

CHAPTER 47
(CORRECTED COPY)

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

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

C.52:27H-31.1 Short title.

1. Sections 1 and 2, sections 12 through 19, sections 21 through 25, and section 27 of P.L.2008, c.47 (C.52:27H-31.1 et al.) shall be known and may be cited as the "Atlantic City Convention Center Transfer Act."

C.52:27H-31.2 Definitions used in C.52:27H-29 et seq.

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

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

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

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

(b) As used in P.L.2008, c.47 (C.52:27H-31.1 et al.), "Luxury Tax Bond Resolution" shall mean the authority's Convention Center Luxury Tax Bond Resolution adopted on October 28, 1992, as amended and supplemented.

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

C.5:10-6 Authority projects.

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

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

related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof.

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

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

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

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

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

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

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

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

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

(8) To establish, develop, acquire, construct, reconstruct, improve and otherwise effectuate for transfer to, and for use and operation by, Rutgers, the State University, either directly or indirectly through lessees, licensees or agents, facilities located or to be located on property owned, leased, or otherwise used by Rutgers, the State University, consisting of an upgraded and expanded football stadium and a new track and field, soccer and lacrosse facility and the buildings, structures, properties and appurtenances related thereto, or

incidental to, necessary for, or complementary to the football stadium and track and field, soccer and lacrosse facility, such facilities to include driveways, access roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and equipment, furnishings and all other structures and appurtenances related or incidental to, necessary for, or complementary to the purposes of those facilities; provided however that construction shall not begin on the expansion of the seating capacity of Rutgers Stadium until the Commissioner of Transportation certifies that all funding necessary to complete the Route 18 project in Piscataway Township has been appropriated and construction has begun on the Route 18 project in Piscataway Township under the Department of Transportation's capital program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

consent of the municipality or municipalities in which the projects are to be located, consisting of football training facilities that are comparable in quality to National Football League professional football training facilities and the buildings, structures, facilities, uses, properties and appurtenances related thereto, or identical to, necessary for, or complementary to those National Football League-quality professional football league training facilities, such projects to include driveways, roads, approaches, parking areas, parks, recreation areas, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of such projects or any facility thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

f. Revenues, moneys or other funds, if any, including earned interest, derived from the operation, ownership or leasing of the Atlantic City convention center project shall be applied to the costs of operating, maintaining and promoting the Atlantic City convention center project and to the other purposes set forth in paragraphs (1) through (5) of this subsection, except as provided in paragraph (6) of this subsection.

Subject to paragraph (6) of this subsection, luxury tax revenues paid to the authority by the State Treasurer pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4), including earned

interest, shall be deposited by the authority in a separate fund or account and applied to the following purposes and in the following order:

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

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

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

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

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

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

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

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

the luxury tax revenues held by the State Treasurer in such fund, including interest thereon, to the Atlantic City Convention and Visitors Authority to be applied as provided in section 25 of P.L.2008, c.47 (C.52:27H-41.13) subject, however, to the lien of the Luxury Tax Bond Resolution, until all bonds, notes, and other obligations, including any credit agreement, of the authority issued and outstanding or entered into pursuant to the Luxury Tax Bond Resolution have been paid or defeased in full.

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

(iii) to implement any other provisions of P.L.2008, c.47 (C.52:27H-31.1 et al.).

(b) Upon obtaining such consents, approvals, waivers or non-objections or upon the reasonable determination by the authority or the State Treasurer that such consents, approvals or non-objections have been obtained, are unnecessary or that the absence of such consents, approvals or non-objections shall not result in a material default, the State Treasurer shall thereafter remit to the authority from the fund only those monies required to satisfy the obligations of subparagraphs (a)(i)(A) and (a)(i)(B) of this paragraph; the balance of the luxury tax revenues held by the State Treasurer in such fund, including interest thereon, shall be paid promptly to the Atlantic City Convention and Visitors Authority to be applied as provided in section 25 of P.L.2008, c.47 (C.52:27H-41.13), subject, however, to the lien of the Luxury Tax Bond Resolution until all bonds, notes, and other obligations, including any credit agreement, of the authority issued and outstanding or entered into pursuant to the Luxury Tax Bond Resolution have been paid or defeased in full.

(c) When all bonds, notes, or other obligations, including any credit agreement, of the authority issued and outstanding or entered into pursuant to the Luxury Tax Bond Resolution have been paid or defeased in full, any amounts received by the authority from the funds and accounts held under the Luxury Tax Bond Resolution shall forthwith be transferred to the Atlantic City Convention and Visitors Authority to be applied as provided in section 25 of P.L.2008, c.47 (C.52:27H-41.13).

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

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

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

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

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

(4) to establish and maintain a working capital and maintenance reserve for the Wildwood convention center facility.

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

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

C.5:10-14.4 Luxury tax revenues.

14. Notwithstanding the provisions of P.L.1947, c.71 (C.40:48-8.15 et seq.), in the event that the convention hall or halls or convention center project, including the site of a convention hall or convention center project to be constructed, located in any municipality which levies a luxury tax pursuant to such law, shall be purchased, leased or otherwise acquired by the New Jersey Sports and Exposition Authority and for so long as the New Jersey Sports and Exposition Authority or the Atlantic City Convention and Visitors Authority shall be the owner or be responsible for supervision of the operation of the convention hall or halls or convention center project, and, in any event, for so long as any bonds or notes issued by the New Jersey Sports and Exposition Authority for the Atlantic City convention center project, or other obligations or financing arrangements entered into or issued by the New Jersey Sports and Exposition Authority in connection with the Atlantic City convention center project, which are payable from, or secured by such luxury taxes, or required to be paid from luxury tax revenues of the municipality remain outstanding:

a. Luxury tax revenues on deposit in the luxury tax fund created pursuant to section 5 of P.L.1979, c.273 (C.40:48-8.30), shall be remitted promptly during each year, commencing with the year in which P.L.1991, c.375 is enacted, by the State Treasurer from the luxury tax fund to the New Jersey Sports and Exposition Authority or the Atlantic City Convention and Visitors Authority or both, as the case may be, in accordance with the provisions of subsection f. of section 6 of P.L.1971, c.137 (C.5:10-6).

b. No further bonds or other obligations, other than refunding bonds, shall be issued and no lease shall be entered into, by any public body other than the Atlantic City Convention and Visitors Authority, the payment of which is to be made from or secured by the luxury tax revenues of the municipality.

c. Luxury tax revenues of the municipality which are in excess of the requirements with respect thereto of, first, the obligations of the New Jersey Sports and Exposition Authority under the bonds, notes, leases, or other financing documents, assignments, agreements or arrangements issued or entered into to finance or refinance, in whole or in part, or incurred in connection with, the Atlantic City convention center project, and thereafter, of the Atlantic City Convention and Visitors Authority, as the case may be, relating to the convention center project shall be applied to the purposes set forth in, or in accordance with, the provisions of section 25 of P.L.2008, c.47 (C.52:27H-41.13), as appropriate.

d. If the luxury tax of the municipality, including any increase thereof adopted by the municipality after the enactment of P.L.1991, c.375 (C.5:10-14.3 et al.), shall be pledged to the payment of the bonds, notes, leases, or other financing documents, assignments, agreements or arrangements issued or entered into by the New Jersey Sports and Exposition Authority or the Atlantic City Convention and Visitors Authority to finance or refinance, in whole or in part, or incurred by