atlantic

1 City Convention **【Center】** and Visitors Authority Act."
2 (cf: P.L.1981, c.459, s.2)

3
4 7. Section 3 of P.L.1981, c.459 (C.52:27H-31) is amended to
5 read as follows:

6 3. There is created a public body corporate and politic, with
7 corporate succession, to be known as the "Atlantic City Convention
8 **【Center】** and Visitors Authority." The authority is constituted as an
9 instrumentality of the State exercising public and essential
10 governmental functions, and the exercise by the authority of the
11 powers conferred by this act shall be an essential government
12 function of the State. For the purposes of complying with the
13 provisions of Article V, Section IV, paragraph 1 of the New Jersey
14 Constitution, the authority is allocated within the **【Department of**
15 **Commerce and Economic Development】** Department of the
16 Treasury, but, notwithstanding the allocation, the authority shall be
17 independent of any supervision or control by the department **【or by**
18 **the commissioner】** or any officer or employee thereof.

19 (cf: P.L.1981, c.459, s.3)

20

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

23 4. a. The authority shall consist of seven members**【**. Any
24 member holding office on the date this section becomes effective
25 shall continue as a member until replaced in accordance with the
26 procedures hereinafter set forth, provided that no such member shall
27 hold office beyond June 30, 1992. As soon as practicable after the
28 date on which this section becomes effective, vacancies in the
29 membership of the authority shall be filled and new appointments to
30 the membership of the authority shall be made as provided in this
31 section so that the membership of the authority shall consist of the
32 following**】** as follows:

33 (1) Six public members, at least two of whom shall be
34 representatives of the New Jersey casino industry, to be appointed
35 by the Governor with the advice and consent of the Senate; and

36 (2) The **【President of the New Jersey Sports and Exposition**
37 **Authority】** Treasurer of the State of New Jersey, who shall be an ex
38 officio member.

39 b. Vacancies **【to be filled】** in the membership of the authority
40 **【and any new appointments made to such membership after the date**
41 **on which this section becomes effective】** shall be filled **【or made so**
42 **as to provide, as promptly as practicable consistent with the**
43 **membership provisions set forth in subsection a. of this section, for**
44 **the incumbency of the member set forth in paragraph (2) of**
45 **subsection a. of this section and then the incumbency of the**
46 **members set forth in paragraph (1) of subsection a. of this section.**

1 The ex officio member of the authority may designate an officer or
2 employee of the New Jersey Sports and Exposition Authority to
3 represent the ex officio member at meetings of the authority and
4 that designee may lawfully vote and otherwise act on behalf of the
5 ex officio member. Any such designation shall be in writing
6 delivered to the authority and shall continue in effect until revoked
7 or amended by writing delivered to the authority] in the same
8 manner as prescribed by law for the original appointment, but for
9 the unexpired term only.

10 c. No more than [3 of the public] four members [appointed
11 pursuant to paragraph (1) of subsection a. of this section] of the
12 authority shall be affiliated with the same political party. The
13 public members of the authority shall serve for a term of [5] five
14 years and until a successor shall have been appointed and qualified;
15 except that of the public members first appointed pursuant to the
16 provisions of P.L.1991, c.375, the Governor shall designate upon
17 appointment: two members for a term of [5] five years, one for a
18 term of [4] four years, one for a term of [3] three years, one for a
19 term of [2] two years and one for a term of [1] one year.

20 (cf: P.L.1991, c.375, s.5)

21

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

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

40 b. The chairman of the authority shall be appointed by the
41 Governor, and the authority shall designate one of its members to
42 serve as the vice-chairman. [Subject to approval by the New Jersey
43 Sports and Exposition Authority, the] The authority shall appoint
44 [an executive director] a president who shall serve as its chief
45 [administrative] operating officer. The [executive director]
46 president shall serve at the pleasure of the authority and shall be a

1 person qualified by training and experience to perform the duties of
2 **【his】** the president's office, as those duties shall be prescribed by
3 the bylaws of the authority.

4 (cf: P.L.1991, c.375, s.6)

5

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

8 9. The authority shall have the power to acquire, own, lease,
9 operate, maintain, transfer and sell the convention center project **【of**
10 **the New Jersey Sports and Exposition Authority】** in the city of
11 Atlantic City **【under a contract with the New Jersey Sports and**
12 **Exposition Authority containing the terms and provisions as the**
13 **New Jersey Sports and Exposition Authority】** and to promote and
14 market the city of Atlantic City in such manner as it shall determine
15 to be in furtherance of the purposes of 【this act】 P.L.1981, c.459
16 (C.52:27H-29 et seq.).

17 (cf: P.L.1991, c.375, s.8)

18

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

21 12. In addition to the powers granted to the authority in **【this**
22 **act】** P.L.1981, c.459 (C.52:27H-29 et seq.), the authority **【,**
23 **consistent with the terms of any contract entered into pursuant to**
24 **section 9 of this act (C.52:27H-37),】** may:

25 a. Make and alter bylaws for its organization and internal
26 management and **【,** subject to the restrictions of any contract
27 entered into pursuant to section 9 of this act,**】** make rules and
28 regulations with respect to its operations;

29 b. Adopt an official seal and alter the same at its pleasure;

30 c. Sue and be sued in its own name;

31 d. Make and enter into all contracts or agreements necessary or
32 incidental to the performance of its duties;

33 e. Enter into agreements or other transactions with and accept
34 grants and the cooperation of the United States or any agency
35 thereof or any State or local agency in furtherance of the purposes
36 of **【this act】** P.L.1981, c.459 (C.52:27H-29 et seq.), and do
37 anything necessary in order to avail itself of this aid and
38 cooperation;

39 f. Solicit, receive and accept aid, loans or contributions from
40 any source of money, property, labor or other things of value, to be
41 held, used and applied to carry out the purposes of **【this act】**
42 P.L.1981, c.459 (C.52:27H-29 et seq.) subject to the conditions
43 upon which this aid, these loans and contributions shall be made,
44 including but not limited to grants from any department or agency
45 of the United States or any State or local agency for any purpose
46 consistent with **【this act】** P.L.1981, c.459 (C.52:27H-29 et seq.);

1 g. Acquire, own, hold, sell, exchange, lease or otherwise
2 dispose of real or personal property or any interest therein in the
3 exercise of its powers and the performance of its duties under **[this**
4 **act]** P.L.1981, c.459 (C.52:27H-29 et seq.);

5 h. **[Subject to approval by the New Jersey Sports and**
6 **Exposition Authority, appoint]** Appoint such officers, employees,
7 and agents as it may require for the performance of its duties, and
8 fix their compensation, promote and discharge them, all without
9 regard to the provisions of Title 11A of the New Jersey Statutes;

10 i. Provide advisory, consultative and technical assistance and
11 advice to any person, firm, association, partnership or corporation,
12 either public or private, in order to carry out the purposes of **[this**
13 **act]** P.L.1981, c.459 (C.52:27H-29 et seq.);

14 j. **[Subject to the provisions of any contract entered into**
15 **pursuant to section 9 of this act, to invest]** Invest moneys of the
16 authority not required for immediate use in those obligations,
17 securities and other investments as the authority shall deem
18 prudent;

19 k. Procure insurance coverage in such types and amounts and
20 from such insurers as may be advisable;

21 l. Engage the services of attorneys, accountants, marketing
22 analysts and financial experts and such other advisors, consultants
23 and agents as may be necessary in its judgment, and fix their
24 compensation;

25 m. Maintain an office at such place or places in the city of
26 Atlantic City as it may designate;

27 n. Advertise and promote the tourist, resort, convention and
28 casino gaming industries of the city of Atlantic City and for these
29 purposes establish funds, adopt and collect fees and other charges
30 and make expenditures consistent with the provisions of **[the**
31 **operating]** any contract **[with the New Jersey Sports and**
32 **Exposition Authority]** for the operation of the convention center
33 project; and

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

36 **[Notwithstanding, the provisions of P.L.1981, c.459 (C.52:27H-29**
37 **et seq.) or any other law to the contrary, any contracts or**
38 **agreements to be entered into by the authority in the exercise of the**
39 **powers granted to the authority shall be subject to prior approval by**
40 **the New Jersey Sports and Exposition Authority.]**

41 (cf: P.L.1991, c.375, s.9)

42
43 12. (New section) a. The authority shall have the power and is
44 hereby authorized from time to time to issue its bonds or notes in
45 such principal amounts as in the opinion of the authority shall be
46 necessary to provide sufficient funds for any of its corporate

1 purposes, including the payment, funding or refunding of the
2 principal of, or interest or redemption premiums on, any bonds or
3 notes issued by it whether the bonds or notes or interest to be
4 funded or refunded have or have not become due, and the
5 establishment or increase of such reserves to secure or to pay such
6 bonds or notes or interest thereon and all other costs or expenses of
7 the authority incident to and necessary to carry out its corporate
8 purposes and powers.

9 b. Whether or not the bonds and notes are of such form and
10 character as to be negotiable instruments under the terms of Title
11 12A, Commercial Transactions, of the New Jersey Statutes, the
12 bonds and notes are hereby made negotiable instruments within the
13 meaning of and for all the purposes of that Title 12A, subject only
14 to the provisions of the bonds and notes for registration.

15 c. Bonds or notes of the authority shall be authorized by a
16 resolution or resolutions of the authority and may be issued in one
17 or more series and shall bear such date, or dates, mature at such
18 time or times, bear interest at such rate or rates of interest per
19 annum which may be fixed or may change at such time and in
20 accordance with a specified formula or method of determination, be
21 in such denomination or denominations, be in such form, either
22 coupon or registered, carry such conversion or registration
23 privileges, have such rank or priority, be executed in such manner,
24 be payable from such sources in such medium of payment at such
25 place or places within or without the State, and be subject to such
26 terms of redemption, with or without premium, as such resolution
27 or resolutions may provide.

28 d. Bonds or notes of the authority may be sold at public or
29 private sale at such price or prices and in such manner as the
30 authority shall determine. Every bond shall mature and be paid not
31 later than 35 years from the date thereof.

32 e. Bonds or notes may be issued under the provisions of
33 P.L. , c. (C.) (pending before the Legislature as this bill)
34 without obtaining the consent of any department, division,
35 commission, board, bureau or agency of the State, and without any
36 other proceeding or the happening of any other conditions or other
37 things than those proceedings, conditions or things which are
38 specifically required by the provisions of P.L. , c. (C.)
39 (pending before the Legislature as this bill).

40 f. Bonds and notes of the authority issued under the provisions
41 of P.L. , c. (C.)(pending before the Legislature as this bill)
42 shall not be in any way a debt or liability of the State or of any
43 political subdivision thereof other than the authority and shall not
44 create or constitute any indebtedness, liability or obligation of the
45 State or of any such political subdivision or be or constitute a
46 pledge of the faith and credit of the State or of any such political
47 subdivision but all such bonds and notes, unless funded or refunded

1 by bonds or notes of the authority, shall be payable solely from
2 revenues or funds pledged or available for their payment as
3 authorized in P.L. , c. (C.)(pending before the Legislature as
4 this bill). Each bond and note shall contain on its face a statement
5 to the effect that the authority is obligated to pay the principal
6 thereof or the interest thereon only from revenues, receipts or funds
7 pledged or available for their payment as authorized in P.L. ,
8 c. (C.) (pending before the Legislature as this bill) and that
9 neither the State nor any political subdivision thereof is obligated to
10 pay such principal or interest and that neither the faith and credit
11 nor the taxing power of the State or any political subdivision
12 thereof is pledged to the payment of the principal of or the interest
13 on such bonds or notes.

14

15 13. (New section) In any resolution of the authority authorizing
16 or relating to the issuance of any bonds or notes, the authority, in
17 order to secure the payment of such bonds or notes and in addition
18 to its other powers, shall have power by provisions therein which
19 shall constitute covenants by the authority and contracts with the
20 holders of such bonds or notes to:

21 a. Secure the bonds or notes as provided in section 24 of
22 P.L. , c. (C.) (pending before the Legislature as this bill);

23 b. Covenant against pledging all or any part of its revenues or
24 receipts or its leases, sales agreements, service contracts or other
25 security instruments, or its mortgages or other agreements, or the
26 revenues or receipts under any of the foregoing or the proceeds
27 thereof, or against mortgaging or leasing all or any part of its real or
28 personal property then owned or thereafter acquired, or against
29 permitting or suffering any lien on any of the foregoing;

30 c. Covenant with respect to limitations on any right to sell,
31 mortgage, lease or otherwise dispose of any project or any part
32 thereof or any property of any kind;

33 d. Covenant as to any bonds and notes to be issued and the
34 limitations thereon and the terms and conditions thereof and as to
35 the custody, application, investment, and disposition of the
36 proceeds thereof;

37 e. Covenant as to the issuance of additional bonds or notes or
38 as to limitations on the issuance of additional bonds or notes and on
39 the incurring of other debts by it;

40 f. Covenant as to the payment of the principal of or interest on
41 the bonds or notes, or any other obligations, as to the sources and
42 methods of such payment, as to the rank or priority of any such
43 bonds, notes or obligations with respect to any lien or security or as
44 to the acceleration of the maturity of any such bonds, notes or
45 obligations;

46 g. Provide for the replacement of lost, stolen, destroyed or
47 mutilated bonds or notes;

- 1 h. Covenant against extending the time for the payment of
2 bonds or notes or interest thereon;
- 3 i. Covenant as to the redemption of bonds or notes and
4 privileges of exchange thereof for other bonds or notes of the
5 authority;
- 6 j. Covenant as to the fixing and collection of rents, fees, rates
7 and other charges, the amount to be raised each year or other period
8 of time by rents, fees, rates and other charges, and as to the use and
9 disposition to be made thereof;
- 10 k. Covenant to create or authorize the creation of special funds
11 or monies to be held in pledge or otherwise for construction,
12 operating expenses, payment or redemption of bonds or notes,
13 reserves or other purposes and as to the use, investment, and
14 disposition of the monies held in such funds;
- 15 l. Establish the procedure, if any, by which the terms of any
16 contract or covenant with or for the benefit of the holders of bonds
17 or notes may be amended or abrogated, the amount of bonds or
18 notes the holders of which must consent thereto, and the manner in
19 which such consent may be given;
- 20 m. Covenant as to the construction, improvement, operation or
21 maintenance of any project and its other real and personal property,
22 the replacement thereof, the insurance to be carried thereon, and the
23 use and disposition of insurance monies;
- 24 n. Provide for the release of property, leases or other
25 agreements, or revenues and receipts from any pledge or mortgage
26 and to reserve rights and powers in, or the right to dispose of,
27 property which is subject to a pledge or mortgage;
- 28 o. Provide for the rights and liabilities, powers and duties
29 arising upon the breach of any covenant, condition or obligation and
30 to prescribe the events of default and the terms and conditions upon
31 which any or all of the bonds, notes or other obligations of the
32 authority shall become or may be declared due and payable before
33 maturity and the terms and conditions upon which any such
34 declaration and its consequences may be waived;
- 35 p. Vest in a trustee or trustees within or without the State such
36 property, rights, powers and duties in trust as the authority may
37 determine, including the right to foreclose any mortgage, which
38 may include any or all of the rights, powers and duties of any
39 trustee appointed by the holders of any bonds or notes pursuant to
40 P.L. , c. (C.)(pending before the Legislature as this bill) and
41 to limit or abrogate the right of the holders of any bonds or notes of
42 the authority to appoint a trustee under P.L. , c. (C.)(pending
43 before the Legislature as this bill) and to limit the rights, duties and
44 powers of such trustee;
- 45 q. Execute all mortgages, leases, sales agreements, service
46 contracts, bills of sale, conveyances, deeds of trust and other

1 instruments necessary or convenient in the exercise of its powers or
2 in the performance of its covenants or duties;

3 r. Pay the costs or expenses incident to the enforcement of
4 such bonds or notes or of the provisions of such resolution or of any
5 covenant or agreement of the authority with the holders of its bonds
6 or notes;

7 s. Limit the rights of the holders of any bonds or notes to
8 enforce any pledge or covenant securing bonds or notes; and

9 t. Make covenants other than, or in addition to, the covenants
10 herein expressly authorized by P.L. , c. (C.) (pending before
11 the Legislature as this bill), of like or different character, and to
12 make such covenants to do or refrain from doing such acts and
13 things as may be necessary, or convenient and desirable, in order to
14 better secure bonds or notes or which, in the absolute discretion of
15 the authority, will tend to make bonds or notes more marketable,
16 notwithstanding that such covenants, acts or things may not be
17 enumerated herein.

18

19 14. (New section) Any pledge of revenues, receipts, monies,
20 funds, levies, sales agreements, service contracts or other property
21 or instruments made by the authority shall be valid and binding
22 from the time when the pledge is made; the revenues, monies, funds
23 or other property so pledged and thereafter received by the authority
24 or a subsidiary shall immediately be subject to the lien of such
25 pledge without any physical delivery thereof or further act, and the
26 lien of any such pledge shall be valid and binding as against all
27 parties having claims of any kind in tort, contract or otherwise
28 against the authority, irrespective of whether such parties have
29 notice thereof. Neither the resolution nor any other instrument by
30 which a pledge under this section is created need be filed or
31 recorded except in the records of the authority.

32

33 15. (New section) The authority may establish such reserves,
34 funds or accounts as may be, in its discretion, necessary or desirable
35 to further the accomplishment of the purposes of the authority or to
36 comply with the provisions of any agreement made by or any
37 resolution of the authority.

38

39 16. (New section) The State of New Jersey does hereby pledge
40 to and covenant and agree with the holders of any bonds or notes
41 issued pursuant to P.L. , c. (C.) (pending before the
42 Legislature as this bill) that the State will not limit or alter the rights
43 or powers hereby vested in the authority to acquire, construct,
44 maintain, improve, renovate, preserve, repair and operate the
45 Atlantic City convention center project in any way that would
46 jeopardize the interest of such holders, or to perform and fulfill the
47 terms of any agreement made with the holders of such bonds or

1 notes, or to fix, establish, charge and collect such rents, fees, rates,
2 payments or other charges as may be convenient or necessary to
3 produce sufficient revenues to meet all expenses of the authority
4 and fulfill the terms of any agreement made with the holders of
5 such bonds and notes, together with interest thereon, with interest
6 on any unpaid installments of interest, and all costs and expenses in
7 connection with any action or proceedings by or on behalf of such
8 holders, until the bonds and notes, together with interest thereon,
9 are fully met and discharged or provided for.

10
11 17. (New section) Neither the members of the authority nor any
12 person executing bonds or notes issues pursuant to P.L. ,
13 c. (C.) (pending before the Legislature as this bill) shall be
14 liable personally on such bonds or notes by reason of the issuance
15 thereof.

16
17 18. (New section) The State and all public officers,
18 governmental units and agencies thereof, all banks, trust companies,
19 savings banks and institutions, building and loan associations,
20 savings and loan associations, investment companies, and other
21 persons carrying on a banking business, all insurance companies,
22 insurance associations and other persons carrying on an insurance
23 business, and all executors, administrators, guardians, trustees and
24 other fiduciaries, may legally invest any sinking funds, monies or
25 other funds belonging to them or within their control in any bonds
26 or notes issued pursuant to P.L. , c. (C.) (pending before the
27 Legislature as this bill), and such bonds or notes shall be authorized
28 security for any and all public deposits.

29
30 19. (New section) All sums of money received pursuant to the
31 authority of P.L. , c. (C.) (pending before the Legislature as
32 this bill), whether as proceeds from the sale of bonds or notes or as
33 revenues or receipts, shall be deemed to be trust funds to be held
34 and applied solely as provided in the proceedings under which the
35 bonds or notes are authorized. Any officer with whom or any bank
36 or trust company with which such sums of money shall be deposited
37 as trustee thereof shall hold and apply the same for the purposes
38 thereof, subject to such provisions as P.L. , c. (C.) (pending
39 before the Legislature as this bill) and the proceedings authorizing
40 the bonds or the notes of any issue or the trust agreement securing
41 the bonds or notes may provide.

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

45 14. a. As soon as it is practicable after the appointment and
46 qualification of the members of the authority, and annually
47 thereafter, at least **[45]** 20 days preceding the commencement of

1 the authority's fiscal year on **July 1** January 1 of each year, the
2 authority shall prepare a proposed budget for its operations and
3 activities for the ensuing fiscal year and introduce the budget by
4 resolution. The budget shall become effective as provided in
5 section 8 of P.L.1981, c.459 (C.52:27H-36), subject to the
6 provisions of subsection d. of this section.

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

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

21 d. No proposed budget **prepared by the authority** required
22 pursuant to this section shall be approved by the authority unless it
23 is in compliance with the terms of any contract authorized
24 pursuant to section 9 of this act and has been approved by the New
25 Jersey Sports and Exposition Authority with the terms of any bond
26 resolution or trust agreement relating to the financing of facilities
27 operated by the authority.

28 (cf: P.L.1991, c.375, s.10)

29

30 21. (New section) a. Notwithstanding any other provision of
31 law to the contrary, the convention authority shall have the power to
32 issue bonds and refunding bonds, incur indebtedness and borrow
33 money secured, in whole or in part, by money received pursuant to
34 sections 23 and 25 of P.L. , c. (C.)(pending before the
35 Legislature as this bill) for the purposes of: (1) replacing contingent
36 State contract bonds; (2) providing funds to meet the payment
37 obligations of the convention authority under the contingent state
38 contract bonds or obligations of the convention authority under any
39 replacements of the contingent State contract bonds; and (3)
40 refunding any outstanding bonds or other obligations of the
41 convention authority issued to finance or refinance any portion of
42 the Atlantic City convention center project. For the purposes of
43 P.L. , c. (C.)(pending before the Legislature as this bill),
44 "contingent State contract bonds" means the New Jersey Sports and
45 Exposition Authority State Contract Bond, Series B Standby
46 Deficiency Agreement Series of 2000, State Contract Bond, Equity
47 Termination Value Standby Deficiency Agreement Series of 2000

1 and State Contract Bond, Swap Payment Standby Deficiency
2 Agreement of 2000.

3 b. The convention authority shall issue the bonds or refunding
4 bonds in such manner as it shall determine in accordance with the
5 provisions of P.L. , c. (C.) (pending before the Legislature as
6 this bill); provided that notwithstanding any other law to the
7 contrary, no resolution adopted by the convention authority
8 authorizing the issuance of bonds or refunding bonds pursuant to
9 this section shall be adopted or otherwise made effective without
10 the approval in writing of the State Treasurer; and refunding bonds
11 issued to refund bonds issued pursuant to this section shall be
12 issued on such terms and conditions as may be determined by the
13 convention authority and the State Treasurer. The convention
14 authority may, in any resolution authorizing the issuance of bonds
15 or refunding bonds issued pursuant to this section, pledge the
16 contract with the State Treasurer provided for pursuant to section 24
17 of P.L. , c. (C.) (pending before the Legislature as this bill),
18 or any part thereof, for the payment or redemption of the bonds or
19 refunding bonds, and covenant as to the use and disposition of
20 money available to the convention authority for payment of the
21 bonds and refunding bonds. All costs associated with the issuance
22 of bonds and refunding bonds by the convention authority for the
23 purposes set forth in P.L. , c. (C.) (pending before the
24 Legislature as this bill) may be paid by the convention authority
25 from amounts it receives from the proceeds of the bonds or
26 refunding bonds, and from amounts it receives pursuant to sections
27 23 and 25 of P.L. , c. (C.) (pending before the Legislature as
28 this bill). The costs may include, but shall not be limited to, any
29 costs relating to the issuance of the bonds or refunding bonds.

30 c. Each issue of bonds or refunding bonds of the convention
31 authority shall be special obligations of the convention authority
32 payable out of particular revenues, receipts or funds, subject only to
33 any agreements with the holders of bonds or refunding bonds, and
34 may be secured by other sources of revenue, including, but not
35 limited to, one or more of the following:

36 (1) Pledge of all moneys, funds, accounts, securities and other
37 funds, including the proceeds of the bonds;

38 (2) Pledge of the contract or contracts with the State Treasurer
39 authorized pursuant to section 24 of P.L. , c. (C.) (pending
40 before the Legislature as this bill).

41 d. The resolution authorizing the issuance of bonds or
42 refunding bonds pursuant to this section may also provide for the
43 convention authority to enter into any revolving credit agreement,
44 agreement establishing a line of credit or letter of credit,
45 reimbursement agreement, interest rate exchange agreement,
46 currency exchange agreement, interest rate floor or cap, options,
47 puts or calls to hedge payment, currency, rate, spread or similar

1 exposure or similar agreements, float agreements, forward
2 agreements, insurance contracts, surety bonds, commitments to
3 purchase or sell bonds, purchase or sale agreements, or
4 commitments or other contracts or agreements and other security
5 agreements approved by the convention authority in connection
6 with the issuance of the bonds or refunding bonds pursuant to this
7 section. In addition, the convention authority may, in anticipation
8 of the issuance of the bonds or the receipt of appropriations, grants,
9 reimbursements or other funds, issue notes, the principal of or
10 interest on which, or both, shall be payable out of the proceeds of
11 notes, bonds or other obligations of the convention authority or
12 appropriations, grants, reimbursements or other funds or revenues
13 of the convention authority.

14 e. The convention authority is authorized to engage, subject to
15 the approval of the State Treasurer and in such manner as the State
16 Treasurer shall determine, the services of financial advisors and
17 experts, placement agents, underwriters, appraisers, and other
18 advisors, consultants and agents as may be necessary to effectuate
19 the issuance of bonds authorized by this section.

20 f. Bonds and refunding bonds issued by the convention
21 authority pursuant to this section shall be special and limited
22 obligations of the convention authority payable from, and secured
23 by, funds and moneys determined by the convention authority in
24 accordance with this section. Neither the members of the
25 convention authority nor any other person executing the bonds or
26 refunding bonds shall be personally liable with respect to payment
27 of interest and principal on these bonds or refunding bonds. Bonds
28 or refunding bonds issued pursuant to this section shall not be a
29 debt or liability of the State or any agency or instrumentality
30 thereof, except as otherwise provided by this subsection, either
31 legal, moral or otherwise, and nothing contained in P.L. ,
32 c. (C.)(pending before the Legislature as this bill) shall be
33 construed to authorize the convention authority to incur any
34 indebtedness on behalf of or in any way to obligate the State or any
35 political subdivision thereof, and all bonds and refunding bonds
36 issued by the convention authority shall contain a statement to that
37 effect on their face.

38
39 22. (New section) The State hereby pledges and covenants with
40 the holders of any bonds or refunding bonds issued pursuant to
41 P.L. , c. (C.) (pending before the Legislature as this bill) that
42 it will not limit or alter the rights or powers vested in the
43 convention authority by P.L. , c. (C.)(pending before the
44 Legislature as this bill) nor limit or alter the rights or powers of the
45 State Treasurer in any manner which would jeopardize the interest
46 of the holders or any trustee of the holders, or inhibit or prevent
47 performance or fulfillment by the convention authority or the State

1 Treasurer with respect to the terms of any agreement made with the
2 holders of the bonds or refunding bonds or agreements made
3 pursuant to this section; except that the failure of the Legislature to
4 appropriate monies for any purpose of P.L. , c. (C.)(pending
5 before the Legislature as this bill) shall not be deemed a violation of
6 this section.

7
8 23. (New section) In each fiscal year, the State Treasurer shall
9 pay from the General Fund to the convention authority, in
10 accordance with a contract between the State Treasurer and the
11 convention authority as authorized pursuant to section 24 of P.L. ,
12 c. (C.)(pending before the Legislature as this bill), an amount
13 equal to the debt service amount due to be paid in the State fiscal
14 year on the bonds or refunding bonds of the convention authority
15 issued or incurred pursuant to section 12 of P.L. , c. (C.)
16 (pending before the Legislature as this bill) and any additional costs
17 authorized pursuant to that section; provided that all such payments
18 from the General Fund shall be subject to and dependent upon
19 appropriations being made from time to time by the Legislature for
20 those purposes, and provided further that all payments shall be used
21 only to pay for the costs of the Atlantic City convention center
22 project and the costs of financing such project.

23
24 24. (New section) The State Treasurer and the convention
25 authority are authorized to enter into one or more contracts to
26 implement the payment arrangement provided for in section 23 of
27 P.L. , c. (C.)(pending before the Legislature as this bill). The
28 contract shall provide for payment by the State Treasurer of the
29 amounts required pursuant to section 23 of P.L. , c. (C.)
30 (pending before the Legislature as this bill) and shall set forth the
31 procedure for the transfer of money for the purpose of that payment.
32 The contract shall contain terms and conditions as determined by
33 the parties and shall, where appropriate, contain terms and
34 conditions necessary and desirable to secure any bonds or refunding
35 bonds of the convention authority issued or incurred pursuant to
36 P.L. , c. (C.)(pending before the Legislature as this bill)
37 provided that notwithstanding any other provision of law or
38 regulation of the convention authority to the contrary, the
39 convention authority shall be paid only such funds as shall be
40 determined by the contract, and the incurrence of any obligation of
41 the State under the contract, including any payments to be made
42 thereunder from the General Fund, shall be subject to and
43 dependent upon appropriations being made from time to time by the
44 Legislature for the purposes of P.L. , c. (C.)(pending before
45 the Legislature as this bill).

1 25. (New section) a. Luxury tax revenues paid to the
2 convention authority by the State Treasurer pursuant to paragraph 6
3 of subsection f. of P.L.1971, c.137 (C.5:10-6) and section 14 of
4 P.L.1991, c.375 (C.5:10-14.4) shall be deposited by the convention
5 authority in a separate fund or account and applied to the following
6 purposes and in the following order:

7 (1) To pay the principal, sinking fund installments and
8 redemption premiums of and interest on any bonds or notes of the
9 convention authority, including bonds or notes of the convention
10 authority issued for the purpose of refunding bonds or notes, issued
11 for purposes of (a) the initial acquisition of the existing properties
12 which constitute part of the Atlantic City convention center project,
13 if the bonds or notes shall be payable under the terms of the
14 resolution of the convention authority relating thereto from luxury
15 tax revenues; or (b) providing improvements, additions or
16 replacements to the Atlantic City convention center project, if the
17 bonds or notes shall be payable under the terms of the resolution of
18 the convention authority relating thereto from luxury tax revenues;
19 and to pay any amounts due from the convention authority under
20 any credit agreement entered into by the convention authority in
21 connection with the bonds or notes.

22 (2) To pay the costs of operation and maintenance of the
23 Atlantic City convention center project.

24 (3) To establish and maintain a working capital and maintenance
25 reserve fund for the Atlantic City convention center project in an
26 amount as shall be determined by the convention authority to be
27 necessary.

28 (4) To promote and market the city of Atlantic City.

29 (5) For such other uses as shall be approved in convention
30 authority bond resolutions approved after the date of enactment of
31 P.L. , c. (C.) (pending before the Legislature as this bill) or as
32 may otherwise be provided by law.

33 (6) To pay the debt service for such other capital projects or for
34 improvements to those capital projects within Atlantic City, such as
35 expansions, renovations and amenities undertaken by the Atlantic
36 City Convention and Visitors Authority, including, but not limited
37 to, the Boardwalk Hall, or new parking facilities.

38 (7) To repay to the State those amounts paid by the State with
39 respect to bonds or notes of the convention authority issued for the
40 purposes of the Atlantic City convention center project.

41 The balance of any luxury tax revenues not required for any of
42 the foregoing purposes and remaining at the end of any calendar
43 year shall be paid to the State Treasurer for application to
44 authorized purposes in the city of Atlantic City pursuant to section
45 5 of P.L.1981, c.461 (C.40:48-8.30a).

46 b. The convention authority may pledge the luxury tax
47 revenues paid to it in accordance with the provisions of paragraph 6

1 of subsection f. of P.L.1971, c.137 (C.5:10-6) and section 14 of
2 P.L.1991, c.375 (C.5:10-14.4) as security for the payment of the
3 principal of and interest or premium on its bonds or notes issued for
4 the purposes set forth in subsection a. of this section, in the same
5 manner, to the same extent and with the same effect as the pledge of
6 any of its other revenues, receipts and funds authorized by P.L. ,
7 c. (C.) (pending before the Legislature as this bill).

8
9 26. Section 16 of P.L.1981, c.459 (C.52:27H-44) is amended to
10 read as follows:

11 16. On or before the last day of the third month following the
12 close of each fiscal year, the convention authority shall **[make]**
13 **submit** an annual report of its activities for the preceding fiscal year
14 to the Governor **[,]** **and** the Legislature **[,]** and the New Jersey
15 Sports and Exposition Authority **]** as pursuant to section 2 of
16 P.L.1991, c.164 (C.52:14-19.1). The report shall set forth a
17 complete operating and financial statement covering its operations
18 during the year. The **[director]** president shall audit the books and
19 accounts of the convention authority for each fiscal year, and a copy
20 of that audit shall be filed with the Governor **[,]** **and** the Legislature
21 **[,]** and the New Jersey Sports and Exposition Authority **]** as
22 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

23 (cf: P.L.1991, c.375, s.11)

24
25 27. (New section) Not later than 12:01 PM of the day following
26 the day on which the transfer of ownership of the Atlantic City
27 convention center project from the New Jersey Sports and
28 Exposition Authority to the Atlantic City Convention and Visitors
29 Authority authorized under section 6 of P.L.1971, c.137 (C.5:10-6)
30 is completed, the President of the New Jersey Sports and Exposition
31 Authority shall certify in writing, to the Governor, the Secretary of
32 State, the President of the Senate and the Speaker of the General
33 Assembly, that such transfer has been completed.

34
35 28. Section 13 of P.L.1981, c.459 (C.52:27H-41) is repealed.

36
37 29. This act shall take effect immediately.

38
39
40
41
42 Authorizes transfer of the Atlantic City Convention Center
43 project to the Atlantic City Convention and Visitors Authority and
44 renames that authority.

ASSEMBLY, No. 2011

STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

SYNOPSIS

Authorizes transfer of the Atlantic City Convention Center project to the Atlantic City Convention and Visitors Authority and renames that authority.

CURRENT VERSION OF TEXT

As introduced.



A2011 BURZICHELLI

2

1 AN ACT authorizing the transfer of the Atlantic City convention
2 center project and the renaming of the Atlantic City Convention
3 Center Authority, amending P.L.1971, c.137 and P.L.1991, c.375
4 and amending and supplementing P.L.1981, c.459.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. (New section) Sections 1 and 2, sections 12 through 19,
10 sections 21 through 25, and section 27 of P.L. , c. (C.) (pending
11 before the Legislature as this bill) shall be known and may be cited
12 as the "Atlantic City Convention Center Transfer Act."

13

14 2. (New section) As used in P.L.1981, c.459 (C.52:27H-29 et
15 seq.):

16 "Atlantic City convention center project" or "convention center
17 project" means the project authorized by paragraph (9) of
18 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6).

19 "Convention authority" or "authority" means the Atlantic City
20 Convention and Visitors Authority established pursuant to section 3
21 of P.L.1981, c.459 (C.52:27H-31).

22 "New Jersey Sports and Exposition Authority" means the public
23 body established under section 4 of P.L.1971, c.137 (C.5:10-4).

24

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

27 6. a. The authority, pursuant to the provisions of P.L.1971,
28 c.137 (C.5:10-1 et seq.), is hereby authorized and empowered,
29 either alone or in conjunction with others, and provided that, in the
30 case of an arrangement with respect to any of the projects set forth
31 in this section which shall be in conjunction with others, the
32 authority shall have sufficient right and power to carry out the
33 public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

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

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.

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1 or complementary to a complex suitable for the holding of athletic
2 contests or other sporting events, or trade shows, exhibitions,
3 spectacles, public meetings, entertainment events or other
4 expositions, including, but not limited to, driveways, roads,
5 approaches, parking areas, parks, recreation areas, lodging
6 facilities, vending facilities, restaurants, transportation structures,
7 systems and facilities, and equipment, furnishings, and all other
8 structures and appurtenant facilities, related to, incidental to,
9 necessary for, or complementary to the purposes of that project or
10 any facility thereof.

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

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

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

44 (b) The authority is authorized to enter into agreements with the
45 State Treasurer providing for the acquisition and construction of an
46 aquarium by the authority, including the land necessary for the
47 aquarium, and the costs thereof, ownership of the aquarium and its
48 land which shall be conveyed to the State upon completion, and the

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1 operation by the authority of the aquarium pursuant to a lease or
2 other agreement with the State containing such terms and conditions
3 as the State Treasurer may establish prior to the acquisition and
4 construction by the authority of the aquarium and the disbursements
5 of funds therefor. The State Treasurer is authorized to enter into a
6 lease or other agreement to effectuate the provisions of this
7 subparagraph.

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

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

46 Notwithstanding any law to the contrary, the acquisition of any
47 existing racetrack facility in and licensed by the State of New
48 Jersey shall be permitted on the condition that payments equivalent

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

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

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

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

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

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

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

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

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

37 (d) Transfer, as soon as practicable, the authority's ownership
38 interest or other rights in the Atlantic City convention center project
39 to the Atlantic City Convention and Visitors Authority created
40 under section 3 of P.L.1981, c.459 (C.52:27H-31), and cease any
41 supervision of the Atlantic City Convention and Visitors Authority,
42 to the extent permitted by the terms of the bonds, notes, leases or
43 other financing documents, assignments, agreements or
44 arrangements issued to finance, in whole or in part, the Atlantic
45 City convention center project, as reasonably determined by the
46 authority but subject to the diligence and reasonable determination
47 provisions of paragraph (6) of subsection f. of this section.

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1 (10) To provide a feasibility study for the use and development
2 of the existing convention center in the city of Asbury Park, county
3 of Monmouth and to provide a feasibility study for the construction,
4 use and development of a convention center or recreational facility
5 in any other municipality.

6 (11) To provide funding to public or private institutions of higher
7 education in the State to establish, develop, acquire, construct,
8 reconstruct or improve facilities located or to be located on property
9 owned, leased, or otherwise used by an institution, consisting of
10 sports facilities and the buildings, structures, properties and
11 appurtenances related thereto, or incidental to, necessary for, or
12 complementary to those sports facilities, such facilities to include
13 driveways, access roads, approaches, parking areas, parks,
14 recreation areas, vending facilities, restaurants, transportation
15 structures, systems and equipment, furnishings and all other
16 structures and appurtenances related or incidental to, necessary for,
17 or complementary to the purposes of those facilities.

18 (12) To acquire by purchase, lease, or otherwise, including all
19 right, title and interest of the Greater Wildwood Tourism
20 Improvement Development Authority in any property, and to
21 develop, construct, operate, own, lease, manage, repair, reconstruct,
22 restore, improve, enlarge or otherwise effectuate, either directly or
23 through lessees, licensees or agents, a convention center facility in
24 the City of Wildwood, Cape May County, consisting of and
25 including any existing and acquired buildings, structures, properties
26 and appurtenances and including restaurants, retail businesses,
27 access roads, approaches, parking areas, transportation structures
28 and systems, recreation areas, equipment, furnishings, vending
29 facilities, and all other structures and appurtenances incidental to,
30 necessary for, or complementary to the purpose of such Wildwood
31 convention center facility. In connection therewith, the authority is
32 expressly authorized to:

33 (a) assume any existing mortgages, leaseholds or other
34 contractual obligations or encumbrances with respect to the site of
35 the Wildwood convention center facility and any other existing and
36 acquired buildings, structures, properties, and appurtenances;

37 (b) enter into agreements with a local public body or bodies
38 providing for any necessary financial support or other assistance for
39 the operation and maintenance of such Wildwood convention center
40 facility from taxes or other sources of the local public body or
41 bodies as shall be made available for such purposes;

42 (c) to the extent permitted by law and by the terms of the bonds
43 or notes issued to finance the Wildwood convention center facility,
44 transfer its ownership interest or other rights with respect to the
45 convention center facility to another State authority or agency;

46 (d) upon payment of all outstanding bonds and notes issued
47 therefore, transfer its ownership interest and other rights with

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1 respect thereto to such other public body as shall be authorized to
2 own and operate such a facility; and

3 (e) convert any existing convention hall or any facilities,
4 structures or properties thereof, or any part thereof, not disposed of
5 by the authority, to any use which the authority shall determine to
6 be consistent with the operation of the Wildwood convention center
7 facility.

8 (13) To acquire by purchase, lease or otherwise, and to develop,
9 construct, own, lease, manage, repair, reconstruct, restore, improve,
10 enlarge or otherwise effectuate, either directly or through lessees,
11 licenses, or agents, all right, title, or interest in the Garden State
12 Arts Center in Holmdel, Monmouth County, and any related or
13 auxiliary facilities and to transfer its interest in the Garden State
14 Arts Center and any related or auxiliary facilities to such other
15 public body that is authorized to own and operate such a facility, or
16 other entity, according to such terms and process as the authority
17 may establish in its discretion.

18 (14) (a) To establish, develop, construct, acquire, lease or own,
19 operate, manage, promote, maintain, repair, reconstruct, restore,
20 improve and otherwise effectuate, either directly or indirectly
21 through lessees, licensees or agents, projects located within the
22 State of New Jersey, but outside the meadowlands complex,
23 provided that the authority first obtains the consent of the
24 municipality or municipalities in which the projects are to be
25 located, consisting of football training facilities that are comparable
26 in quality to National Football League professional football training
27 facilities and the buildings, structures, facilities, uses, properties
28 and appurtenances related thereto, or identical to, necessary for, or
29 complementary to those National Football League-quality
30 professional football league training facilities, such projects to
31 include driveways, roads, approaches, parking areas, parks,
32 recreation areas, restaurants, transportation structures, systems and
33 facilities, and equipment, furnishings and all other structures and
34 appurtenant facilities related to, incidental to, necessary for, or
35 complementary to the purposes of such projects or any facility
36 thereof.

37 (b) For projects developed pursuant to subparagraph (a) of
38 paragraph (14) of this subsection, the authority shall make in-lieu-of
39 tax payments in each municipality affected in amounts negotiated
40 by the authority and each municipality.

41 b. The authority, pursuant to the provisions of P.L.1971, c.137
42 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
43 projects, capital contributions to others for transportation and other
44 facilities, and accommodations for the public's use of any of those
45 projects, (2) to lease any part of any of those project sites not
46 occupied or to be occupied by the facilities of any of those projects,
47 for purposes determined by the authority to be consistent with or
48 related to the purposes of those projects, including, but not limited

1 to, hotels and other accommodations for transients and other
2 facilities related to or incidental to any of those projects, and (3) to
3 sell or dispose of any real or personal property, including, but not
4 limited to, such portion of the site of any of those projects not
5 occupied or to be occupied by the facilities of any of those projects,
6 at not less than the fair market value of the property, except in the
7 case of sale or disposition to the State, any political subdivision of
8 the State or any agency or instrumentality of the State or any
9 political subdivision of the State.

10 c. Revenues, moneys or other funds, if any, derived from the
11 operation or ownership of the meadowlands complex, including the
12 conduct of horse race meetings, shall be applied, in accordance with
13 the resolution or resolutions authorizing or relating to the issuance
14 of bonds or notes of the authority, to the following purposes and in
15 the following order:

16 (1) The costs of operation and maintenance of the meadowlands
17 complex and reserves therefor;

18 (2) Principal, sinking fund installments and redemption
19 premiums of and interest on any bonds or notes of the authority
20 payable from such revenues, moneys or other funds and issued for
21 the purposes of the meadowlands complex or for the purposes of
22 refunding the same, including reserves and payments with respect to
23 credit agreements therefor;

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

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

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

30 (6) Except to the extent payments with respect to bonds or notes
31 are provided with priority in accordance with paragraph (2) of this
32 subsection, payments required to be made in accordance with the
33 resolution authorizing or relating to the issuance of bonds or notes
34 of the authority, for the purposes of any project authorized by this
35 act, including payments and reserves with respect to any bonds or
36 notes of the authority with respect to the meadowlands complex
37 which are not provided with priority in accordance with paragraph
38 (2) of this subsection;

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

41 (8) The balance remaining after application in accordance with
42 the above shall be deposited in the General State Fund, provided
43 that (a) there shall be appropriated for authorized State purposes
44 from the amount so deposited that amount which shall be calculated
45 by the State Treasurer to be the debt service savings realized with
46 respect to the refinancing of the initial project as defined in section
47 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by
48 the issuance of bonds of the authority guaranteed by the State, and

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1 (b) after such appropriation, 40% of any balance remaining from the
2 amounts so deposited shall be appropriated to the Meadowlands
3 Commission for any of its purposes authorized by P.L.1968, c.404,
4 and any amendments or supplements thereto.

5 d. Revenues, moneys or other funds, if any, derived from the
6 operation or ownership of any project other than the meadowlands
7 complex, the Atlantic City convention center project, or the
8 Wildwood convention center facility and other than a baseball
9 stadium project or an office complex project located on the site of a
10 baseball stadium shall be applied for such purposes, in such manner
11 and subject to such conditions as shall be provided in the resolution
12 authorizing or relating to the issuance of bonds or notes of the
13 authority for the purposes of such project, and the balance, if any,
14 remaining after such application may be applied, to the extent not
15 contrary to or inconsistent with the resolution, in the following
16 order (1) to the purposes of the meadowlands complex, unless
17 otherwise agreed upon by the State Treasurer and the authority, (2)
18 to the purposes of any other project of the authority; and, the
19 balance remaining, if any, shall be deposited in the General Fund.

20 e. Revenues, moneys or other funds, if any, derived from the
21 operation, ownership, or leasing of a baseball stadium project or an
22 office complex project located on the site of a baseball stadium
23 shall be applied for the purposes, in the manner and subject to the
24 conditions as shall be provided in the resolution authorizing or
25 relating to the issuance of bonds or notes of the authority for the
26 purposes of a baseball stadium project or an office complex project
27 located on the site of a baseball stadium, if any, and the balance, if
28 any, remaining after such application shall be applied, to the extent
29 not contrary to or inconsistent with the resolution, to the following
30 purposes and in the following order:

31 (1) The costs of operation and maintenance of a baseball
32 stadium project and an office complex project located on the site of
33 a baseball stadium and reserves therefor;

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

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

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

42 f. Revenues, moneys or other funds, if any, including earned
43 interest, derived from the operation, ownership or leasing of the
44 Atlantic City convention center project shall be applied to the costs
45 of operating and maintaining the Atlantic City convention center
46 project and to the other purposes set forth in paragraphs (1) through
47 (5) of this subsection [as shall be provided by resolution of the
48 authority] , except as provided in paragraph (6) of this subsection.

1 **【Luxury】** Subject to paragraph (6) of this subsection, luxury tax
2 revenues paid to the authority by the State Treasurer pursuant to
3 section 14 of P.L.1991, c.375 (C.5:10-14.4), including earned
4 interest, shall be deposited by the authority in a separate fund or
5 account and applied to the following purposes and in the following
6 order:

7 (1) To pay the principal, sinking fund installments and
8 redemption premiums of and interest on any bonds or notes of the
9 authority, including bonds or notes of the authority issued for the
10 purpose of refunding bonds or notes, issued for purposes of (i) the
11 initial acquisition of the existing properties which will constitute
12 part of the Atlantic City convention center project, if the bonds or
13 notes shall be payable under the terms of the resolution of the
14 authority relating thereto from luxury tax revenues, or (ii) providing
15 improvements, additions or replacements to the Atlantic City
16 convention center project, if the bonds or notes shall be payable
17 under the terms of the resolution of the authority relating thereto
18 from luxury tax revenues; and to pay any amounts due from the
19 authority under any credit agreement entered into by the authority
20 in connection with the bonds or notes.

21 (2) To pay the costs of operation and maintenance of the
22 Atlantic City convention center project but without charge for
23 management.

24 (3) To establish and maintain a working capital and maintenance
25 reserve fund for the Atlantic City convention center project in an
26 amount as shall be determined by the authority to be necessary.

27 (4) To repay to the State those amounts paid by the State with
28 respect to bonds or notes of the authority issued for the purposes of
29 the Atlantic City convention center project.

30 (5) The balance of any luxury tax revenues not required for any
31 of the foregoing purposes and remaining at the end of any calendar
32 year shall be paid to the State Treasurer for application to purposes
33 in the city of Atlantic City pursuant to section 5 of P.L.1981, c.461
34 (C.40:48-8.30a).

35 The authority may pledge the luxury tax revenues paid to it as
36 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as
37 security for the payment of the principal of and interest or premium
38 on **【its】** the bonds or notes issued for the purposes set forth above
39 in paragraph (1) of this subsection f. in the same manner, to the
40 same extent and with the same effect as the pledge of any of its
41 other revenues, receipts and funds authorized by P.L.1971, c.137
42 (C.5:10-1 et seq.).

43 (6) The authority shall promptly and diligently pursue all
44 consents, approvals, or non-objections under the bonds, notes,
45 leases, or other financing documents, assignments, agreements or
46 arrangements issued to finance, in whole or in part, the Atlantic
47 City convention center project, that are required to permit the State
48 Treasurer to remit to the authority only those luxury tax revenues

1 held by the State Treasurer in the fund established pursuant to
2 section 5 of P.L.1979, c.273 (C.40:48-8.30) which are necessary to:

3 (a) pay the principal, sinking fund installments and redemption
4 premiums of and interest on any bonds, notes, or other obligations
5 of the authority issued and outstanding pursuant to the Convention
6 Center Luxury Tax Bond Resolution of the New Jersey Sports and
7 Exposition Authority adopted on October 28, 1992, as amended and
8 supplemented, for deposit to the Luxury Tax Revenue Fund
9 established thereunder and any required payments pursuant to leases
10 entered into as part of the financing of the convention center
11 project;

12 (b) maintain any reserves required pursuant to those resolutions,
13 as appropriate, until the obligations described in subparagraph (a) of
14 this paragraph are discharged, and that are required to implement
15 the provisions of P.L. , c. (C.) (pending before the
16 Legislature as this bill);

17 (c) Upon obtaining such consents, approvals or non-objections
18 or upon the reasonable determination by the authority or the State
19 Treasurer that such consents, approvals or non-objections have been
20 obtained, are unnecessary or that the absence of such consents,
21 approvals or non-objections shall not result in a material default, the
22 State Treasurer shall thereafter remit to the authority from the fund
23 only those monies required to satisfy the obligations of
24 subparagraphs (a) and (b) of this paragraph; the balance of the fund
25 remaining and interest thereon shall be paid promptly to the
26 Atlantic City Convention and Visitors Authority to be applied as
27 provided in section 25 of P.L. , c. (C.) (pending before the
28 Legislature as this bill); and

29 (d) When the obligations described in subparagraph (a) of this
30 paragraph are discharged, the required reserves and interest thereon
31 shall be transferred to the Atlantic City Convention and Visitors
32 Authority to be applied as provided in section 25 of P.L. ,
33 c. (C.) (pending before the Legislature as this bill).

34 g. Revenues, moneys or other funds, if any, derived from the
35 ownership or operation of the Wildwood convention center facility
36 shall be applied to the costs of operating and maintaining the
37 Wildwood convention center facility and to the other purposes set
38 forth in this subsection as shall be provided by resolution of the
39 authority.

40 The tourism related tax revenues paid to the authority pursuant to
41 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall
42 be deposited by the authority in a separate fund or account and
43 applied to any or all of the following purposes pursuant to an
44 allocation of funds approved by the State Treasurer in writing and
45 in advance of any application of such funds:

46 (1) to pay amounts due with respect to any obligations
47 transferred to the authority pursuant to section 17 of P.L.1997,

1 c.273 (C.40:54D-25.1) pertaining to the Wildwood convention
2 center facility;

3 (2) to repay to the State those amounts paid with respect to
4 bonds or notes of the authority issued for the purposes of the
5 Wildwood convention center facility;

6 (3) to pay the cost of operation and maintenance reserve for the
7 Wildwood convention center facility;

8 (4) to establish and maintain a working capital and maintenance
9 of the Wildwood convention center facility.

10 The balance, if any, of any tourism related tax revenues not
11 allocated to any of the purposes set forth in the previous paragraphs
12 and remaining at the end of the calendar year shall be paid to the
13 State Treasurer for deposit in the General Fund.

14 (cf: P.L.2005, c.302, s.1)

15

16 4. Section 14 of P.L.1991, c.375 (C.5:10-14.4) is amended to
17 read as follows:

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

28 a. Subject to and after providing for the payment of the amounts,
29 if any, **]**, and, in any event, for so long as any bonds or notes issued
30 by the New Jersey Sports and Exposition Authority for the Atlantic
31 City convention center project, or other obligations or financing
32 arrangements entered into or issued by the New Jersey Sports and
33 Exposition Authority in connection with the Atlantic City
34 convention center project, which are payable from, or secured by
35 such luxury taxes, or required to be paid from **[the]** luxury tax
36 revenues of the municipality **[under any resolution, indenture or**
37 security agreement authorizing or securing bonds or other
38 obligations of a county improvement authority and to be applied to
39 the payment of the principal of and interest on those bonds or other
40 obligations issued for the convention center project and to the
41 maintenance of reserves therefor and the allocation of moneys for
42 future debt service payments, all the remaining luxury **]** remain
43 outstanding;

44 a. Luxury tax revenues on deposit in the luxury tax fund created
45 pursuant to section 5 of P.L.1979, c.273 (C.40:48-8.30), **[including**
46 any balance not required for those purposes on deposit in the luxury
47 tax fund on the date of enactment of P.L.1991, c.375 **]** shall be

1 **[paid]** remitted promptly during each year, commencing with the
2 year in which **[P.L.1991, c.375]** P.L. , c. (C.) (pending before
3 the Legislature as this bill) is enacted, by the State Treasurer from
4 the luxury tax fund to the New Jersey Sports and Exposition
5 Authority **[for application to the purposes of the convention center**
6 **project]** in accordance with the provisions of subsection f. of
7 section 6 of P.L.1971, c.137 (C.5:10-6), provided that on and after
8 the date on which the transfer of the ownership of the Atlantic City
9 convention center project to the Atlantic City Convention and
10 Visitors Authority is completed, such revenues, after payment in
11 full of any and all amounts outstanding under the bonds and other
12 obligations issued by the New Jersey Sports and Exposition
13 Authority for the Atlantic City convention center project referenced
14 in this subsection, shall thereafter be paid to the Atlantic City
15 Convention and Visitors Authority in accordance with the
16 provisions of section 25 of P.L. , c. (C.) (pending before the
17 Legislature as this bill.

18 b. No further bonds or other obligations, other than refunding
19 bonds, shall be issued and no lease shall be entered into, by any
20 public body other than the **[New Jersey Sports and Exposition**
21 **Authority]** Atlantic City Convention and Visitors Authority, the
22 payment of which is to be made from or secured by the luxury tax
23 revenues of the municipality; and

24 c. Luxury tax revenues of the municipality which are in excess
25 of the requirements with respect thereto of, first, the obligations of
26 the New Jersey Sports and Exposition Authority under the bonds,
27 notes, leases, or other financing documents, assignments,
28 agreements or arrangements issued by the authority to finance, in
29 whole or in part, the convention center project, and thereafter the
30 Atlantic City Convention and Visitors Authority, as the case may
31 be, relating to the convention center project shall be applied to the
32 purposes set forth in **[section 5 of P.L.1981, c.461 (C.40:48-8.30a)]**
33 , or in accordance with the provisions of section 25 of P.L. ,
34 c. (C.) (pending before the Legislature as this bill), as
35 appropriate.

36 d. If the luxury tax of the municipality, including any increase
37 thereof adopted by the municipality after the enactment of
38 P.L.1991, c.375 (C.5:10-3 et al.), shall be pledged to the payment of
39 the bonds [or] , notes [of] , leases, or other financing documents,
40 assignments, agreements or arrangements issued by the New Jersey
41 Sports and Exposition Authority to finance, in whole or in part, the
42 convention center project, or of the Atlantic City Convention and
43 Visitors Authority, as the case may be, the municipality shall not
44 repeal the luxury tax, nor reduce the rate of the tax, nor eliminate
45 from taxation any retail sales that are subject to the tax on the date
46 of enactment of P.L.1991, c.375 (C.5:10-3 et al.), so long as the
47 bonds or notes shall remain outstanding.

1 e. As soon as practicable, and to the extent permitted by the
2 terms of the bonds, notes, leases, or other financing documents,
3 assignments, agreements or arrangements issued to finance, in
4 whole, or in part, the Atlantic City convention center project, the
5 New Jersey Sports and Exposition Authority shall transfer its
6 ownership interest or other rights in the Atlantic City convention
7 center project to the Atlantic City Convention and Visitors
8 Authority, and cease any supervision of the convention authority.

9 (cf: P.L.1991, c.375, s.14)

10
11 5. Section 1 of P.L.1981, c.459 (C.52:27H-29) is hereby
12 amended to read as follows:

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

28 To this end, the Legislature declares the establishment of an
29 authority having the requisite power to own, lease, promote, operate
30 **[and],** maintain, transfer and sell a convention center project in
31 Atlantic City **[under the supervision of the New Jersey Sports and**
32 **Exposition Authority]** and to promote and market the city of
33 Atlantic City to be in the public interest of the citizens of this State.

34 The Legislature further finds that it is in the best interests of the
35 State for the Atlantic City Convention and Visitors Authority
36 established pursuant to the provisions of P.L.1981, c.459
37 (C.52:27H-29 et seq.), which is the entity most closely related to the
38 facilities and operations of the Atlantic City convention center
39 project, to acquire ownership of and assume responsibility and
40 control over the daily operations of the project.

41 (cf: P.L.1991, c.375, s.4)

42
43 6. Section 2 of P.L.1981, c.459 (C.52:27H-30) is amended to
44 read as follows:

45 2. This act shall be known and may be cited as the "Atlantic
46 City Convention **[Center]** and Visitors Authority Act."

47 (cf: P.L.1981, c.459, s.2)

1 7. Section 3 of P.L.1981, c.459 (C.52:27H-31) is amended to
2 read as follows:

3 3. There is created a public body corporate and politic, with
4 corporate succession, to be known as the "Atlantic City Convention
5 **【Center】** and Visitors Authority." The authority is constituted as an
6 instrumentality of the State exercising public and essential
7 governmental functions, and the exercise by the authority of the
8 powers conferred by this act shall be an essential government
9 function of the State. For the purposes of complying with the
10 provisions of Article V, Section IV, paragraph 1 of the New Jersey
11 Constitution, the authority is allocated within the **【Department of**
12 **Commerce and Economic Development】** Department of the
13 Treasury, but, notwithstanding the allocation, the authority shall be
14 independent of any supervision or control by the department **【or by**
15 **the commissioner】** or any officer or employee thereof.
16 (cf: P.L.1981, c.459, s.3)

17

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

20 4. a. The authority shall consist of seven members**【.** Any
21 member holding office on the date this section becomes effective
22 shall continue as a member until replaced in accordance with the
23 procedures hereinafter set forth, provided that no such member shall
24 hold office beyond June 30, 1992. As soon as practicable after the
25 date on which this section becomes effective, vacancies in the
26 membership of the authority shall be filled and new appointments to
27 the membership of the authority shall be made as provided in this
28 section so that the membership of the authority shall consist of the
29 following**】** as follows:

30 (1) Six public members, at least two of whom shall be
31 representatives of the New Jersey casino industry, to be appointed
32 by the Governor with the advice and consent of the Senate; and

33 (2) The **【President of the New Jersey Sports and Exposition**
34 **Authority】** Treasurer of the State of New Jersey, who shall be an ex
35 officio member.

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

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1 ex officio member. Any such designation shall be in writing
2 delivered to the authority and shall continue in effect until revoked
3 or amended by writing delivered to the authority] in the same
4 manner as prescribed by law for the original appointment, but for
5 the unexpired term only.

6 c. No more than [3 of the public] four members [appointed
7 pursuant to paragraph (1) of subsection a. of this section] of the
8 authority shall be affiliated with the same political party. The
9 public members of the authority shall serve for a term of [5] five
10 years and until a successor shall have been appointed and
11 qualified[;except that of the public members first appointed
12 pursuant to the provisions of P.L.1991, c.375, the Governor shall
13 designate upon appointment: two members for a term of 5 years,
14 one for a term of 4 years, one for a term of 3 years, one for a term
15 of 2 years and one for a term of 1 year].

16 (cf: P.L.1991, c.375, s.5)

17

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

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

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

46 (cf: P.L.1991, c.375, s.6)

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

3 9. The authority shall have the power to acquire, own, lease,
4 operate, maintain, transfer and sell the convention center project **[of**
5 **the New Jersey Sports and Exposition Authority]** in the city of
6 Atlantic City **[under a contract with the New Jersey Sports and**
7 **Exposition Authority containing the terms and provisions as the**
8 **New Jersey Sports and Exposition Authority]** and to promote and
9 market the city of Atlantic City in such manner as it shall determine
10 to be in furtherance of the purposes of **[this act]** P.L.1981, c.459
11 (C.52:27H-29 et seq.).
12 (cf: P.L.1991, c.375, s.8)
13

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

16 12. In addition to the powers granted to the authority in **[this**
17 **act]** P.L.1981, c.459 (C.52:27H-29 et seq.), the authority**[,**
18 consistent with the terms of any contract entered into pursuant to
19 section 9 of this act**]** may:

20 a. Make and alter bylaws for its organization and internal
21 management and**[,** subject to the restrictions of any contract entered
22 into pursuant to section 9 of this act,**]** make rules and regulations
23 with respect to its operations;

24 b. Adopt an official seal and alter the same at its pleasure;

25 c. Sue and be sued in its own name;

26 d. Make and enter into all contracts or agreements necessary or
27 incidental to the performance of its duties;

28 e. Enter into agreements or other transactions with and accept
29 grants and the cooperation of the United States or any agency
30 thereof or any State or local agency in furtherance of the purposes
31 of **[this act]** P.L.1981, c.459 (C.52:27H-29 et seq.), and do
32 anything necessary in order to avail itself of this aid and
33 cooperation;

34 f. Solicit, receive and accept aid, loans or contributions from any
35 source of money, property, labor or other things of value, to be
36 held, used and applied to carry out the purposes of **[this act]**
37 P.L.1981, c.459 (C.52:27H-29 et seq.) subject to the conditions
38 upon which this aid, these loans and contributions shall be made,
39 including but not limited to grants from any department or agency
40 of the United States or any State or local agency for any purpose
41 consistent with**[this act]** P.L.1981, c.459 (C.52:27H-29 et seq.);

42 g. Acquire, own, hold, sell, exchange, lease or otherwise dispose
43 of real or personal property or any interest therein in the exercise of
44 its powers and the performance of its duties under **[this act]**
45 P.L.1981, c.459 (C.52:27H-29 et seq.);

- 1 h. **【Subject to approval by the New Jersey Sports and**
2 **Exposition Authority, appoint】** Appoint such officers, employees,
3 and agents as it may require for the performance of its duties, and
4 fix their compensation, promote and discharge them, all without
5 regard to the provisions of Title 11A of the New Jersey Statutes;
- 6 i. Provide advisory, consultative and technical assistance and
7 advice to any person, firm, association, partnership or corporation,
8 either public or private, in order to carry out the purposes of **【this**
9 **act】** P.L.1981, c.459 (C.52:27H-29 et seq.);
- 10 j. **【Subject to the provisions of any contract entered into**
11 **pursuant to section 9 of this act to invest】** Invest moneys of the
12 authority not required for immediate use in those obligations,
13 securities and other investments as the authority shall deem
14 prudent;
- 15 k. Procure insurance coverage in such types and amounts and
16 from such insurers as may be advisable;
- 17 l. Engage the services of attorneys, accountants, marketing
18 analysts and financial experts and such other advisors, consultants
19 and agents as may be necessary in its judgment, and fix their
20 compensation;
- 21 m. Maintain an office at such place or places in the city of
22 Atlantic City as it may designate;
- 23 n. Advertise and promote the tourist, resort, convention and
24 casino gaming industries of the city of Atlantic City and for these
25 purposes establish funds, adopt and collect fees and other charges
26 and make expenditures consistent with the provisions of **【the**
27 **operating】** any contract **【with the New Jersey Sports and**
28 **Exposition Authority】** for the operation of the convention center
29 project; and
- 30 o. Do any act necessary to the exercise of these powers or
31 reasonably implied therefrom.
- 32 **【Notwithstanding, the provisions of P.L.1981, c.459 (C.52:27H-29**
33 **et seq.) or any other law to the contrary, any contracts or**
34 **agreements to be entered into by the authority in the exercise of the**
35 **powers granted to the authority shall be subject to prior approval by**
36 **the New Jersey Sports and Exposition Authority.】**
37 (cf: P.L.1991, c.375, s.9)
- 38
- 39 12. (New section) a. The authority shall have the power and is
40 hereby authorized from time to time to issue its bonds or notes in
41 such principal amounts as in the opinion of the authority shall be
42 necessary to provide sufficient funds for any of its corporate
43 purposes, including the payment, funding or refunding of the
44 principal of, or interest or redemption premiums on, any bonds or
45 notes issued by it whether the bonds or notes or interest to be
46 funded or refunded have or have not become due, and the
47 establishment or increase of such reserves to secure or to pay such

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1 bonds or notes or interest thereon and all other costs or expenses of
2 the authority incident to and necessary to carry out its corporate
3 purposes and powers.

4 b. Whether or not the bonds and notes are of such form and
5 character as to be negotiable instruments under the terms of Title
6 12A, Commercial Transactions, of the New Jersey Statutes, the
7 bonds and notes are hereby made negotiable instruments within the
8 meaning of and for all the purposes of that Title 12A, subject only
9 to the provisions of the bonds and notes for registration.

10 c. Bonds or notes of the authority shall be authorized by a
11 resolution or resolutions of the authority and may be issued in one
12 or more series and shall bear such date, or dates, mature at such
13 time or times, bear interest at such rate or rates of interest per
14 annum which may be fixed or may change at such time and in
15 accordance with a specified formula or method of determination, be
16 in such denomination or denominations, be in such form, either
17 coupon or registered, carry such conversion or registration
18 privileges, have such rank or priority, be executed in such manner,
19 be payable from such sources in such medium of payment at such
20 place or places within or without the State, and be subject to such
21 terms of redemption, with or without premium, as such resolution
22 or resolutions may provide.

23 d. Bonds or notes of the authority may be sold at public or
24 private sale at such price or prices and in such manner as the
25 authority shall determine. Every bond shall mature and be paid not
26 later than 35 years from the date thereof.

27 e. Bonds or notes may be issued under the provisions of P.L. ,
28 c. (C.) (pending before the Legislature as this bill) without
29 obtaining the consent of any department, division, commission,
30 board, bureau or agency of the State, and without any other
31 proceeding or the happening of any other conditions or other things
32 than those proceedings, conditions or things which are specifically
33 required by the provisions of P.L. , c. (C.)(pending before the
34 Legislature as this bill).

35 f. Bonds and notes of the authority issued under the provisions
36 of P.L. , c. (C.)(pending before the Legislature as this bill)
37 shall not be in any way a debt or liability of the State or of any
38 political subdivision thereof other than the authority and shall not
39 create or constitute any indebtedness, liability or obligation of the
40 State or of any such political subdivision or be or constitute a
41 pledge of the faith and credit of the State or of any such political
42 subdivision but all such bonds and notes, unless funded or refunded
43 by bonds or notes of the authority, shall be payable solely from
44 revenues or funds pledged or available for their payment as
45 authorized in P.L. , c. (C.)(pending before the Legislature as
46 this bill). Each bond and note shall contain on its face a statement
47 to the effect that the authority is obligated to pay the principal
48 thereof or the interest thereon only from revenues, receipts or funds

1 pledged or available for their payment as authorized in P.L. ,
2 c. (C.) (pending before the Legislature as this bill) and that
3 neither the State nor any political subdivision thereof is obligated to
4 pay such principal or interest and that neither the faith and credit
5 nor the taxing power of the State or any political subdivision
6 thereof is pledged to the payment of the principal of or the interest
7 on such bonds or notes.

8
9 13. (New section) In any resolution of the authority authorizing
10 or relating to the issuance of any bonds or notes, the authority, in
11 order to secure the payment of such bonds or notes and in addition
12 to its other powers, shall have power by provisions therein which
13 shall constitute covenants by the authority and contracts with the
14 holders of such bonds or notes to:

15 a. Secure the bonds or notes as provided in section 24 of P.L. ,
16 c. (C.) (pending before the Legislature as this bill);

17 b. Covenant against pledging all or any part of its revenues or
18 receipts or its leases, sales agreements, service contracts or other
19 security instruments, or its mortgages or other agreements, or the
20 revenues or receipts under any of the foregoing or the proceeds
21 thereof, or against mortgaging or leasing all or any part of its real or
22 personal property then owned or thereafter acquired, or against
23 permitting or suffering any lien on any of the foregoing;

24 c. Covenant with respect to limitations on any right to sell,
25 mortgage, lease or otherwise dispose of any project or any part
26 thereof or any property of any kind;

27 d. Covenant as to any bonds and notes to be issued and the
28 limitations thereon and the terms and conditions thereof and as to
29 the custody, application, investment, and disposition of the
30 proceeds thereof;

31 e. Covenant as to the issuance of additional bonds or notes or as
32 to limitations on the issuance of additional bonds or notes and on
33 the incurring of other debts by it;

34 f. Covenant as to the payment of the principal of or interest on
35 the bonds or notes, or any other obligations, as to the sources and
36 methods of such payment, as to the rank or priority of any such
37 bonds, notes or obligations with respect to any lien or security or as
38 to the acceleration of the maturity of any such bonds, notes or
39 obligations;

40 g. Provide for the replacement of lost, stolen, destroyed or
41 mutilated bonds or notes;

42 h. Covenant against extending the time for the payment of bonds
43 or notes or interest thereon;

44 i. Covenant as to the redemption of bonds or notes and
45 privileges of exchange thereof for other bonds or notes of the
46 authority;

47 j. Covenant as to the fixing and collection of rents, fees, rates
48 and other charges, the amount to be raised each year or other period

- 1 of time by rents, fees, rates and other charges, and as to the use and
2 disposition to be made thereof;
- 3 k. Covenant to create or authorize the creation of special funds
4 or monies to be held in pledge or otherwise for construction,
5 operating expenses, payment or redemption of bonds or notes,
6 reserves or other purposes and as to the use, investment, and
7 disposition of the monies held in such funds;
- 8 l. Establish the procedure, if any, by which the terms of any
9 contract or covenant with or for the benefit of the holders of bonds
10 or notes may be amended or abrogated, the amount of bonds or
11 notes the holders of which must consent thereto, and the manner in
12 which such consent may be given;
- 13 m. Covenant as to the construction, improvement, operation or
14 maintenance of any project and its other real and personal property,
15 the replacement thereof, the insurance to be carried thereon, and the
16 use and disposition of insurance monies;
- 17 n. Provide for the release of property, leases or other
18 agreements, or revenues and receipts from any pledge or mortgage
19 and to reserve rights and powers in, or the right to dispose of,
20 property which is subject to a pledge or mortgage;
- 21 o. Provide for the rights and liabilities, powers and duties
22 arising upon the breach of any covenant, condition or obligation and
23 to prescribe the events of default and the terms and conditions upon
24 which any or all of the bonds, notes or other obligations of the
25 authority shall become or may be declared due and payable before
26 maturity and the terms and conditions upon which any such
27 declaration and its consequences may be waived;
- 28 p. Vest in a trustee or trustees within or without the State such
29 property, rights, powers and duties in trust as the authority may
30 determine, including the right to foreclose any mortgage, which
31 may include any or all of the rights, powers and duties of any
32 trustee appointed by the holders of any bonds or notes pursuant to
33 P.L. , c. (C.)(pending before the Legislature as this bill) and
34 to limit or abrogate the right of the holders of any bonds or notes of
35 the authority to appoint a trustee under P.L. , c. (C.) (pending
36 before the Legislature as this bill) and to limit the rights, duties and
37 powers of such trustee;
- 38 q. Execute all mortgages, leases, sales agreements, service
39 contracts, bills of sale, conveyances, deeds of trust and other
40 instruments necessary or convenient in the exercise of its powers or
41 in the performance of its covenants or duties;
- 42 r. Pay the costs or expenses incident to the enforcement of
43 such bonds or notes or of the provisions of such resolution or of any
44 covenant or agreement of the authority with the holders of its bonds
45 or notes;
- 46 s. Limit the rights of the holders of any bonds or notes to
47 enforce any pledge or covenant securing bonds or notes; and

1 t. Make covenants other than, or in addition to, the covenants
2 herein expressly authorized by P.L. , c. (C.) (pending before
3 the Legislature as this bill), of like or different character, and to
4 make such covenants to do or refrain from doing such acts and
5 things as may be necessary, or convenient and desirable, in order to
6 better secure bonds or notes or which, in the absolute discretion of
7 the authority, will tend to make bonds or notes more marketable,
8 notwithstanding that such covenants, acts or things may not be
9 enumerated herein.

10
11 14. (New section) Any pledge of revenues, receipts, monies,
12 funds, levies, sales agreements, service contracts or other property
13 or instruments made by the authority shall be valid and binding
14 from the time when the pledge is made; the revenues, monies, funds
15 or other property so pledged and thereafter received by the authority
16 or a subsidiary shall immediately be subject to the lien of such
17 pledge without any physical delivery thereof or further act, and the
18 lien of any such pledge shall be valid and binding as against all
19 parties having claims of any kind in tort, contract or otherwise
20 against the authority, irrespective of whether such parties have
21 notice thereof. Neither the resolution nor any other instrument by
22 which a pledge under this section is created need be filed or
23 recorded except in the records of the authority.

24
25 15. (New section) The authority may establish such reserves,
26 funds or accounts as may be, in its discretion, necessary or desirable
27 to further the accomplishment of the purposes of the authority or to
28 comply with the provisions of any agreement made by or any
29 resolution of the authority.

30
31 16. (New section) The State of New Jersey does hereby pledge
32 to and covenant and agree with the holders of any bonds or notes
33 issued pursuant to P.L. , c. (C.) (pending before the
34 Legislature as this bill) that the State will not limit or alter the rights
35 or powers hereby vested in the authority to acquire, construct,
36 maintain, improve, renovate, preserve, repair and operate the
37 Atlantic City convention center project in any way that would
38 jeopardize the interest of such holders, or to perform and fulfill the
39 terms of any agreement made with the holders of such bonds or
40 notes, or to fix, establish, charge and collect such rents, fees, rates,
41 payments or other charges as may be convenient or necessary to
42 produce sufficient revenues to meet all expenses of the authority
43 and fulfill the terms of any agreement made with the holders of
44 such bonds and notes, together with interest thereon, with interest
45 on any unpaid installments of interest, and all costs and expenses in
46 connection with any action or proceedings by or on behalf of such
47 holders, until the bonds and notes, together with interest thereon,
48 are fully met and discharged or provided for.

1 17. (New section) Neither the members of the authority nor any
2 person executing bonds or notes issues pursuant to P.L. ,
3 c. (C.) (pending before the Legislature as this bill) shall be
4 liable personally on such bonds or notes by reason of the issuance
5 thereof.

6
7 18. (New section) The State and all public officers,
8 governmental units and agencies thereof, all banks, trust companies,
9 savings banks and institutions, building and loan associations,
10 savings and loan associations, investment companies, and other
11 persons carrying on a banking business, all insurance companies,
12 insurance associations and other persons carrying on an insurance
13 business, and all executors, administrators, guardians, trustees and
14 other fiduciaries, may legally invest any sinking funds, monies or
15 other funds belonging to them or within their control in any bonds
16 or notes issued pursuant to P.L. , c. (C.) (pending before the
17 Legislature as this bill), and such bonds or notes shall be authorized
18 security for any and all public deposits.

19
20 19. (New section) All sums of money received pursuant to the
21 authority of P.L. , c. (C.) (pending before the Legislature as
22 this bill), whether as proceeds from the sale of bonds or notes or as
23 revenues or receipts, shall be deemed to be trust funds to be held
24 and applied solely as provided in the proceedings under which the
25 bonds or notes are authorized. Any officer with whom or any bank
26 or trust company with which such sums of money shall be deposited
27 as trustee thereof shall hold and apply the same for the purposes
28 thereof, subject to such provisions as P.L. , c. (C.) (pending
29 before the Legislature as this bill) and the proceedings authorizing
30 the bonds or the notes of any issue or the trust agreement securing
31 the bonds or notes may provide.

32
33 20. Section 14 of P.L.1981, c.459 (C.52:27H-42) is amended to
34 read as follows:

35 14. a. As soon as it is practicable after the appointment and
36 qualification of the members of the authority, and annually
37 thereafter, at least ~~45~~ 20 days preceding the commencement of
38 the authority's fiscal year on ~~July 1~~ January 1 of each year, the
39 authority shall prepare a proposed budget for its operations and
40 activities for the ensuing fiscal year and introduce the budget by
41 resolution. The budget shall become effective as provided in
42 section 8 of P.L.1981, c.459 (C.52:27H-36), subject to the
43 provisions of subsection d. of this section.

44 b. The budget shall set forth anticipated revenues for the ensuing
45 fiscal year and the sources thereof, and appropriations for the same
46 period, which appropriations shall not exceed the anticipated
47 revenues. No revenue from any source shall be anticipated unless it
48 can be reasonably expected to be realized during the fiscal year to

1 which the budget applies. Appropriations shall be segregated as
2 salaries and wages, contractual other expenses, and noncontractual
3 other expenses.

4 c. An appropriation for "anticipated operating deficit of
5 preceding year" shall appear in each annual budget in the amount by
6 which the liabilities and disbursements of the authority for
7 expenditures in the next preceding fiscal year exceed or are likely to
8 exceed receipts and other revenue in that year, subtracting any
9 expenditures provided for by surplus anticipated in the budget.

10 d. No proposed budget **【prepared by the authority】** required
11 pursuant to this section shall be approved by the authority unless it
12 is in compliance **【with the terms of any contract authorized**
13 pursuant to section 9 of this act and has been approved by the New
14 Jersey Sports and Exposition Authority**】** with the terms of any bond
15 resolution or trust agreement relating to the financing of facilities
16 operated by the authority.

17 (cf: P.L.1991, c.375, s.10)

18

19 21. a. (New section) Notwithstanding any other provision of
20 law to the contrary, the convention authority shall have the power to
21 issue bonds and refunding bonds, incur indebtedness and borrow
22 money secured, in whole or in part, by money received pursuant to
23 sections 23 and 25 of P.L. , c. (C.)(pending before the
24 Legislature as this bill) for the purposes of: (1) replacing contingent
25 State contract bonds; (2) providing funds to meet the payment
26 obligations of the convention authority under the contingent state
27 contract bonds or obligations of the convention authority under any
28 replacements of the contingent State contract bonds; and (3)
29 refunding any outstanding bonds or other obligations of the
30 convention authority issued to finance or refinance any portion of
31 the Atlantic City convention center project. For the purposes of
32 P.L. , c. (C.)(pending before the Legislature as this bill),
33 "contingent State contract bonds" means the New Jersey Sports and
34 Exposition Authority State Contract Bond, Series B Standby
35 Deficiency Agreement Series of 2000, State Contract Bond, Equity
36 Termination Value Standby Deficiency Agreement Series of 2000
37 and State Contract Bond, Swap Payment Standby Deficiency
38 Agreement of 2000.

39 b. The convention authority shall issue the bonds or refunding
40 bonds in such manner as it shall determine in accordance with the
41 provisions of P.L. , c. (C.)(pending before the Legislature as
42 this bill); provided that notwithstanding any other law to the
43 contrary, no resolution adopted by the convention authority
44 authorizing the issuance of bonds or refunding bonds pursuant to
45 this section shall be adopted or otherwise made effective without
46 the approval in writing of the State Treasurer; and refunding bonds
47 issued to refund bonds issued pursuant to this section shall be
48 issued on such terms and conditions as may be determined by the

1 convention authority and the State Treasurer. The convention
2 authority may, in any resolution authorizing the issuance of bonds
3 or refunding bonds issued pursuant to this section, pledge the
4 contract with the State Treasurer provided for pursuant to section 24
5 of P.L. , c. (C.) (pending before the Legislature as this bill),
6 or any part thereof, for the payment or redemption of the bonds or
7 refunding bonds, and covenant as to the use and disposition of
8 money available to the convention authority for payment of the
9 bonds and refunding bonds. All costs associated with the issuance
10 of bonds and refunding bonds by the convention authority for the
11 purposes set forth in P.L. , c. (C.)(pending before the
12 Legislature as this bill) may be paid by the convention authority
13 from amounts it receives from the proceeds of the bonds or
14 refunding bonds, and from amounts it receives pursuant to sections
15 23 and 25 of P.L. , c. (C.)(pending before the Legislature as
16 this bill). The costs may include, but shall not be limited to, any
17 costs relating to the issuance of the bonds or refunding bonds.

18 c. Each issue of bonds or refunding bonds of the convention
19 authority shall be special obligations of the convention authority
20 payable out of particular revenues, receipts or funds, subject only to
21 any agreements with the holders of bonds or refunding bonds, and
22 may be secured by other sources of revenue, including, but not
23 limited to, one or more of the following:

24 (1) Pledge of all moneys, funds, accounts, securities and other
25 funds, including the proceeds of the bonds;

26 (2) Pledge of the contract or contracts with the State Treasurer
27 authorized pursuant to section 24 of P.L. , c. (C.)(pending
28 before the Legislature as this bill).

29 d. The resolution authorizing the issuance of bonds or refunding
30 bonds pursuant to this section may also provide for the convention
31 authority to enter into any revolving credit agreement, agreement
32 establishing a line of credit or letter of credit, reimbursement
33 agreement, interest rate exchange agreement, currency exchange
34 agreement, interest rate floor or cap, options, puts or calls to hedge
35 payment, currency, rate, spread or similar exposure or similar
36 agreements, float agreements, forward agreements, insurance
37 contracts, surety bonds, commitments to purchase or sell bonds,
38 purchase or sale agreements, or commitments or other contracts or
39 agreements and other security agreements approved by the
40 convention authority in connection with the issuance of the bonds
41 or refunding bonds pursuant to this section. In addition, the
42 convention authority may, in anticipation of the issuance of the
43 bonds or the receipt of appropriations, grants, reimbursements or
44 other funds, issue notes, the principal of or interest on which, or
45 both, shall be payable out of the proceeds of notes, bonds or other
46 obligations of the convention authority or appropriations, grants,
47 reimbursements or other funds or revenues of the convention
48 authority.

1 e. The convention authority is authorized to engage, subject to
2 the approval of the State Treasurer and in such manner as the State
3 Treasurer shall determine, the services of financial advisors and
4 experts, placement agents, underwriters, appraisers, and other
5 advisors, consultants and agents as may be necessary to effectuate
6 the issuance of bonds authorized by this section.

7 f. Bonds and refunding bonds issued by the convention authority
8 pursuant to this section shall be special and limited obligations of
9 the convention authority payable from, and secured by, funds and
10 moneys determined by the convention authority in accordance with
11 this section. Neither the members of the convention authority nor
12 any other person executing the bonds or refunding bonds shall be
13 personally liable with respect to payment of interest and principal
14 on these bonds or refunding bonds. Bonds or refunding bonds
15 issued pursuant to this section shall not be a debt or liability of the
16 State or any agency or instrumentality thereof, except as otherwise
17 provided by this subsection, either legal, moral or otherwise, and
18 nothing contained in P.L. , c. (C.)(pending before the
19 Legislature as this bill) shall be construed to authorize the
20 convention authority to incur any indebtedness on behalf of or in
21 any way to obligate the State or any political subdivision thereof,
22 and all bonds and refunding bonds issued by the convention
23 authority shall contain a statement to that effect on their face.

24
25 22. (New section) The State hereby pledges and covenants with
26 the holders of any bonds or refunding bonds issued pursuant to
27 P.L. , c. (C.) (pending before the Legislature as this bill) that
28 it will not limit or alter the rights or powers vested in the
29 convention authority by P.L. , c. (C.)(pending before the
30 Legislature as this bill) nor limit or alter the rights or powers of the
31 State Treasurer in any manner which would jeopardize the interest
32 of the holders or any trustee of the holders, or inhibit or prevent
33 performance or fulfillment by the convention authority or the State
34 Treasurer with respect to the terms of any agreement made with the
35 holders of the bonds or refunding bonds or agreements made
36 pursuant to this section; except that the failure of the Legislature to
37 appropriate monies for any purpose of P.L. , c. (C.)(pending
38 before the Legislature as this bill) shall not be deemed a violation of
39 this section.

40
41 23. (New section) In each fiscal year, the State Treasurer shall
42 pay from the General Fund to the convention authority, in
43 accordance with a contract between the State Treasurer and the
44 convention authority as authorized pursuant to section 24 of P.L. ,
45 c. (C.)(pending before the Legislature as this bill), an amount
46 equal to the debt service amount due to be paid in the State fiscal
47 year on the bonds or refunding bonds of the convention authority
48 issued or incurred pursuant to section 12 of P.L. , c. (C.)

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1 (pending before the Legislature as this bill) and any additional costs
2 authorized pursuant to that section; provided that all such payments
3 from the General Fund shall be subject to and dependent upon
4 appropriations being made from time to time by the Legislature for
5 those purposes, and provided further that all payments shall be used
6 only to pay for the costs of the Atlantic City convention center
7 project and the costs of financing such project.

8
9 24. (New section) The State Treasurer and the convention
10 authority are authorized to enter into one or more contracts to
11 implement the payment arrangement provided for in section 23 of
12 P.L. , c. (C.)(pending before the Legislature as this bill). The
13 contract shall provide for payment by the State Treasurer of the
14 amounts required pursuant to section 23 of P.L. , c. (C.)
15 (pending before the Legislature as this bill) and shall set forth the
16 procedure for the transfer of money for the purpose of that payment.
17 The contract shall contain terms and conditions as determined by
18 the parties and shall, where appropriate, contain terms and
19 conditions necessary and desirable to secure any bonds or refunding
20 bonds of the convention authority issued or incurred pursuant to
21 P.L. , c. (C.)(pending before the Legislature as this bill)
22 provided that notwithstanding any other provision of law or
23 regulation of the convention authority to the contrary, the
24 convention authority shall be paid only such funds as shall be
25 determined by the contract, and the incurrence of any obligation of
26 the State under the contract, including any payments to be made
27 thereunder from the General Fund, shall be subject to and
28 dependent upon appropriations being made from time to time by the
29 Legislature for the purposes of P.L. , c. (C.)(pending before
30 the Legislature as this bill).

31
32 25. (New section) a. Luxury tax revenues paid to the convention
33 authority by the State Treasurer pursuant to section 6 of P.L.1971,
34 c.137 (C.5:10-6) and section 14 of P.L.1991, c.375 (C.5:10-14.4)
35 shall be deposited by the convention authority in a separate fund or
36 account and applied to the following purposes and in the following
37 order:

38 (1) To pay the principal, sinking fund installments and
39 redemption premiums of and interest on any bonds or notes of the
40 convention authority, including bonds or notes of the convention
41 authority issued for the purpose of refunding bonds or notes, issued
42 for purposes of (a) the initial acquisition of the existing properties
43 which constitute part of the Atlantic City convention center project,
44 if the bonds or notes shall be payable under the terms of the
45 resolution of the convention authority relating thereto from luxury
46 tax revenues; or (b) providing improvements, additions or
47 replacements to the Atlantic City convention center project, if the
48 bonds or notes shall be payable under the terms of the resolution of

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29

1 the convention authority relating thereto from luxury tax revenues;
2 and to pay any amounts due from the convention authority under
3 any credit agreement entered into by the convention authority in
4 connection with the bonds or notes.

5 (2) To pay the costs of operation and maintenance of the
6 Atlantic City convention center project.

7 (3) To establish and maintain a working capital and maintenance
8 reserve fund for the Atlantic City convention center project in an
9 amount as shall be determined by the convention authority to be
10 necessary.

11 (4) To promote and market the city of Atlantic City.

12 (5) For such other uses as shall be approved in convention
13 authority bond resolutions approved after the date of enactment of
14 P.L. , c. (C.) (pending before the Legislature as this bill) or as
15 may otherwise be provided by law.

16 (6) To pay the debt service for such other capital projects or for
17 improvements to those capital projects within Atlantic City, such as
18 expansions, renovations and amenities undertaken by the Atlantic
19 City Convention and Visitors Authority, including, but not limited
20 to, the Boardwalk Hall, or new parking facilities.

21 (7) To repay to the State those amounts paid by the State with
22 respect to bonds or notes of the convention authority issued for the
23 purposes of the Atlantic City convention center project.

24 The balance of any luxury tax revenues not required for any of
25 the foregoing purposes and remaining at the end of any calendar
26 year shall be paid to the State Treasurer for application to
27 authorized purposes in the city of Atlantic City pursuant to section
28 5 of P.L.1981, c.461(C.40:48-8.30a).

29 b. The convention authority may pledge the luxury tax
30 revenues paid to it in accordance with the provisions of section 6 of
31 P.L.1971, c.137 (C.5:10-6) and section 14 of P.L.1991, c.375
32 (C.5:10-14.4) as security for the payment of the principal of and
33 interest or premium on its bonds or notes issued for the purposes set
34 forth in subsection a. of this section, in the same manner, to the
35 same extent and with the same effect as the pledge of any of its
36 other revenues, receipts and funds authorized by P.L. , c. (C.)
37 (pending before the Legislature as this bill).

38
39 26. Section 16 of P.L.1981, c.459 (C.52:27H-44) is amended to
40 read as follows:

41 16. On or before the last day of the third month following the
42 close of each fiscal year, the convention authority shall **[make]**
43 submit an annual report of its activities for the preceding fiscal year
44 to the Governor **[,]** and the Legislature **[,]** and the New Jersey
45 Sports and Exposition Authority **] as pursuant to section 2 of**
46 P.L.1991, c.164 (C.52:14-19.1). The report shall set forth a
47 complete operating and financial statement covering its operations
48 during the year. The **[director]** president shall audit the books and

1 accounts of the convention authority for each fiscal year, and a copy
2 of that audit shall be filed with the Governor [.,] and the Legislature
3 [., and the New Jersey Sports and Exposition Authority] as
4 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).
5 (cf: P.L.1991, c.375, s.11)
6

7 27. (New section) Not later than 12:01 PM of the day following
8 the day on which the transfer of ownership of the Atlantic City
9 convention center project from the New Jersey Sports and
10 Exposition Authority to the Atlantic City Convention and Visitors
11 Authority authorized under section 6 of P.L.1971, c.137 (C.5:10-6)
12 is completed, the President of the New Jersey Sports and Exposition
13 Authority shall certify in writing, to the Governor, the Secretary of
14 State, the President of the Senate and the Speaker of the General
15 Assembly, that such transfer has been completed.
16

17 28. Section 13 of P.L.1981, c.459 (C.52:27H-41) is repealed.
18

19 29. This act shall take effect immediately.
20
21

22 STATEMENT
23

24 This bill authorizes the transfer of the Atlantic City convention
25 center project, consisting of the historic boardwalk convention hall
26 and the new Atlantic City Convention Center, from the New Jersey
27 Sports and Exposition Authority to the Atlantic City Convention
28 and Visitors Authority (the "convention authority") established
29 pursuant to P.L.1981, c.459 (C.52:27H-29 et seq.).

30 Currently, the convention center project is operated by the
31 convention authority under a contract with the New Jersey Sports
32 and Exposition Authority. Upon transfer of the convention center
33 project to the convention authority pursuant to this bill, all
34 functions, powers and duties with regard to the convention center
35 project would thereafter be exercised by the convention authority.

36 In order to accomplish the transfer, this bill authorizes the
37 convention authority to issue bonds or notes for the general
38 purposes of the authority including, but not limited to, the
39 replacement of certain State contract bonds of the New Jersey
40 Sports and Exposition Authority which were issued to finance the
41 convention center project. Under current law, the convention
42 authority does not have the power to issue bonds or notes.

43 The bill also provides for the renaming of the convention
44 authority from the Atlantic City Convention Center Authority to the
45 Atlantic City Convention and Visitors Authority.

ASSEMBLY TOURISM AND GAMING COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 2011

STATE OF NEW JERSEY

DATED: MAY 5, 2008

The Assembly Tourism and Gaming Committee reports favorably an Assembly Committee Substitute for Assembly, No. 2011.

This Assembly committee substitute bill authorizes the transfer of the Atlantic City convention center project, consisting of the historic boardwalk convention hall and the new Atlantic City Convention Center, from the New Jersey Sports and Exposition Authority to the Atlantic City Convention and Visitors Authority (the "convention authority") established pursuant to P.L.1981, c.459 (C.52:27H-29 et seq.).

Currently, the convention center project is operated by the convention authority under a contract with the New Jersey Sports and Exposition Authority. Upon transfer of the convention center project to the convention authority pursuant to this bill, all functions, powers and duties with regard to the convention center project would thereafter be exercised by the convention authority.

This Assembly committee substitute bill also empowers the convention authority to issue bonds or notes for the general purposes of the authority including, but not limited to, the replacement of certain State contract bonds of the New Jersey Sports and Exposition Authority which were issued to finance or refinance the convention center project. Under current law, the convention authority does not have the power to issue bonds or notes. It is not anticipated that any bonds will be issued to effectuate the transfer of the convention center project, but the authority will need to have the power to issue such bonds pursuant to certain existing lease arrangements pertaining to the convention center project.

The Assembly committee substitute bill also provides for the renaming of the convention authority from the Atlantic City Convention Center Authority to the Atlantic City Convention and Visitors Authority.

This Assembly committee substitute is identical to Senate, No. 1393.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2011 (ACS)

STATE OF NEW JERSEY

DATED: MAY 22, 2008

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2011 (ACS).

The bill authorizes the transfer of the Atlantic City convention center project, consisting of the historic boardwalk convention hall and the new Atlantic City Convention Center, from the New Jersey Sports and Exposition Authority (NJSEA) to the Atlantic City Convention and Visitors Authority (the "convention authority") established pursuant to P.L.1981, c.459 (C.52:27H-29 et seq.).

Currently, the convention center project is operated by the convention authority under a contract with the NJSEA. The bill provides that, as soon as practicable after its enactment, and subject to the provisions of the bond resolution under which bonds of the NJSEA were issued to finance the project's construction, the ownership and management of the project shall be transferred from the NJSEA to the convention authority. Thereafter, all functions, powers and duties with regard to the convention center project would be exercised by the convention authority.

The bill empowers the convention authority, subject to the written approval of the State Treasurer, to issue bonds or notes for the general purposes of the authority including, but not limited to, the replacement of certain State contract bonds of the NJSEA that were issued to finance or refinance the convention center project. Under current law, the convention authority does not have the power to issue bonds or notes.

The bill directs the NJSEA to seek any approval or consent of bondholders and other creditors, lessees, and other stakeholders that may be required to permit the State Treasurer to limit the remittance of Atlantic City luxury tax revenue to the NJSEA to the amount required to fund (i) debt service on NJSEA bonds covered by the bond resolution previously mentioned, and (ii) reserves required to be maintained under that resolution. The remaining revenue from the tax would be remitted to the convention authority to pay debt service on any bonds that it issues, to pay costs incurred in the operation and maintenance of the project, and for other purposes.

The also provides for the renaming of the convention authority from the Atlantic City Convention Center Authority to the Atlantic City Convention and Visitors Authority.

FISCAL IMPACT:

The Atlantic City Convention Center project includes the convention center itself and the Historic Boardwalk Hall and its West Hall expansion. These facilities generate revenue from rents, parking fees, concession fees, charges for convention- and trade show-related services, and admission charges. These facilities usually run an operating deficit; in 2006 (the most recent year for which data is available), operating expenses (\$30.9 million) exceeded revenue (\$19 million) by almost \$12 million.

The NJSEA has financed the construction and renovation of the Convention Center project by issuing bonds. Four such bonds are presently outstanding; as of 2006, the total principal of these bonds amounted to roughly \$348 million. Debt service on these bonds is payable from two sources: (1) revenue from the Atlantic City Luxury Tax, and (2) General Fund appropriations. (NJSEA is authorized to enter into contracts with the State Treasurer to receive payment from the General Fund of amounts necessary to fund debt service on its Convention Center-related bonds, subject to Legislative appropriation.) In State FY2007, the revenue from the luxury tax amounted to \$28.3 million, while the State appropriation to the NJSEA's Atlantic City projects was \$15.4 million. Together, these moneys funded the Convention Center's \$12 million operating deficit and payments of \$12.2 million in debt service on two NJSEA bonds issued under a bond resolution secured by luxury tax revenue; they also funded debt service on the remaining bonds covered by State contract commitments.

This bill would not directly affect the amount of any costs or revenues related to the operation of the Convention Center project, nor would it affect the amount of the principal of or debt service on the bonds issued to finance construction and renovation of the project, or the amount of the State's subsidy of that debt service. Rather, subject to the consent of the holders of NJSEA Convention Center bonds, the ownership of the Convention Center assets (valued at \$335.3 million as of December 31, 2006) would be transferred from the balance sheet of the NJSEA to that of the convention authority. Likewise, the expenditures connected with the operation of the project would become expenditures of the latter authority and, as the Convention Center bonds of the NJSEA are paid or defeased, the amounts of luxury tax revenue no longer needed for debt service on those bonds, and therefore available for use of the convention authority, will increase.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2011
STATE OF NEW JERSEY
213th LEGISLATURE

DATED: JUNE 2, 2008

SUMMARY

- Synopsis:** Authorizes transfer of the Atlantic City Convention Center project to the Atlantic City Convention and Visitors Authority and renames that authority.
- Type of Impact:** Transfer of assets and liabilities; transfer of receipts from Atlantic City Luxury Tax
- Agencies Affected:** NJ Sports and Exposition Authority; Atlantic City Convention and Visitors Authority

| Fiscal Impact | <u>Years 1 through 3</u> |
|----------------------|---------------------------------|
| State Cost | No impact – See comments below |

- The bill provides that, subject to the consent of the holders of New Jersey Sports and Exposition Authority Convention Center bonds, ownership of the Atlantic City Convention Center project (valued at \$335.3 million as of December 31, 2006) would be transferred from the New Jersey Sports and Exposition Authority to the Atlantic City Convention and Visitors Authority.
- Implementation of the legislation would have no impact on State revenues or expenditures.

BILL DESCRIPTION

This bill authorizes the transfer of the Atlantic City convention center project from the New Jersey Sports and Exposition Authority (“NJSEA”) to the Atlantic City Convention and Visitors Authority (the "convention authority") established under P.L.1981, c.459 (C.52:27H-29 et seq.).

Currently, the convention center project is operated by the convention authority under a contract with the NJSEA. The bill provides that, as soon as practicable after its enactment, and subject to the provisions of the bond resolution under which bonds of the NJSEA were issued to finance the project’s construction, the ownership and management of the project shall be transferred from the NJSEA to the convention authority. Thereafter, all functions, powers and duties with regard to the convention center project would be exercised by the convention authority.

The bill empowers the convention authority, subject to the written approval of the State Treasurer, to issue bonds or notes for the general purposes of the authority including, but not limited to, the replacement of certain State contract bonds of the NJSEA that were issued to finance or refinance the convention center project. Under current law, the convention authority does not have the power to issue bonds or notes.

The bill directs the NJSEA to seek any approval or consent of bondholders and other creditors, lessees, and other stakeholders that may be required to permit the State Treasurer to limit the remittance of Atlantic City luxury tax revenue to the NJSEA to the amount required to fund (i) debt service on NJSEA bonds covered by the bond resolution previously mentioned, and (ii) reserves required to be maintained under that resolution. The remaining revenue from the tax would be remitted to the convention authority to pay debt service on any bonds that it issues, to pay costs incurred in the operation and maintenance of the project, and for other purposes.

The bill also provides for the renaming of the convention authority from the Atlantic City Convention Center Authority to the Atlantic City Convention and Visitors Authority.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Atlantic City Convention Center project includes:

- The convention center itself, comprising almost 500,000 sq. ft. of exhibition space, 45 meeting rooms, and a 1,500-space parking garage. These facilities generate revenue from rents, parking fees, concession fees, and charges for convention- and trade show-related services; and
- Historic Boardwalk Hall and its West Hall expansion, which serve as an events center hosting concerts, family shows, and sports events. These facilities generate revenue from admission charges.

These facilities usually run an operating deficit; in 2006 (the most recent year for which data is available), operating expenses (\$30.9 million) exceeded revenue (\$19 million) by almost \$12 million.

As noted above, the NJSEA has financed the construction and renovation of the Convention Center project by issuing bonds. Four such bonds are presently outstanding; as of 2006, the total principal of these bonds amounted to roughly \$348 million. Debt service on these bonds is payable from two sources: (1) revenue from the Atlantic City Luxury Tax, which is imposed within the City on hotel room occupancy, cover charges, alcoholic beverage sales, and admissions charges; and (2) General Fund appropriations. (As with bonds issued to finance its other projects, such as the Meadowlands racetrack and the football stadium, the NJSEA is authorized to enter into contracts with the State Treasurer to receive payment from the General Fund of amounts necessary to fund debt service on its Convention Center-related bonds, subject to Legislative appropriation.) In State FY2007, the revenue from the luxury tax amounted to \$28.3 million, while the State appropriation to the NJSEA's Atlantic City projects was \$15.4 million. Together, these moneys funded the Convention Center's \$12 million operating deficit and payments of \$12.2 million in debt service on two NJSEA bonds issued under a bond

resolution secured by luxury tax revenue; they also funded debt service on the remaining bonds covered by State contract commitments.

This legislation would not directly affect the amount of any costs or revenues related to the operation of the Convention Center project, nor would it affect the amount of the principal of or debt service on the bonds issued to finance construction and renovation of the project, or the amount of the State's subsidy of that debt service. Rather, subject to the consent of the holders of NJSEA Convention Center bonds, the ownership of the Convention Center assets (valued at \$335.3 million as of December 31, 2006) would be transferred from the balance sheet of the NJSEA to that of the convention authority. Likewise, the expenditures connected with the operation of the project would become expenditures of the latter authority and, as the Convention Center bonds of the NJSEA are paid or defeased, the amounts of luxury tax revenue no longer needed for debt service on those bonds, and therefore available for use of the convention authority, will increase.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Donald S. Margeson
Section Chief*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67 (C. 52:13B-1 et seq.).

SENATE, No. 1393

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MARCH 3, 2008

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen, Essex and Passaic)

Senator JIM WHELAN

District 2 (Atlantic)

SYNOPSIS

Authorizes transfer of the Atlantic City Convention Center project to the Atlantic City Convention and Visitors Authority and renames that authority.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT authorizing the transfer of the Atlantic City convention
2 center project and the renaming of the Atlantic City Convention
3 Center Authority, amending P.L.1971, c.137 and P.L.1991,
4 c.375, amending and supplementing P.L.1981, c.459, and
5 repealing section 13 of P.L.1981, c.459.

6

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

9

10 1. (New section) Sections 1 and 2, sections 12 through 19,
11 sections 21 through 25, and section 27 of P.L. , c. (C.) (pending
12 before the Legislature as this bill) shall be known and may be cited
13 as the "Atlantic City Convention Center Transfer Act."

14

15 2. (New section) (a) As used in P.L.1981, c.459 (C.52:27H-29
16 et seq.):

17 "Atlantic City convention center project" or "convention center
18 project" means the project authorized by paragraph (9) of
19 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6).

20 "Convention authority" or "authority" means the Atlantic City
21 Convention and Visitors Authority established pursuant to section 3
22 of P.L.1981, c.459 (C.52:27H-31).

23 "New Jersey Sports and Exposition Authority" means the public
24 body established under section 4 of P.L.1971, c.137 (C.5:10-4).

25 (b) As used in P.L. , c. (C.) (pending before the Legislature as
26 this bill), "Luxury Tax Bond Resolution" shall mean the authority's
27 Convention Center Luxury Tax Bond Resolution adopted on
28 October 28, 1992, as amended and supplemented.

29

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

32 6. a. The authority, pursuant to the provisions of P.L.1971,
33 c.137 (C.5:10-1 et seq.), is hereby authorized and empowered,
34 either alone or in conjunction with others, and provided that, in the
35 case of an arrangement with respect to any of the projects set forth
36 in this section which shall be in conjunction with others, the
37 authority shall have sufficient right and power to carry out the
38 public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

39 (1) To establish, develop, construct, operate, acquire, own,
40 manage, promote, maintain, repair, reconstruct, restore, improve
41 and otherwise effectuate, either directly or indirectly through
42 lessees, licensees or agents, a project to be located in the
43 Hackensack meadowlands upon a site not to exceed 750 acres and
44 upon a site or sites outside of that acreage, but either immediately
45 contiguous thereto or immediately across any public road which

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.

1 borders that acreage, consisting of one or more stadiums, coliseums,
2 arenas, pavilions, stands, field houses, playing fields, recreation
3 centers, courts, gymnasiums, clubhouses, a racetrack for the holding
4 of horse race meetings, and other buildings, structures, facilities,
5 properties and appurtenances related to, incidental to, necessary for,
6 or complementary to a complex suitable for the holding of athletic
7 contests or other sporting events, or trade shows, exhibitions,
8 spectacles, public meetings, entertainment events or other
9 expositions, including, but not limited to, driveways, roads,
10 approaches, parking areas, parks, recreation areas, lodging
11 facilities, vending facilities, restaurants, transportation structures,
12 systems and facilities, and equipment, furnishings, and all other
13 structures and appurtenant facilities, related to, incidental to,
14 necessary for, or complementary to the purposes of that project or
15 any facility thereof.

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

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

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

1 (b) The authority is authorized to enter into agreements with the
2 State Treasurer providing for the acquisition and construction of an
3 aquarium by the authority, including the land necessary for the
4 aquarium, and the costs thereof, ownership of the aquarium and its
5 land which shall be conveyed to the State upon completion, and the
6 operation by the authority of the aquarium pursuant to a lease or
7 other agreement with the State containing such terms and conditions
8 as the State Treasurer may establish prior to the acquisition and
9 construction by the authority of the aquarium and the disbursements
10 of funds therefor. The State Treasurer is authorized to enter into a
11 lease or other agreement to effectuate the provisions of this
12 subparagraph.

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

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

1 necessary for, or complementary to the purposes of any of those
2 projects or any facility thereof.

3 Notwithstanding any law to the contrary, the acquisition of any
4 existing racetrack facility in and licensed by the State of New
5 Jersey shall be permitted on the condition that payments equivalent
6 to all municipal, school board and county taxes due to each entity
7 shall be paid by the authority to the extent and in accordance with
8 the same payment schedule as taxes would have been paid each
9 year, as though the racetrack facility remained in private ownership.
10 In the event the authority conveys lands or other parts of the
11 racetrack facility to others, the authority shall receive a reduction of
12 such payments commensurate with the amount required to be paid
13 by the subsequent owner of the lands and improvements disposed of
14 by the authority. In addition, the authority shall be responsible for
15 paying all existing local franchise fees, license and parking tax fees
16 in effect at the time of the acquisition.

17 (6) To establish, develop, acquire, own, operate, manage,
18 promote and otherwise effectuate, in whole or in part, either directly
19 or indirectly through lessees, licensees or agents, projects consisting
20 of events, expositions, teams, team franchises or membership in
21 professional sports leagues.

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

39 (8) To establish, develop, acquire, construct, reconstruct,
40 improve and otherwise effectuate for transfer to, and for use and
41 operation by, Rutgers, the State University, either directly or
42 indirectly through lessees, licensees or agents, facilities located or
43 to be located on property owned, leased, or otherwise used by
44 Rutgers, the State University, consisting of an upgraded and
45 expanded football stadium and a new track and field, soccer and
46 lacrosse facility and the buildings, structures, properties and
47 appurtenances related thereto, or incidental to, necessary for, or
48 complementary to the football stadium and track and field, soccer
49 and lacrosse facility, such facilities to include driveways, access

1 roads, 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; provided however that construction
6 shall not begin on the expansion of the seating capacity of Rutgers
7 Stadium until the Commissioner of Transportation certifies that all
8 funding necessary to complete the Route 18 project in Piscataway
9 Township has been appropriated and construction has begun on the
10 Route 18 project in Piscataway Township under the Department of
11 Transportation's capital program.

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

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

29 (b) Make loans or payments in aid of construction with respect to
30 infrastructure and site development for properties located in the
31 area between the sites of the existing convention hall and a new
32 convention center or located contiguous to or across any public road
33 which borders the area;

34 (c) Convert the existing convention hall or any facilities,
35 structures or properties thereof, or any part thereof, not disposed of
36 by the authority, to any sports, exposition, exhibition, or
37 entertainment use or to use as a forum for public events or
38 meetings, or to any other use which the authority shall determine to
39 be consistent with its operation of the Atlantic City convention
40 center project[.];

41 (d) Transfer, as soon as practicable, its ownership interest or
42 other rights and obligations, other than any bonds, notes, or other
43 obligations, including any credit agreement, of the authority issued
44 and outstanding, or then in effect, on the date of such transfer under
45 the Luxury Tax Bond Resolution, in the Atlantic City convention
46 center project to the Atlantic City Convention and Visitors
47 Authority created under section 3 of P.L.1981, c.459 (C.52:27H-
48 31), and cease any supervision of the Atlantic City Convention and
49 Visitors Authority, to the extent permitted by the terms of the

1 bonds, notes, leases or other financing documents, assignments,
2 agreements or arrangements issued or entered into to finance or
3 refinance, in whole or in part, or incurred in connection with the
4 Atlantic City convention center project, as reasonably determined
5 by the authority but subject to the diligence and reasonable
6 determination provisions of paragraph (6) of subsection f. of this
7 section.

8 (10) To provide a feasibility study for the use and development
9 of the existing convention center in the city of Asbury Park, county
10 of Monmouth and to provide a feasibility study for the construction,
11 use and development of a convention center or recreational facility
12 in any other municipality.

13 (11) To provide funding to public or private institutions of higher
14 education in the State to establish, develop, acquire, construct,
15 reconstruct or improve facilities located or to be located on property
16 owned, leased, or otherwise used by an institution, consisting of
17 sports facilities and the buildings, structures, properties and
18 appurtenances related thereto, or incidental to, necessary for, or
19 complementary to those sports facilities, such facilities to include
20 driveways, access roads, approaches, parking areas, parks,
21 recreation areas, vending facilities, restaurants, transportation
22 structures, systems and equipment, furnishings and all other
23 structures and appurtenances related or incidental to, necessary for,
24 or complementary to the purposes of those facilities.

25 (12) To acquire by purchase, lease, or otherwise, including all
26 right, title and interest of the Greater Wildwood Tourism
27 Improvement Development Authority in any property, and to
28 develop, construct, operate, own, lease, manage, repair, reconstruct,
29 restore, improve, enlarge or otherwise effectuate, either directly or
30 through lessees, licensees or agents, a convention center facility in
31 the City of Wildwood, Cape May County, consisting of and
32 including any existing and acquired buildings, structures, properties
33 and appurtenances and including restaurants, retail businesses,
34 access roads, approaches, parking areas, transportation structures
35 and systems, recreation areas, equipment, furnishings, vending
36 facilities, and all other structures and appurtenances incidental to,
37 necessary for, or complementary to the purpose of such Wildwood
38 convention center facility. In connection therewith, the authority is
39 expressly authorized to:

40 (a) assume any existing mortgages, leaseholds or other
41 contractual obligations or encumbrances with respect to the site of
42 the Wildwood convention center facility and any other existing and
43 acquired buildings, structures, properties, and appurtenances;

44 (b) enter into agreements with a local public body or bodies
45 providing for any necessary financial support or other assistance for
46 the operation and maintenance of such Wildwood convention center
47 facility from taxes or other sources of the local public body or
48 bodies as shall be made available for such purposes;

1 (c) to the extent permitted by law and by the terms of the bonds
2 or notes issued to finance the Wildwood convention center facility,
3 transfer its ownership interest or other rights with respect to the
4 convention center facility to another State authority or agency;

5 (d) upon payment of all outstanding bonds and notes issued
6 therefore, transfer its ownership interest and other rights with
7 respect thereto to such other public body as shall be authorized to
8 own and operate such a facility; and

9 (e) convert any existing convention hall or any facilities,
10 structures or properties thereof, or any part thereof, not disposed of
11 by the authority, to any use which the authority shall determine to
12 be consistent with the operation of the Wildwood convention center
13 facility.

14 (13) To acquire by purchase, lease or otherwise, and to develop,
15 construct, own, lease, manage, repair, reconstruct, restore, improve,
16 enlarge or otherwise effectuate, either directly or through lessees,
17 licenses, or agents, all right, title, or interest in the Garden State
18 Arts Center in Holmdel, Monmouth County, and any related or
19 auxiliary facilities and to transfer its interest in the Garden State
20 Arts Center and any related or auxiliary facilities to such other
21 public body that is authorized to own and operate such a facility, or
22 other entity, according to such terms and process as the authority
23 may establish in its discretion.

24 (14) (a) To establish, develop, construct, acquire, lease or own,
25 operate, manage, promote, maintain, repair, reconstruct, restore,
26 improve and otherwise effectuate, either directly or indirectly
27 through lessees, licensees or agents, projects located within the
28 State of New Jersey, but outside the meadowlands complex,
29 provided that the authority first obtains the consent of the
30 municipality or municipalities in which the projects are to be
31 located, consisting of football training facilities that are comparable
32 in quality to National Football League professional football training
33 facilities and the buildings, structures, facilities, uses, properties
34 and appurtenances related thereto, or identical to, necessary for, or
35 complementary to those National Football League-quality
36 professional football league training facilities, such projects to
37 include driveways, roads, approaches, parking areas, parks,
38 recreation areas, restaurants, transportation structures, systems and
39 facilities, and equipment, furnishings and all other structures and
40 appurtenant facilities related to, incidental to, necessary for, or
41 complementary to the purposes of such projects or any facility
42 thereof.

43 (b) For projects developed pursuant to subparagraph (a) of
44 paragraph (14) of this subsection, the authority shall make in-lieu-of
45 tax payments in each municipality affected in amounts negotiated
46 by the authority and each municipality.

47 b. The authority, pursuant to the provisions of P.L.1971, c.137
48 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
49 projects, capital contributions to others for transportation and other

1 facilities, and accommodations for the public's use of any of those
2 projects, (2) to lease any part of any of those project sites not
3 occupied or to be occupied by the facilities of any of those projects,
4 for purposes determined by the authority to be consistent with or
5 related to the purposes of those projects, including, but not limited
6 to, hotels and other accommodations for transients and other
7 facilities related to or incidental to any of those projects, and (3) to
8 sell or dispose of any real or personal property, including, but not
9 limited to, such portion of the site of any of those projects not
10 occupied or to be occupied by the facilities of any of those projects,
11 at not less than the fair market value of the property, except in the
12 case of sale or disposition to the State, any political subdivision of
13 the State or any agency or instrumentality of the State or any
14 political subdivision of the State.

15 c. Revenues, moneys or other funds, if any, derived from the
16 operation or ownership of the meadowlands complex, including the
17 conduct of horse race meetings, shall be applied, in accordance with
18 the resolution or resolutions authorizing or relating to the issuance
19 of bonds or notes of the authority, to the following purposes and in
20 the following order:

21 (1) The costs of operation and maintenance of the meadowlands
22 complex and reserves therefor;

23 (2) Principal, sinking fund installments and redemption
24 premiums of and interest on any bonds or notes of the authority
25 payable from such revenues, moneys or other funds and issued for
26 the purposes of the meadowlands complex or for the purposes of
27 refunding the same, including reserves and payments with respect to
28 credit agreements therefor;

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

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

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

35 (6) Except to the extent payments with respect to bonds or notes
36 are provided with priority in accordance with paragraph (2) of this
37 subsection, payments required to be made in accordance with the
38 resolution authorizing or relating to the issuance of bonds or notes
39 of the authority, for the purposes of any project authorized by this
40 act, including payments and reserves with respect to any bonds or
41 notes of the authority with respect to the meadowlands complex
42 which are not provided with priority in accordance with paragraph
43 (2) of this subsection;

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

46 (8) The balance remaining after application in accordance with
47 the above shall be deposited in the General State Fund, provided
48 that (a) there shall be appropriated for authorized State purposes
49 from the amount so deposited that amount which shall be calculated

1 by the State Treasurer to be the debt service savings realized with
2 respect to the refinancing of the initial project as defined in section
3 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by
4 the issuance of bonds of the authority guaranteed by the State, and
5 (b) after such appropriation, 40% of any balance remaining from the
6 amounts so deposited shall be appropriated to the Meadowlands
7 Commission for any of its purposes authorized by P.L.1968, c.404,
8 and any amendments or supplements thereto.

9 d. Revenues, moneys or other funds, if any, derived from the
10 operation or ownership of any project other than the meadowlands
11 complex, the Atlantic City convention center project, or the
12 Wildwood convention center facility and other than a baseball
13 stadium project or an office complex project located on the site of a
14 baseball stadium shall be applied for such purposes, in such manner
15 and subject to such conditions as shall be provided in the resolution
16 authorizing or relating to the issuance of bonds or notes of the
17 authority for the purposes of such project, and the balance, if any,
18 remaining after such application may be applied, to the extent not
19 contrary to or inconsistent with the resolution, in the following
20 order (1) to the purposes of the meadowlands complex, unless
21 otherwise agreed upon by the State Treasurer and the authority, (2)
22 to the purposes of any other project of the authority; and, the
23 balance remaining, if any, shall be deposited in the General Fund.

24 e. Revenues, moneys or other funds, if any, derived from the
25 operation, ownership, or leasing of a baseball stadium project or an
26 office complex project located on the site of a baseball stadium
27 shall be applied for the purposes, in the manner and subject to the
28 conditions as shall be provided in the resolution authorizing or
29 relating to the issuance of bonds or notes of the authority for the
30 purposes of a baseball stadium project or an office complex project
31 located on the site of a baseball stadium, if any, and the balance, if
32 any, remaining after such application shall be applied, to the extent
33 not contrary to or inconsistent with the resolution, to the following
34 purposes and in the following order:

35 (1) The costs of operation and maintenance of a baseball stadium
36 project and an office complex project located on the site of a
37 baseball stadium and reserves therefor;

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

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

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

46 f. Revenues, moneys or other funds, if any, including earned
47 interest, derived from the operation, ownership or leasing of the
48 Atlantic City convention center project shall be applied to the costs
49 of operating **【and】** , maintaining and promoting the Atlantic City

1 convention center project and to the other purposes set forth in
2 paragraphs (1) through (5) of this subsection **[as shall be provided**
3 **by resolution of the authority]** , except as provided in paragraph (6)
4 of this subsection.

5 **[Luxury]** Subject to paragraph (6) of this subsection, luxury tax
6 revenues paid to the authority by the State Treasurer pursuant to
7 section 14 of P.L.1991, c.375 (C.5:10-14.4), including earned
8 interest, shall be deposited by the authority in a separate fund or
9 account and applied to the following purposes and in the following
10 order:

11 (1) To pay the principal, sinking fund installments and
12 redemption premiums of and interest on any bonds or notes of the
13 authority, including bonds or notes of the authority issued for the
14 purpose of refunding bonds or notes, issued for purposes of (i) the
15 initial acquisition of the existing properties which will constitute
16 part of the Atlantic City convention center project, if the bonds or
17 notes shall be payable under the terms of the resolution of the
18 authority relating thereto from luxury tax revenues, or (ii) providing
19 improvements, additions or replacements to the Atlantic City
20 convention center project, if the bonds or notes shall be payable
21 under the terms of the resolution of the authority relating thereto
22 from luxury tax revenues; and to pay any amounts due from the
23 authority under any credit agreement entered into by the authority
24 in connection with the bonds or notes.

25 (2) To pay the costs of operation **[and]** , maintenance and
26 promotion of the Atlantic City convention center project, including
27 amounts payable as operating expenses under the Luxury Tax Bond
28 Resolution or the terms of the bonds, notes, leases or other
29 financing documents, assignments, agreements or arrangements
30 issued or entered into to finance or refinance, in whole or in part, or
31 incurred in connection with, the Atlantic City convention center
32 project.

33 (3) To establish and maintain a working capital and maintenance
34 reserve fund for the Atlantic City convention center project in an
35 amount as shall be determined by the authority to be necessary.

36 (4) To repay to the State those amounts paid by the State with
37 respect to bonds or notes of the authority issued for the purposes of
38 the Atlantic City convention center project.

39 (5) The balance of any luxury tax revenues not required for any
40 of the foregoing purposes and remaining at the end of any calendar
41 year shall be paid to the State Treasurer for application to purposes
42 in the city of Atlantic City pursuant to section 5 of P.L.1981, c.461
43 (C.40:48-8.30a).

44 The authority may pledge the luxury tax revenues paid to it as
45 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as
46 security for the payment of the principal of and interest or premium
47 on **[its]** the bonds or notes issued for the purposes set forth above
48 in paragraph (1) of this subsection f. in the same manner, to the

1 same extent and with the same effect as the pledge of any of its
2 other revenues, receipts and funds authorized by P.L.1971, c.137
3 (C.5:10-1 et seq.).

4 (6) (a) The authority shall promptly and diligently pursue all
5 consents, approvals, waivers or non-objections under the bonds,
6 notes, leases, or other financing documents, assignments,
7 agreements or arrangements issued or entered into to finance or
8 refinance, in whole or in part, or incurred in connection with, the
9 Atlantic City convention center project, that are required for the
10 following actions, which actions may be implemented at the same
11 or at different times.:

12 (i) to permit the State Treasurer to remit to the authority, for
13 deposit to the Luxury Tax Revenue Fund established under the
14 Luxury Tax Bond Resolution, luxury tax revenues held by the State
15 Treasurer in the fund established pursuant to section 5 of P.L.1979,
16 c.273 (C.40:48-8.30) in an amount sufficient to (A) pay the
17 principal, sinking fund installments and redemption premiums, if
18 any, of and interest on any bonds, notes, or other obligations,
19 including any credit agreement, of the authority issued and
20 outstanding or entered into pursuant to the Luxury Tax Bond
21 Resolution, and (B) maintain any reserves required to be held by the
22 trustee pursuant to the Luxury Tax Bond Resolution, and to remit
23 the balance of the luxury tax revenues held by the State Treasurer in
24 such fund, including interest thereon, to the Atlantic City
25 Convention and Visitors Authority to be applied as provided in
26 section 25 of P.L. , c. (C.) (pending before the Legislature
27 as this bill) subject, however, to the lien of the Luxury Tax Bond
28 Resolution, until all bonds, notes, and other obligations, including
29 any credit agreement, of the authority issued and outstanding or
30 entered into pursuant to the Luxury Tax Bond Resolution have been
31 paid or defeased in full.

32 (ii) to permit the authority to transfer its ownership interest or
33 other rights and obligations, other than any bonds, notes, or other
34 obligations, including any credit agreement, of the authority issued
35 and outstanding, or then in effect, on the date of such transfer under
36 the Luxury Tax Bond Resolution, in the Atlantic City convention
37 center project to the Atlantic City Convention and Visitors
38 Authority, and cease any supervision of the Atlantic City
39 Convention and Visitors Authority.

40 (iii) to implement any other provisions of P.L. , c. (C.)
41 (pending before the Legislature as this bill).

42 (b) Upon obtaining such consents, approvals, waivers or non-
43 objections or upon the reasonable determination by the authority or
44 the State Treasurer that such consents, approvals or non-objections
45 have been obtained, are unnecessary or that the absence of such
46 consents, approvals or non-objections shall not result in a material
47 default, the State Treasurer shall thereafter remit to the authority
48 from the fund only those monies required to satisfy the obligations
49 of subparagraphs (a)(i)(A) and (a)(i)(B) of this paragraph; the

1 balance of the luxury tax revenues held by the State Treasurer in
2 such fund, including interest thereon, shall be paid promptly to the
3 Atlantic City Convention and Visitors Authority to be applied as
4 provided in section 25 of P.L. , c. (C.) (pending before the
5 Legislature as this bill), subject, however, to the lien of the Luxury
6 Tax Bond Resolution until all bonds, notes, and other obligations,
7 including any credit agreement, of the authority issued and
8 outstanding or entered into pursuant to the Luxury Tax Bond
9 Resolution have been paid or defeased in full.

10 (c) When all bonds, notes, or other obligations, including any
11 credit agreement, of the authority issued and outstanding or entered
12 into pursuant to the Luxury Tax Bond Resolution have been paid or
13 defeased in full, any amounts received by the authority from the
14 funds and accounts held under the Luxury Tax Bond Resolution
15 shall forthwith be transferred to the Atlantic City Convention and
16 Visitors Authority to be applied as provided in section 25 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill).

18 g. Revenues, moneys or other funds, if any, derived from the
19 ownership or operation of the Wildwood convention center facility
20 shall be applied to the costs of operating and maintaining the
21 Wildwood convention center facility and to the other purposes set
22 forth in this subsection as shall be provided by resolution of the
23 authority.

24 The tourism related tax revenues paid to the authority pursuant to
25 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall
26 be deposited by the authority in a separate fund or account and
27 applied to any or all of the following purposes pursuant to an
28 allocation of funds approved by the State Treasurer in writing and
29 in advance of any application of such funds:

30 (1) to pay amounts due with respect to any obligations
31 transferred to the authority pursuant to section 17 of P.L.1997,
32 c.273 (C.40:54D-25.1) pertaining to the Wildwood convention
33 center facility;

34 (2) to repay to the State those amounts paid with respect to bonds
35 or notes of the authority issued for the purposes of the Wildwood
36 convention center facility;

37 (3) to pay the cost of operation and maintenance reserve for the
38 Wildwood convention center facility;

39 (4) to establish and maintain a working capital and maintenance
40 of the Wildwood convention center facility.

41 The balance, if any, of any tourism related tax revenues not
42 allocated to any of the purposes set forth in the previous paragraphs
43 and remaining at the end of the calendar year shall be paid to the
44 State Treasurer for deposit in the General Fund.

45 (cf: P.L.2005, c.302, s.1)

46
47 4. Section 14 of P.L.1991, c.375 (C.5:10-14.4) is amended to
48 read as follows:

1 14. Notwithstanding the provisions of P.L.1947, c.71 (C.40:48-
2 8.15 et seq.), in the event that the convention hall or halls or
3 convention center project, including the site of a convention hall or
4 convention center project to be constructed, located in any
5 municipality which levies a luxury tax pursuant to such law, shall
6 be purchased, leased or otherwise acquired by the New Jersey
7 Sports and Exposition Authority and for so long as the **[authority]**
8 New Jersey Sports and Exposition Authority or the Atlantic City
9 Convention and Visitors Authority shall be the owner or be
10 responsible for supervision of the operation of the convention hall
11 or halls or convention center project**[:**

12 a. Subject to and after providing for the payment of the
13 amounts, if any,**], and, in any event, for so long as any bonds or**
14 notes issued by the New Jersey Sports and Exposition Authority for
15 the Atlantic City convention center project, or other obligations or
16 financing arrangements entered into or issued by the New Jersey
17 Sports and Exposition Authority in connection with the Atlantic
18 City convention center project, which are payable from, or secured
19 by such luxury taxes, or required to be paid from [the] luxury tax
20 revenues of the municipality **[under any resolution, indenture or**
21 security agreement authorizing or securing bonds or other
22 obligations of a county improvement authority and to be applied to
23 the payment of the principal of and interest on those bonds or other
24 obligations issued for the convention center project and to the
25 maintenance of reserves therefor and the allocation of moneys for
26 future debt service payments, all the remaining luxury**]** remain
27 outstanding:

28 a. Luxury tax revenues on deposit in the luxury tax fund
29 created pursuant to section 5 of P.L.1979, c.273 (C.40:48-8.30),
30 **[including any balance not required for those purposes on deposit**
31 **in the luxury tax fund on the date of enactment of P.L.1991, c.375]**
32 shall be **[paid]** remitted promptly during each year, commencing
33 with the year in which P.L.1991, c.375 is enacted, by the State
34 Treasurer from the luxury tax fund to the New Jersey Sports and
35 Exposition Authority **[for application to the purposes of the**
36 **convention center project]** or the Atlantic City Convention and
37 Visitors Authority or both, as the case may be, in accordance with
38 the provisions of subsection f. of section 6 of P.L.1971, c.137
39 (C.5:10-6).

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

46 c. Luxury tax revenues of the municipality which are in excess
47 of the requirements with respect thereto of, first, the obligations of
48 the New Jersey Sports and Exposition Authority under the bonds,

1 notes, leases, or other financing documents, assignments,
2 agreements or arrangements issued or entered into to finance or
3 refinance, in whole or in part, or incurred in connection with, the
4 Atlantic City convention center project, and thereafter, of the
5 Atlantic City Convention and Visitors Authority, as the case may
6 be, relating to the convention center project shall be applied to the
7 purposes set forth in [section 5 of P.L.1981, c.461 (C.40:48-
8 8.30a)] , or in accordance with, the provisions of section 25 of
9 P.L. , c. (C.) (pending before the Legislature as this bill), as
10 appropriate.

11 d. If the luxury tax of the municipality, including any increase
12 thereof adopted by the municipality after the enactment of
13 P.L.1991, c.375 (C.5:10-3 et al.), shall be pledged to the payment of
14 the bonds [or] , notes [of] , leases, or other financing documents,
15 assignments, agreements or arrangements issued or entered into by
16 the New Jersey Sports and Exposition Authority or the Atlantic City
17 Convention and Visitors Authority to finance or refinance, in whole
18 or in part, or incurred by the New Jersey Sports and Exposition
19 Authority or the Atlantic City Convention and Visitors Authority in
20 connection with, the Atlantic City convention center project, the
21 municipality shall not repeal the luxury tax, nor reduce the rate of
22 the tax, nor eliminate from taxation any retail sales that are subject
23 to the tax on the date of enactment of P.L.1991, c.375 (C.5:10-3 et
24 al.), so long as [the] such bonds [or] , notes, leases, or other
25 financing documents, assignments, agreements or arrangements
26 shall remain outstanding.

27 e. As soon as practicable, and to the extent permitted by the
28 terms of the Luxury Tax Bond Resolution and the bonds, notes,
29 leases, or other financing documents, assignments, agreements or
30 arrangements issued to finance, or entered into to finance or
31 refinance, in whole or in part, or incurred in connection with, the
32 Atlantic City convention center project, and subject to the diligence
33 and reasonable determination provisions of subsection f. of section
34 6 of P.L.1991, c.375 (C.5:10-6), the New Jersey Sports and
35 Exposition Authority shall transfer its ownership interest or other
36 rights in the Atlantic City convention center project to the Atlantic
37 City Convention and Visitors Authority, and cease any supervision
38 of the Atlantic City Convention and Visitors Authority. Upon such
39 transfer, (i) the Atlantic City Convention and Visitors Authority
40 shall assume all of the powers, rights, assets and duties of the
41 authority with respect to the Atlantic City convention center project
42 to the extent provided by P.L. , c. (C.) (pending before
43 the Legislature as this bill), and such powers shall then and
44 thereafter be vested in and shall be exercised by the Atlantic City
45 Convention and Visitors Authority, and (ii) all debts, liabilities,
46 obligations and contracts of the authority with respect to the
47 Atlantic City convention center project, other than any bonds, notes,
48 or other obligations, including any credit agreement, of the

1 authority issued and outstanding, or then in effect, on the date of
2 such transfer under the Luxury Tax Bond Resolution, are imposed
3 upon the Atlantic City Convention and Visitors Authority, and all
4 creditors of the authority and persons having claims against or
5 contracts with the authority of any kind or character relating to the
6 Atlantic City convention center project may enforce those debts,
7 claims and contracts against the Atlantic City Convention and
8 Visitors Authority as successor to the authority in the same manner
9 as they might have had against the authority, and the rights and
10 remedies of those holders, creditors and persons having claims
11 against or contracts with the authority relating to the Atlantic City
12 convention center project shall not be limited or restricted in any
13 manner by P.L. , c. (C.) (pending before the Legislature as
14 this bill). All expenses incurred in carrying out the transfer of the
15 Atlantic City convention center project from the authority to the
16 Atlantic City Convention and Visitors Authority pursuant to the
17 provisions of P.L. , c. (C.) (pending before the Legislature
18 as this bill), including expenses incurred to obtain any required
19 consents, approvals, waivers or non-objections as described in
20 subsection f. of section 6 of P.L.1971, c.137 (C.5:10-6), shall be
21 payable solely from luxury tax revenues and other amounts held
22 under the Luxury Tax Bond Resolution to the extent available to
23 pay such expenses.

24 (cf: P.L.1991, c.375, s.14)

25

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

28 1. The Legislature finds that the tourist, resort and convention
29 industry of Atlantic City has traditionally made an important
30 contribution to the economic vitality of this State; that the recent
31 revitalization of that industry as a result of the authorization of
32 casino gaming in Atlantic City has resulted in significant economic
33 benefits not only to the residents of the city and its immediate
34 environs, but to all of the residents of the State in the form of
35 increased business and employment opportunities and augmented
36 State and local revenues; and that the future growth of this industry
37 will depend in part upon the provision and operation of an attractive
38 convention center in Atlantic City or the promotion and marketing
39 of the city of Atlantic City and the provision of an adequate
40 mechanism whereby the interests and efforts of the State, the city
41 and the private sector may be effectively coordinated and the
42 financial soundness of a convention center assured.

43 To this end, the Legislature declares the establishment of an
44 authority having the requisite power to own, lease, promote, operate
45 **【and】**, maintain, transfer and sell a convention center project in
46 Atlantic City **【under the supervision of the New Jersey Sports and**
47 **Exposition Authority】** and to promote and market the city of
48 Atlantic City to be in the public interest of the citizens of this State.

1 The Legislature further finds that it is in the best interests of the
2 State for the Atlantic City Convention and Visitors Authority
3 established pursuant to the provisions of P.L.1981, c.459
4 (C.52:27H-29 et seq.), which is the entity most closely related to the
5 facilities and operations of the Atlantic City convention center
6 project, to acquire ownership of and assume responsibility and
7 control over the daily operations of the project.

8 (cf: P.L.1991, c.375, s.4)

9

10 6. Section 2 of P.L.1981, c.459 (C.52:27H-30) is amended to
11 read as follows:

12 2. This act shall be known and may be cited as the "Atlantic
13 City Convention **【Center】** and Visitors Authority Act."

14 (cf: P.L.1981, c.459, s.2)

15

16 7. Section 3 of P.L.1981, c.459 (C.52:27H-31) is amended to
17 read as follows:

18 3. There is created a public body corporate and politic, with
19 corporate succession, to be known as the "Atlantic City Convention
20 **【Center】** and Visitors Authority." The authority is constituted as an
21 instrumentality of the State exercising public and essential
22 governmental functions, and the exercise by the authority of the
23 powers conferred by this act shall be an essential government
24 function of the State. For the purposes of complying with the
25 provisions of Article V, Section IV, paragraph 1 of the New Jersey
26 Constitution, the authority is allocated within the **【Department of**
27 **Commerce and Economic Development】** Department of the
28 Treasury, but, notwithstanding the allocation, the authority shall be
29 independent of any supervision or control by the department **【or by**
30 **the commissioner】** or any officer or employee thereof.

31 (cf: P.L.1981, c.459, s.3)

32

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

35 4. a. The authority shall consist of seven members**【**. Any
36 member holding office on the date this section becomes effective
37 shall continue as a member until replaced in accordance with the
38 procedures hereinafter set forth, provided that no such member shall
39 hold office beyond June 30, 1992. As soon as practicable after the
40 date on which this section becomes effective, vacancies in the
41 membership of the authority shall be filled and new appointments to
42 the membership of the authority shall be made as provided in this
43 section so that the membership of the authority shall consist of the
44 following**】** as follows:

45 (1) Six public members, at least two of whom shall be
46 representatives of the New Jersey casino industry, to be appointed
47 by the Governor with the advice and consent of the Senate; and

1 (2) The **【President of the New Jersey Sports and Exposition**
2 **Authority】** Treasurer of the State of New Jersey, who shall be an ex
3 officio member.

4 b. Vacancies **【to be filled】** in the membership of the authority
5 **【and any new appointments made to such membership after the date**
6 **on which this section becomes effective】** shall be filled **【or made so**
7 **as to provide, as promptly as practicable consistent with the**
8 **membership provisions set forth in subsection a. of this section, for**
9 **the incumbency of the member set forth in paragraph (2) of**
10 **subsection a. of this section and then the incumbency of the**
11 **members set forth in paragraph (1) of subsection a. of this section.**
12 The ex officio member of the authority may designate an officer or
13 employee of the New Jersey Sports and Exposition Authority to
14 represent the ex officio member at meetings of the authority and
15 that designee may lawfully vote and otherwise act on behalf of the
16 ex officio member. Any such designation shall be in writing
17 delivered to the authority and shall continue in effect until revoked
18 or amended by writing delivered to the authority **【in the same**
19 **manner as prescribed by law for the original appointment, but for**
20 **the unexpired term only.**

21 c. No more than **【3 of the public】** four members **【appointed**
22 **pursuant to paragraph (1) of subsection a. of this section】** of the
23 authority shall be affiliated with the same political party. The
24 public members of the authority shall serve for a term of **【5】** five
25 years and until a successor shall have been appointed and qualified;
26 except that of the public members first appointed pursuant to the
27 provisions of P.L.1991, c.375, the Governor shall designate upon
28 appointment: two members for a term of **【5】** five years, one for a
29 term of **【4】** four years, one for a term of **【3】** three years, one for a
30 term of **【2】** two years and one for a term of **【1】** one year.

31 (cf: P.L.1991, c.375, s.5)

32
33 9. Section 6 of P.L.1981, c.459 (C.52:27H-34) is amended to
34 read as follows:

35 6. a. The authority shall not be constituted and shall not take
36 action or adopt motions or regulations until all original authorized
37 members shall have been appointed and qualified. The powers of
38 the authority shall be vested in the members thereof and a majority
39 of the total authorized membership of the authority shall constitute
40 a quorum at any meeting. Action may be taken and motions and
41 resolutions adopted by the authority at any meeting by the
42 affirmative vote of a majority of the quorum, unless in any case the
43 bylaws of the authority or any of the provisions of this act shall
44 require a larger number. The authority may designate one or more
45 of its agents, officers or employees to exercise, under its
46 supervision and control, such administrative functions, powers and
47 duties as it may deem proper, consistent with the provisions of this
48 act and with the bylaws of the authority. No vacancy in the

1 membership of the authority shall affect the right of the quorum to
2 exercise all the rights and perform all the duties of the authority.

3 b. The chairman of the authority shall be appointed by the
4 Governor, and the authority shall designate one of its members to
5 serve as the vice-chairman. ~~Subject to approval by the New Jersey~~
6 ~~Sports and Exposition Authority, the~~ The authority shall appoint
7 ~~an executive director~~ a president who shall serve as its chief
8 ~~administrative~~ operating officer. The ~~executive director~~
9 president shall serve at the pleasure of the authority and shall be a
10 person qualified by training and experience to perform the duties of
11 ~~his~~ the president's office, as those duties shall be prescribed by
12 the bylaws of the authority.

13 (cf: P.L.1991, c.375, s.6)

14

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

17 9. The authority shall have the power to acquire, own, lease,
18 operate, maintain, transfer and sell the convention center project ~~of~~
19 ~~the New Jersey Sports and Exposition Authority~~ in the city of
20 Atlantic City ~~under a contract with the New Jersey Sports and~~
21 ~~Exposition Authority containing the terms and provisions as the~~
22 ~~New Jersey Sports and Exposition Authority~~ and to promote and
23 market the city of Atlantic City in such manner as it shall determine
24 to be in furtherance of the purposes of ~~this act~~ P.L.1981, c.459
25 (C.52:27H-29 et seq.).

26 (cf: P.L.1991, c.375, s.8)

27

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

30 12. In addition to the powers granted to the authority in ~~this~~
31 ~~act~~ P.L.1981, c.459 (C.52:27H-29 et seq.), the authority ~~,~~
32 consistent with the terms of any contract entered into pursuant to
33 section 9 of this act (C.52:27H-37), ~~]~~ may:

34 a. Make and alter bylaws for its organization and internal
35 management and ~~,~~ subject to the restrictions of any contract
36 entered into pursuant to section 9 of this act, ~~]~~ make rules and
37 regulations with respect to its operations;

38 b. Adopt an official seal and alter the same at its pleasure;

39 c. Sue and be sued in its own name;

40 d. Make and enter into all contracts or agreements necessary or
41 incidental to the performance of its duties;

42 e. Enter into agreements or other transactions with and accept
43 grants and the cooperation of the United States or any agency
44 thereof or any State or local agency in furtherance of the purposes
45 of ~~this act~~ P.L.1981, c.459 (C.52:27H-29 et seq.), and do
46 anything necessary in order to avail itself of this aid and
47 cooperation;

- 1 f. Solicit, receive and accept aid, loans or contributions from
2 any source of money, property, labor or other things of value, to be
3 held, used and applied to carry out the purposes of **[this act]**
4 P.L.1981, c.459 (C.52:27H-29 et seq.) subject to the conditions
5 upon which this aid, these loans and contributions shall be made,
6 including but not limited to grants from any department or agency
7 of the United States or any State or local agency for any purpose
8 consistent with **[this act]** P.L.1981, c.459 (C.52:27H-29 et seq.);
- 9 g. Acquire, own, hold, sell, exchange, lease or otherwise
10 dispose of real or personal property or any interest therein in the
11 exercise of its powers and the performance of its duties under **[this**
12 **act]** P.L.1981, c.459 (C.52:27H-29 et seq.);
- 13 h. **[Subject to approval by the New Jersey Sports and**
14 **Exposition Authority, appoint]** Appoint such officers, employees,
15 and agents as it may require for the performance of its duties, and
16 fix their compensation, promote and discharge them, all without
17 regard to the provisions of Title 11A of the New Jersey Statutes;
- 18 i. Provide advisory, consultative and technical assistance and
19 advice to any person, firm, association, partnership or corporation,
20 either public or private, in order to carry out the purposes of **[this**
21 **act]** P.L.1981, c.459 (C.52:27H-29 et seq.);
- 22 j. **[Subject to the provisions of any contract entered into**
23 **pursuant to section 9 of this act, to invest]** Invest moneys of the
24 authority not required for immediate use in those obligations,
25 securities and other investments as the authority shall deem
26 prudent;
- 27 k. Procure insurance coverage in such types and amounts and
28 from such insurers as may be advisable;
- 29 l. Engage the services of attorneys, accountants, marketing
30 analysts and financial experts and such other advisors, consultants
31 and agents as may be necessary in its judgment, and fix their
32 compensation;
- 33 m. Maintain an office at such place or places in the city of
34 Atlantic City as it may designate;
- 35 n. Advertise and promote the tourist, resort, convention and
36 casino gaming industries of the city of Atlantic City and for these
37 purposes establish funds, adopt and collect fees and other charges
38 and make expenditures consistent with the provisions of **[the**
39 **operating]** any contract **[with the New Jersey Sports and**
40 **Exposition Authority]** for the operation of the convention center
41 project; and
- 42 o. Do any act necessary to the exercise of these powers or
43 reasonably implied therefrom.
- 44 **[Notwithstanding, the provisions of P.L.1981, c.459 (C.52:27H-29**
45 **et seq.) or any other law to the contrary, any contracts or**
46 **agreements to be entered into by the authority in the exercise of the**

1 powers granted to the authority shall be subject to prior approval by
2 the New Jersey Sports and Exposition Authority.】
3 (cf: P.L.1991, c.375, s.9)

4
5 12. (New section) a. The authority shall have the power and is
6 hereby authorized from time to time to issue its bonds or notes in
7 such principal amounts as in the opinion of the authority shall be
8 necessary to provide sufficient funds for any of its corporate
9 purposes, including the payment, funding or refunding of the
10 principal of, or interest or redemption premiums on, any bonds or
11 notes issued by it whether the bonds or notes or interest to be
12 funded or refunded have or have not become due, and the
13 establishment or increase of such reserves to secure or to pay such
14 bonds or notes or interest thereon and all other costs or expenses of
15 the authority incident to and necessary to carry out its corporate
16 purposes and powers.

17 b. Whether or not the bonds and notes are of such form and
18 character as to be negotiable instruments under the terms of Title
19 12A, Commercial Transactions, of the New Jersey Statutes, the
20 bonds and notes are hereby made negotiable instruments within the
21 meaning of and for all the purposes of that Title 12A, subject only
22 to the provisions of the bonds and notes for registration.

23 c. Bonds or notes of the authority shall be authorized by a
24 resolution or resolutions of the authority and may be issued in one
25 or more series and shall bear such date, or dates, mature at such
26 time or times, bear interest at such rate or rates of interest per
27 annum which may be fixed or may change at such time and in
28 accordance with a specified formula or method of determination, be
29 in such denomination or denominations, be in such form, either
30 coupon or registered, carry such conversion or registration
31 privileges, have such rank or priority, be executed in such manner,
32 be payable from such sources in such medium of payment at such
33 place or places within or without the State, and be subject to such
34 terms of redemption, with or without premium, as such resolution
35 or resolutions may provide.

36 d. Bonds or notes of the authority may be sold at public or
37 private sale at such price or prices and in such manner as the
38 authority shall determine. Every bond shall mature and be paid not
39 later than 35 years from the date thereof.

40 e. Bonds or notes may be issued under the provisions of
41 P.L. , c. (C.) (pending before the Legislature as this bill)
42 without obtaining the consent of any department, division,
43 commission, board, bureau or agency of the State, and without any
44 other proceeding or the happening of any other conditions or other
45 things than those proceedings, conditions or things which are
46 specifically required by the provisions of P.L. ,
47 c. (C.)(pending before the Legislature as this bill).

48 f. Bonds and notes of the authority issued under the provisions
49 of P.L. , c. (C.)(pending before the Legislature as this bill)

1 shall not be in any way a debt or liability of the State or of any
2 political subdivision thereof other than the authority and shall not
3 create or constitute any indebtedness, liability or obligation of the
4 State or of any such political subdivision or be or constitute a
5 pledge of the faith and credit of the State or of any such political
6 subdivision but all such bonds and notes, unless funded or refunded
7 by bonds or notes of the authority, shall be payable solely from
8 revenues or funds pledged or available for their payment as
9 authorized in P.L. , c. (C.)(pending before the Legislature as
10 this bill). Each bond and note shall contain on its face a statement
11 to the effect that the authority is obligated to pay the principal
12 thereof or the interest thereon only from revenues, receipts or funds
13 pledged or available for their payment as authorized in P.L. ,
14 c. (C.) (pending before the Legislature as this bill) and that
15 neither the State nor any political subdivision thereof is obligated to
16 pay such principal or interest and that neither the faith and credit
17 nor the taxing power of the State or any political subdivision
18 thereof is pledged to the payment of the principal of or the interest
19 on such bonds or notes.

20

21 13. (New section) In any resolution of the authority authorizing
22 or relating to the issuance of any bonds or notes, the authority, in
23 order to secure the payment of such bonds or notes and in addition
24 to its other powers, shall have power by provisions therein which
25 shall constitute covenants by the authority and contracts with the
26 holders of such bonds or notes to:

27 a. Secure the bonds or notes as provided in section 24 of
28 P.L. , c. (C.) (pending before the Legislature as this bill);

29 b. Covenant against pledging all or any part of its revenues or
30 receipts or its leases, sales agreements, service contracts or other
31 security instruments, or its mortgages or other agreements, or the
32 revenues or receipts under any of the foregoing or the proceeds
33 thereof, or against mortgaging or leasing all or any part of its real or
34 personal property then owned or thereafter acquired, or against
35 permitting or suffering any lien on any of the foregoing;

36 c. Covenant with respect to limitations on any right to sell,
37 mortgage, lease or otherwise dispose of any project or any part
38 thereof or any property of any kind;

39 d. Covenant as to any bonds and notes to be issued and the
40 limitations thereon and the terms and conditions thereof and as to
41 the custody, application, investment, and disposition of the
42 proceeds thereof;

43 e. Covenant as to the issuance of additional bonds or notes or
44 as to limitations on the issuance of additional bonds or notes and on
45 the incurring of other debts by it;

46 f. Covenant as to the payment of the principal of or interest on
47 the bonds or notes, or any other obligations, as to the sources and
48 methods of such payment, as to the rank or priority of any such
49 bonds, notes or obligations with respect to any lien or security or as

- 1 to the acceleration of the maturity of any such bonds, notes or
- 2 obligations;
- 3 g. Provide for the replacement of lost, stolen, destroyed or
- 4 mutilated bonds or notes;
- 5 h. Covenant against extending the time for the payment of
- 6 bonds or notes or interest thereon;
- 7 i. Covenant as to the redemption of bonds or notes and
- 8 privileges of exchange thereof for other bonds or notes of the
- 9 authority;
- 10 j. Covenant as to the fixing and collection of rents, fees, rates
- 11 and other charges, the amount to be raised each year or other period
- 12 of time by rents, fees, rates and other charges, and as to the use and
- 13 disposition to be made thereof;
- 14 k. Covenant to create or authorize the creation of special funds
- 15 or monies to be held in pledge or otherwise for construction,
- 16 operating expenses, payment or redemption of bonds or notes,
- 17 reserves or other purposes and as to the use, investment, and
- 18 disposition of the monies held in such funds;
- 19 l. Establish the procedure, if any, by which the terms of any
- 20 contract or covenant with or for the benefit of the holders of bonds
- 21 or notes may be amended or abrogated, the amount of bonds or
- 22 notes the holders of which must consent thereto, and the manner in
- 23 which such consent may be given;
- 24 m. Covenant as to the construction, improvement, operation or
- 25 maintenance of any project and its other real and personal property,
- 26 the replacement thereof, the insurance to be carried thereon, and the
- 27 use and disposition of insurance monies;
- 28 n. Provide for the release of property, leases or other
- 29 agreements, or revenues and receipts from any pledge or mortgage
- 30 and to reserve rights and powers in, or the right to dispose of,
- 31 property which is subject to a pledge or mortgage;
- 32 o. Provide for the rights and liabilities, powers and duties
- 33 arising upon the breach of any covenant, condition or obligation and
- 34 to prescribe the events of default and the terms and conditions upon
- 35 which any or all of the bonds, notes or other obligations of the
- 36 authority shall become or may be declared due and payable before
- 37 maturity and the terms and conditions upon which any such
- 38 declaration and its consequences may be waived;
- 39 p. Vest in a trustee or trustees within or without the State such
- 40 property, rights, powers and duties in trust as the authority may
- 41 determine, including the right to foreclose any mortgage, which
- 42 may include any or all of the rights, powers and duties of any
- 43 trustee appointed by the holders of any bonds or notes pursuant to
- 44 P.L. , c. (C.)(pending before the Legislature as this bill) and
- 45 to limit or abrogate the right of the holders of any bonds or notes of
- 46 the authority to appoint a trustee under P.L. , c. (C.)(pending
- 47 before the Legislature as this bill) and to limit the rights, duties and
- 48 powers of such trustee;

1 q. Execute all mortgages, leases, sales agreements, service
2 contracts, bills of sale, conveyances, deeds of trust and other
3 instruments necessary or convenient in the exercise of its powers or
4 in the performance of its covenants or duties;

5 r. Pay the costs or expenses incident to the enforcement of
6 such bonds or notes or of the provisions of such resolution or of any
7 covenant or agreement of the authority with the holders of its bonds
8 or notes;

9 s. Limit the rights of the holders of any bonds or notes to
10 enforce any pledge or covenant securing bonds or notes; and

11 t. Make covenants other than, or in addition to, the covenants
12 herein expressly authorized by P.L. , c. (C.) (pending before
13 the Legislature as this bill), of like or different character, and to
14 make such covenants to do or refrain from doing such acts and
15 things as may be necessary, or convenient and desirable, in order to
16 better secure bonds or notes or which, in the absolute discretion of
17 the authority, will tend to make bonds or notes more marketable,
18 notwithstanding that such covenants, acts or things may not be
19 enumerated herein.

20

21 14. (New section) Any pledge of revenues, receipts, monies,
22 funds, levies, sales agreements, service contracts or other property
23 or instruments made by the authority shall be valid and binding
24 from the time when the pledge is made; the revenues, monies, funds
25 or other property so pledged and thereafter received by the authority
26 or a subsidiary shall immediately be subject to the lien of such
27 pledge without any physical delivery thereof or further act, and the
28 lien of any such pledge shall be valid and binding as against all
29 parties having claims of any kind in tort, contract or otherwise
30 against the authority, irrespective of whether such parties have
31 notice thereof. Neither the resolution nor any other instrument by
32 which a pledge under this section is created need be filed or
33 recorded except in the records of the authority.

34

35 15. (New section) The authority may establish such reserves,
36 funds or accounts as may be, in its discretion, necessary or desirable
37 to further the accomplishment of the purposes of the authority or to
38 comply with the provisions of any agreement made by or any
39 resolution of the authority.

40

41 16. (New section) The State of New Jersey does hereby pledge
42 to and covenant and agree with the holders of any bonds or notes
43 issued pursuant to P.L. , c. (C.) (pending before the
44 Legislature as this bill) that the State will not limit or alter the rights
45 or powers hereby vested in the authority to acquire, construct,
46 maintain, improve, renovate, preserve, repair and operate the
47 Atlantic City convention center project in any way that would
48 jeopardize the interest of such holders, or to perform and fulfill the
49 terms of any agreement made with the holders of such bonds or

1 notes, or to fix, establish, charge and collect such rents, fees, rates,
2 payments or other charges as may be convenient or necessary to
3 produce sufficient revenues to meet all expenses of the authority
4 and fulfill the terms of any agreement made with the holders of
5 such bonds and notes, together with interest thereon, with interest
6 on any unpaid installments of interest, and all costs and expenses in
7 connection with any action or proceedings by or on behalf of such
8 holders, until the bonds and notes, together with interest thereon,
9 are fully met and discharged or provided for.

10
11 17. (New section) Neither the members of the authority nor any
12 person executing bonds or notes issues pursuant to P.L. ,
13 c. (C.) (pending before the Legislature as this bill) shall be
14 liable personally on such bonds or notes by reason of the issuance
15 thereof.

16
17 18. (New section) The State and all public officers,
18 governmental units and agencies thereof, all banks, trust companies,
19 savings banks and institutions, building and loan associations,
20 savings and loan associations, investment companies, and other
21 persons carrying on a banking business, all insurance companies,
22 insurance associations and other persons carrying on an insurance
23 business, and all executors, administrators, guardians, trustees and
24 other fiduciaries, may legally invest any sinking funds, monies or
25 other funds belonging to them or within their control in any bonds
26 or notes issued pursuant to P.L. , c. (C.) (pending before the
27 Legislature as this bill), and such bonds or notes shall be authorized
28 security for any and all public deposits.

29
30 19. (New section) All sums of money received pursuant to the
31 authority of P.L. , c. (C.) (pending before the Legislature as
32 this bill), whether as proceeds from the sale of bonds or notes or as
33 revenues or receipts, shall be deemed to be trust funds to be held
34 and applied solely as provided in the proceedings under which the
35 bonds or notes are authorized. Any officer with whom or any bank
36 or trust company with which such sums of money shall be deposited
37 as trustee thereof shall hold and apply the same for the purposes
38 thereof, subject to such provisions as P.L. , c. (C.) (pending
39 before the Legislature as this bill) and the proceedings authorizing
40 the bonds or the notes of any issue or the trust agreement securing
41 the bonds or notes may provide.

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

45 14. a. As soon as it is practicable after the appointment and
46 qualification of the members of the authority, and annually
47 thereafter, at least **[45]** 20 days preceding the commencement of
48 the authority's fiscal year on **[July 1]** January 1 of each year, the
49 authority shall prepare a proposed budget for its operations and

1 activities for the ensuing fiscal year and introduce the budget by
2 resolution. The budget shall become effective as provided in
3 section 8 of P.L.1981, c.459 (C.52:27H-36), subject to the
4 provisions of subsection d. of this section.

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

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

19 d. No proposed budget **【prepared by the authority】** required
20 pursuant to this section shall be approved by the authority unless it
21 is in compliance 【with the terms of any contract authorized
22 pursuant to section 9 of this act and has been approved by the New
23 Jersey Sports and Exposition Authority】 with the terms of any bond
24 resolution or trust agreement relating to the financing of facilities
25 operated by the authority.

26 (cf: P.L.1991, c.375, s.10)

27

28 21. (New section) a. Notwithstanding any other provision of
29 law to the contrary, the convention authority shall have the power to
30 issue bonds and refunding bonds, incur indebtedness and borrow
31 money secured, in whole or in part, by money received pursuant to
32 sections 23 and 25 of P.L. , c. (C.)(pending before the
33 Legislature as this bill) for the purposes of: (1) replacing contingent
34 State contract bonds; (2) providing funds to meet the payment
35 obligations of the convention authority under the contingent state
36 contract bonds or obligations of the convention authority under any
37 replacements of the contingent State contract bonds; and (3)
38 refunding any outstanding bonds or other obligations of the
39 convention authority issued to finance or refinance any portion of
40 the Atlantic City convention center project. For the purposes of
41 P.L. , c. (C.)(pending before the Legislature as this bill),
42 "contingent State contract bonds" means the New Jersey Sports and
43 Exposition Authority State Contract Bond, Series B Standby
44 Deficiency Agreement Series of 2000, State Contract Bond, Equity
45 Termination Value Standby Deficiency Agreement Series of 2000
46 and State Contract Bond, Swap Payment Standby Deficiency
47 Agreement of 2000.

48 b. The convention authority shall issue the bonds or refunding
49 bonds in such manner as it shall determine in accordance with the

1 provisions of P.L. , c. (C.) (pending before the Legislature as
2 this bill); provided that notwithstanding any other law to the
3 contrary, no resolution adopted by the convention authority
4 authorizing the issuance of bonds or refunding bonds pursuant to
5 this section shall be adopted or otherwise made effective without
6 the approval in writing of the State Treasurer; and refunding bonds
7 issued to refund bonds issued pursuant to this section shall be
8 issued on such terms and conditions as may be determined by the
9 convention authority and the State Treasurer. The convention
10 authority may, in any resolution authorizing the issuance of bonds
11 or refunding bonds issued pursuant to this section, pledge the
12 contract with the State Treasurer provided for pursuant to section 24
13 of P.L. , c. (C.) (pending before the Legislature as this bill),
14 or any part thereof, for the payment or redemption of the bonds or
15 refunding bonds, and covenant as to the use and disposition of
16 money available to the convention authority for payment of the
17 bonds and refunding bonds. All costs associated with the issuance
18 of bonds and refunding bonds by the convention authority for the
19 purposes set forth in P.L. , c. (C.)(pending before the
20 Legislature as this bill) may be paid by the convention authority
21 from amounts it receives from the proceeds of the bonds or
22 refunding bonds, and from amounts it receives pursuant to sections
23 23 and 25 of P.L. , c. (C.)(pending before the Legislature as
24 this bill). The costs may include, but shall not be limited to, any
25 costs relating to the issuance of the bonds or refunding bonds.

26 c. Each issue of bonds or refunding bonds of the convention
27 authority shall be special obligations of the convention authority
28 payable out of particular revenues, receipts or funds, subject only to
29 any agreements with the holders of bonds or refunding bonds, and
30 may be secured by other sources of revenue, including, but not
31 limited to, one or more of the following:

32 (1) Pledge of all moneys, funds, accounts, securities and other
33 funds, including the proceeds of the bonds;

34 (2) Pledge of the contract or contracts with the State Treasurer
35 authorized pursuant to section 24 of P.L. , c. (C.)(pending
36 before the Legislature as this bill).

37 d. The resolution authorizing the issuance of bonds or
38 refunding bonds pursuant to this section may also provide for the
39 convention authority to enter into any revolving credit agreement,
40 agreement establishing a line of credit or letter of credit,
41 reimbursement agreement, interest rate exchange agreement,
42 currency exchange agreement, interest rate floor or cap, options,
43 puts or calls to hedge payment, currency, rate, spread or similar
44 exposure or similar agreements, float agreements, forward
45 agreements, insurance contracts, surety bonds, commitments to
46 purchase or sell bonds, purchase or sale agreements, or
47 commitments or other contracts or agreements and other security
48 agreements approved by the convention authority in connection
49 with the issuance of the bonds or refunding bonds pursuant to this

1 section. In addition, the convention authority may, in anticipation
2 of the issuance of the bonds or the receipt of appropriations, grants,
3 reimbursements or other funds, issue notes, the principal of or
4 interest on which, or both, shall be payable out of the proceeds of
5 notes, bonds or other obligations of the convention authority or
6 appropriations, grants, reimbursements or other funds or revenues
7 of the convention authority.

8 e. The convention authority is authorized to engage, subject to
9 the approval of the State Treasurer and in such manner as the State
10 Treasurer shall determine, the services of financial advisors and
11 experts, placement agents, underwriters, appraisers, and other
12 advisors, consultants and agents as may be necessary to effectuate
13 the issuance of bonds authorized by this section.

14 f. Bonds and refunding bonds issued by the convention
15 authority pursuant to this section shall be special and limited
16 obligations of the convention authority payable from, and secured
17 by, funds and moneys determined by the convention authority in
18 accordance with this section. Neither the members of the
19 convention authority nor any other person executing the bonds or
20 refunding bonds shall be personally liable with respect to payment
21 of interest and principal on these bonds or refunding bonds. Bonds
22 or refunding bonds issued pursuant to this section shall not be a
23 debt or liability of the State or any agency or instrumentality
24 thereof, except as otherwise provided by this subsection, either
25 legal, moral or otherwise, and nothing contained in P.L. ,
26 c. (C.)(pending before the Legislature as this bill) shall be
27 construed to authorize the convention authority to incur any
28 indebtedness on behalf of or in any way to obligate the State or any
29 political subdivision thereof, and all bonds and refunding bonds
30 issued by the convention authority shall contain a statement to that
31 effect on their face.

32
33 22. (New section) The State hereby pledges and covenants with
34 the holders of any bonds or refunding bonds issued pursuant to
35 P.L. , c. (C.) (pending before the Legislature as this bill) that
36 it will not limit or alter the rights or powers vested in the
37 convention authority by P.L. , c. (C.)(pending before the
38 Legislature as this bill) nor limit or alter the rights or powers of the
39 State Treasurer in any manner which would jeopardize the interest
40 of the holders or any trustee of the holders, or inhibit or prevent
41 performance or fulfillment by the convention authority or the State
42 Treasurer with respect to the terms of any agreement made with the
43 holders of the bonds or refunding bonds or agreements made
44 pursuant to this section; except that the failure of the Legislature to
45 appropriate monies for any purpose of P.L. , c. (C.)(pending
46 before the Legislature as this bill) shall not be deemed a violation of
47 this section.

1 23. (New section) In each fiscal year, the State Treasurer shall
2 pay from the General Fund to the convention authority, in
3 accordance with a contract between the State Treasurer and the
4 convention authority as authorized pursuant to section 24 of P.L. ,
5 c. (C.)(pending before the Legislature as this bill), an amount
6 equal to the debt service amount due to be paid in the State fiscal
7 year on the bonds or refunding bonds of the convention authority
8 issued or incurred pursuant to section 12 of P.L. , c. (C.)
9 (pending before the Legislature as this bill) and any additional costs
10 authorized pursuant to that section; provided that all such payments
11 from the General Fund shall be subject to and dependent upon
12 appropriations being made from time to time by the Legislature for
13 those purposes, and provided further that all payments shall be used
14 only to pay for the costs of the Atlantic City convention center
15 project and the costs of financing such project.

16
17 24. (New section) The State Treasurer and the convention
18 authority are authorized to enter into one or more contracts to
19 implement the payment arrangement provided for in section 23 of
20 P.L. , c. (C.)(pending before the Legislature as this bill). The
21 contract shall provide for payment by the State Treasurer of the
22 amounts required pursuant to section 23 of P.L. , c. (C.)
23 (pending before the Legislature as this bill) and shall set forth the
24 procedure for the transfer of money for the purpose of that payment.
25 The contract shall contain terms and conditions as determined by
26 the parties and shall, where appropriate, contain terms and
27 conditions necessary and desirable to secure any bonds or refunding
28 bonds of the convention authority issued or incurred pursuant to
29 P.L. , c. (C.)(pending before the Legislature as this bill)
30 provided that notwithstanding any other provision of law or
31 regulation of the convention authority to the contrary, the
32 convention authority shall be paid only such funds as shall be
33 determined by the contract, and the incurrence of any obligation of
34 the State under the contract, including any payments to be made
35 thereunder from the General Fund, shall be subject to and
36 dependent upon appropriations being made from time to time by the
37 Legislature for the purposes of P.L. , c. (C.)(pending before
38 the Legislature as this bill).

39
40 25. (New section) a. Luxury tax revenues paid to the
41 convention authority by the State Treasurer pursuant to paragraph 6
42 of subsection f. of P.L.1971, c.137 (C.5:10-6) and section 14 of
43 P.L.1991, c.375 (C.5:10-14.4) shall be deposited by the convention
44 authority in a separate fund or account and applied to the following
45 purposes and in the following order:

46 (1) To pay the principal, sinking fund installments and
47 redemption premiums of and interest on any bonds or notes of the
48 convention authority, including bonds or notes of the convention
49 authority issued for the purpose of refunding bonds or notes, issued

1 for purposes of (a) the initial acquisition of the existing properties
2 which constitute part of the Atlantic City convention center project,
3 if the bonds or notes shall be payable under the terms of the
4 resolution of the convention authority relating thereto from luxury
5 tax revenues; or (b) providing improvements, additions or
6 replacements to the Atlantic City convention center project, if the
7 bonds or notes shall be payable under the terms of the resolution of
8 the convention authority relating thereto from luxury tax revenues;
9 and to pay any amounts due from the convention authority under
10 any credit agreement entered into by the convention authority in
11 connection with the bonds or notes.

12 (2) To pay the costs of operation and maintenance of the Atlantic
13 City convention center project.

14 (3) To establish and maintain a working capital and maintenance
15 reserve fund for the Atlantic City convention center project in an
16 amount as shall be determined by the convention authority to be
17 necessary.

18 (4) To promote and market the city of Atlantic City.

19 (5) For such other uses as shall be approved in convention
20 authority bond resolutions approved after the date of enactment of
21 P.L. , c. (C.) (pending before the Legislature as this bill) or as
22 may otherwise be provided by law.

23 (6) To pay the debt service for such other capital projects or for
24 improvements to those capital projects within Atlantic City, such as
25 expansions, renovations and amenities undertaken by the Atlantic
26 City Convention and Visitors Authority, including, but not limited
27 to, the Boardwalk Hall, or new parking facilities.

28 (7) To repay to the State those amounts paid by the State with
29 respect to bonds or notes of the convention authority issued for the
30 purposes of the Atlantic City convention center project.

31 The balance of any luxury tax revenues not required for any of
32 the foregoing purposes and remaining at the end of any calendar
33 year shall be paid to the State Treasurer for application to
34 authorized purposes in the city of Atlantic City pursuant to section
35 5 of P.L.1981, c.461 (C.40:48-8.30a).

36 b. The convention authority may pledge the luxury tax
37 revenues paid to it in accordance with the provisions of paragraph 6
38 of subsection f. of P.L.1971, c.137 (C.5:10-6) and section 14 of
39 P.L.1991, c.375 (C.5:10-14.4) as security for the payment of the
40 principal of and interest or premium on its bonds or notes issued for
41 the purposes set forth in subsection a. of this section, in the same
42 manner, to the same extent and with the same effect as the pledge of
43 any of its other revenues, receipts and funds authorized by P.L. ,
44 c. (C.) (pending before the Legislature as this bill).

45
46 26. Section 16 of P.L.1981, c.459 (C.52:27H-44) is amended to
47 read as follows:

48 16. On or before the last day of the third month following the
49 close of each fiscal year, the convention authority shall **[make]**

1 submit an annual report of its activities for the preceding fiscal year
2 to the Governor [.] and the Legislature [, and the New Jersey
3 Sports and Exposition Authority] as pursuant to section 2 of
4 P.L.1991, c.164 (C.52:14-19.1). The report shall set forth a
5 complete operating and financial statement covering its operations
6 during the year. The [director] president shall audit the books and
7 accounts of the convention authority for each fiscal year, and a copy
8 of that audit shall be filed with the Governor [.] and the Legislature
9 [, and the New Jersey Sports and Exposition Authority] as
10 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).
11 (cf: P.L.1991, c.375, s.11)

12

13 27. (New section) Not later than 12:01 PM of the day following
14 the day on which the transfer of ownership of the Atlantic City
15 convention center project from the New Jersey Sports and
16 Exposition Authority to the Atlantic City Convention and Visitors
17 Authority authorized under section 6 of P.L.1971, c.137 (C.5:10-6)
18 is completed, the President of the New Jersey Sports and Exposition
19 Authority shall certify in writing, to the Governor, the Secretary of
20 State, the President of the Senate and the Speaker of the General
21 Assembly, that such transfer has been completed.

22

23 28. Section 13 of P.L.1981, c.459 (C.52:27H-41) is repealed.

24

25 29. This act shall take effect immediately.

26

27

28

STATEMENT

29

30 This bill authorizes the transfer of the Atlantic City convention
31 center project, consisting of the historic boardwalk convention hall
32 and the new Atlantic City Convention Center, from the New Jersey
33 Sports and Exposition Authority to the Atlantic City Convention
34 and Visitors Authority (the "convention authority") established
35 pursuant to P.L.1981, c.459 (C.52:27H-29 et seq.).

36 Currently, the convention center project is operated by the
37 convention authority under a contract with the New Jersey Sports
38 and Exposition Authority. Upon transfer of the convention center
39 project to the convention authority pursuant to this bill, all
40 functions, powers and duties with regard to the convention center
41 project would thereafter be exercised by the convention authority.

42 This bill also empowers the convention authority to issue bonds
43 or notes for the general purposes of the authority including, but not
44 limited to, the replacement of certain State contract bonds of the
45 New Jersey Sports and Exposition Authority which were issued to
46 finance or refinance the convention center project. Under current
47 law, the convention authority does not have the power to issue
48 bonds or notes. It is not anticipated that any bonds will be issued to

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1 effectuate the transfer of the convention center project, but the
2 authority will need to have the power to issue such bonds pursuant
3 to certain existing lease arrangements pertaining to the convention
4 center project.

5 The bill also provides for the renaming of the convention
6 authority from the Atlantic City Convention Center Authority to the
7 Atlantic City Convention and Visitors Authority.

SENATE WAGERING, TOURISM AND HISTORIC
PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1393

STATE OF NEW JERSEY

DATED: MARCH 10, 2008

The Senate Wagering, Tourism & Historic Preservation Committee reports favorably Senate Bill No. 1393.

This bill authorizes the transfer of the Atlantic City convention center project, consisting of the historic boardwalk convention hall and the new Atlantic City Convention Center, from the New Jersey Sports and Exposition Authority to the Atlantic City Convention and Visitors Authority (the "convention authority") established pursuant to P.L.1981, c.459 (C.52:27H-29 et seq.).

Currently, the convention center project is operated by the convention authority under a contract with the New Jersey Sports and Exposition Authority. Upon transfer of the convention center project to the convention authority pursuant to this bill, all functions, powers and duties with regard to the convention center project would thereafter be exercised by the convention authority.

This bill also empowers the convention authority to issue bonds or notes for the general purposes of the authority including, but not limited to, the replacement of certain State contract bonds of the New Jersey Sports and Exposition Authority which were issued to finance or refinance the convention center project. Under current law, the convention authority does not have the power to issue bonds or notes. It is not anticipated that any bonds will be issued to effectuate the transfer of the convention center project, but the authority will need to have the power to issue such bonds pursuant to certain existing lease arrangements pertaining to the convention center project.

The bill also provides for the renaming of the convention authority from the Atlantic City Convention Center Authority to the Atlantic City Convention and Visitors Authority.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1393

STATE OF NEW JERSEY

DATED: JUNE 16, 2008

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1393.

The bill authorizes the transfer of the Atlantic City convention center project, consisting of the historic boardwalk convention hall and the new Atlantic City Convention Center, from the New Jersey Sports and Exposition Authority (NJSEA) to the Atlantic City Convention and Visitors Authority (the "convention authority") established pursuant to P.L.1981, c.459 (C.52:27H-29 et seq.).

Currently, the convention center project is operated by the convention authority under a contract with the NJSEA. The bill provides that, as soon as practicable after its enactment, and subject to the provisions of the bond resolution under which bonds of the NJSEA were issued to finance the project's construction, the ownership and management of the project shall be transferred from the NJSEA to the convention authority. Thereafter, all functions, powers and duties with regard to the convention center project would be exercised by the convention authority.

The bill empowers the convention authority, subject to the written approval of the State Treasurer, to issue bonds or notes for the general purposes of the authority including, but not limited to, the replacement of certain State contract bonds of the NJSEA that were issued to finance or refinance the convention center project. Under current law, the convention authority does not have the power to issue bonds or notes.

The bill directs the NJSEA to seek any approval or consent of bondholders and other creditors, lessees, and other stakeholders that may be required to permit the State Treasurer to limit the remittance of Atlantic City luxury tax revenue to the NJSEA to the amount required to fund (i) debt service on NJSEA bonds covered by the bond resolution previously mentioned, and (ii) reserves required to be maintained under that resolution. The remaining revenue from the tax would be remitted to the convention authority to pay debt service on any bonds that it issues, to pay costs incurred in the operation and maintenance of the project, and for other purposes.

The also provides for the renaming of the convention authority from the Atlantic City Convention Center Authority to the Atlantic City Convention and Visitors Authority.

The bill is identical to the Assembly Committee Substitute to Assembly Bill No. 2011.

FISCAL IMPACT:

The Atlantic City Convention Center project includes the convention center itself and the Historic Boardwalk Hall and its West Hall expansion. These facilities generate revenue from rents, parking fees, concession fees, charges for convention- and trade show-related services, and admission charges. These facilities usually run an operating deficit; in 2006 (the most recent year for which data is available), operating expenses (\$30.9 million) exceeded revenue (\$19 million) by almost \$12 million.

The NJSEA has financed the construction and renovation of the Convention Center project by issuing bonds. Four such bonds are presently outstanding; as of 2006, the total principal of these bonds amounted to roughly \$348 million. Debt service on these bonds is payable from two sources: (1) revenue from the Atlantic City Luxury Tax, and (2) General Fund appropriations. (NJSEA is authorized to enter into contracts with the State Treasurer to receive payment from the General Fund of amounts necessary to fund debt service on its Convention Center-related bonds, subject to Legislative appropriation.) In State FY2007, the revenue from the luxury tax amounted to \$28.3 million, while the State appropriation to the NJSEA's Atlantic City projects was \$15.4 million. Together, these moneys funded the Convention Center's \$12 million operating deficit and payments of \$12.2 million in debt service on two NJSEA bonds issued under a bond resolution secured by luxury tax revenue; they also funded debt service on the remaining bonds covered by State contract commitments.

This bill would not directly affect the amount of any costs or revenues related to the operation of the Convention Center project, nor would it affect the amount of the principal of or debt service on the bonds issued to finance construction and renovation of the project, or the amount of the State's subsidy of that debt service. Rather, subject to the consent of the holders of NJSEA Convention Center bonds, the ownership of the Convention Center assets (valued at \$335.3 million as of December 31, 2006) would be transferred from the balance sheet of the NJSEA to that of the convention authority. Likewise, the expenditures connected with the operation of the project would become expenditures of the latter authority and, as the Convention Center bonds of the NJSEA are paid or defeased, the amounts of luxury tax revenue no longer needed for debt service on those bonds, and therefore available for use of the convention authority, will increase.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1393
STATE OF NEW JERSEY
213th LEGISLATURE

DATED: JULY 15, 2008

SUMMARY

- Synopsis:** Authorizes transfer of the Atlantic City Convention Center project to the Atlantic City Convention and Visitors Authority and renames that authority.
- Type of Impact:** Transfer of assets and liabilities; transfer of receipts from Atlantic City Luxury Tax
- Agencies Affected:** NJ Sports and Exposition Authority; Atlantic City Convention and Visitors Authority

Office of Legislative Services Estimate

| Fiscal Impact | <u>Years 1 through 3</u> |
|----------------------|---------------------------------|
| State Cost | No impact – See comments below |

- The bill provides that, subject to the consent of the holders of New Jersey Sports and Exposition Authority Convention Center bonds, ownership of the Atlantic City Convention Center project (valued at \$335.3 million as of December 31, 2006) would be transferred from the New Jersey Sports and Exposition Authority to the Atlantic City Convention and Visitors Authority.
- Implementation of the legislation would have no impact on State revenues or expenditures.

BILL DESCRIPTION

Senate Bill No. 1393 of 2008 would authorize the transfer of the Atlantic City convention center project from the New Jersey Sports and Exposition Authority (“NJSEA”) to the Atlantic City Convention and Visitors Authority (the "convention authority") established under P.L.1981, c.459 (C.52:27H-29 et seq.).

Currently, the convention center project is operated by the convention authority under a contract with the NJSEA. The bill provides that, as soon as practicable after its enactment, and subject to the provisions of the bond resolution under which bonds of the NJSEA were issued to finance the project’s construction, the ownership and management of the project shall be transferred from the NJSEA to the convention authority. Thereafter, all functions, powers and

duties with regard to the convention center project would be exercised by the convention authority.

The bill empowers the convention authority, subject to the written approval of the State Treasurer, to issue bonds or notes for the general purposes of the authority including, but not limited to, the replacement of certain State contract bonds of the NJSEA that were issued to finance or refinance the convention center project. Under current law, the convention authority does not have the power to issue bonds or notes.

The bill directs the NJSEA to seek any approval or consent of bondholders and other creditors, lessees, and other stakeholders that may be required to permit the State Treasurer to limit the remittance of Atlantic City luxury tax revenue to the NJSEA to the amount required to fund (i) debt service on NJSEA bonds covered by the bond resolution previously mentioned, and (ii) reserves required to be maintained under that resolution. The remaining revenue from the tax would be remitted to the convention authority to pay debt service on any bonds that it issues, to pay costs incurred in the operation and maintenance of the project, and for other purposes.

The bill also provides for the renaming of the convention authority from the Atlantic City Convention Center Authority to the Atlantic City Convention and Visitors Authority.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Atlantic City Convention Center project includes:

- The convention center itself, comprising almost 500,000 sq. ft. of exhibition space, 45 meeting rooms, and a 1,500-space parking garage. These facilities generate revenue from rents, parking fees, concession fees, and charges for convention- and trade show-related services; and
- Historic Boardwalk Hall and its West Hall expansion, which serve as an events center hosting concerts, family shows, and sports events. These facilities generate revenue from admission charges.

These facilities usually run an operating deficit; in 2006 (the most recent year for which data is available), operating expenses (\$30.9 million) exceeded revenue (\$19 million) by almost \$12 million.

As noted above, the NJSEA has financed the construction and renovation of the Convention Center project by issuing bonds. Four such bonds are presently outstanding; as of 2006, the total principal of these bonds amounted to roughly \$348 million. Debt service on these bonds is payable from two sources: (1) revenue from the Atlantic City Luxury Tax, which is imposed within the City on hotel room occupancy, cover charges, alcoholic beverage sales, and admissions charges; and (2) General Fund appropriations. (As with bonds issued to finance its other projects, such as the Meadowlands racetrack and the football stadium, the NJSEA is authorized to enter into contracts with the State Treasurer to receive payment from the General Fund of amounts necessary to fund debt service on its Convention Center-related bonds, subject to Legislative appropriation.) In State FY2007, the revenue from the luxury tax amounted to \$28.3 million, while the State appropriation to the NJSEA's Atlantic City projects was \$15.4 million. Together, these moneys funded the Convention Center's \$12 million operating deficit

and payments of \$12.2 million in debt service on two NJSEA bonds issued under a bond resolution secured by luxury tax revenue; they also funded debt service on the remaining bonds covered by State contract commitments.

This legislation would not directly affect the amount of any costs or revenues related to the operation of the Convention Center project, nor would it affect the amount of the principal of or debt service on the bonds issued to finance construction and renovation of the project, or the amount of the State's subsidy of that debt service. Rather, subject to the consent of the holders of NJSEA Convention Center bonds, the ownership of the Convention Center assets (valued at \$335.3 million as of December 31, 2006) would be transferred from the balance sheet of the NJSEA to that of the convention authority. Likewise, the expenditures connected with the operation of the project would become expenditures of the latter authority and, as the Convention Center bonds of the NJSEA are paid or defeased, the amounts of luxury tax revenue no longer needed for debt service on those bonds, and therefore available for use of the convention authority, will increase.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Donald S. Margeson
Section Chief*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C. 52:13B-1 et seq.).



Governor

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Center Project

JON S. CORZINE
Governor

For Kids

Immediate Release:

Date: July 18, 2008

For More Information:

Sean Darcy
Jim Gardner

Phone: 609-777-2600

Governor Signs Legislation Transferring Atlantic City Convention Center Project

Atlantic City – Governor Jon S. Corzine today signed legislation moving the Atlantic City Convention Center project from the auspices of New Jersey Sports & Exposition Authority to the control of the Atlantic City Convention and Visitors' Authority.

"I am gratified to sign this bill today so that both the Sports & Exposition Authority and the Atlantic City Convention & Visitors' Authority can do what they do best: maintain and govern their own destinations in different parts of the state," said Governor Corzine.

"This bill is a significant step in the growth and economic vitality of Atlantic City. Over the next decade, some \$15 billion in development investments are expected to transform Atlantic City into a global resort destination. Incorporating the Convention Center and Boardwalk Hall is critical to that resurgence."

The Atlantic City Convention Center project includes the convention center, which is comprised of approximately 500,000 sq. ft. of exhibition space, 45 meeting rooms, and a 1,500-space parking garage as well as the historic Boardwalk Hall and its West Hall expansion, which hosts family shows, concerts and sporting events.

"The Convention Center is an important part of the continued growth of Atlantic City as a world-class tourism and convention destination. We're strengthening the Visitors Authority and its ability to maximize the economic potential of greater Atlantic City regional," added Senator Jim Whelan, (D-Atlantic).

"This will streamline the operations of the Convention Center," said Senator Paul A. Sarlo, (D-Bergen, Essex and Passaic). "The transfer will allow Atlantic City to maximize the use of the Convention Center while freeing up the Sports Authority to focus on the other facilities it owns."

"Turning Atlantic City into the premier gaming and resort destination we know it can be requires the state to step back and put control of the Convention Center and Boardwalk Hall into local hands," said Assemblyman John J. Burzichelli (D-Gloucester). "With the Atlantic City Convention and Visitors Authority operating the resort's major event halls, decisions that directly impact the regional economy will be made by people who best know the region."

Both facilities generate revenues through either admission charges in the case of Boardwalk Hall or rents, parking fees, concessions and convention and trade-show related services at the Convention Center.

According to Jeffrey Vasser, executive director of the Atlantic City Convention & Visitors Authority, "The signing of this legislation not only separates us from the New Jersey Sports and Exposition Authority, it reflects the maturing of Atlantic City as a destination and the ACCVA as a destination marketing organization. It provides greater efficiency, cost savings, and enables us to better market the Atlantic City region to visitors and convention planners."

Sponsors of A2011/S1393 were Assemblyman John J. Burzichelli (D-Salem, Cumberland, Gloucester); Senator Paul A. Sarlo (D-Bergen, Essex, Passaic) and Senator Jim Whelan (D-Atlantic).

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Office of the Governor

PO Box 001

Trenton, NJ 08625

609-292-6000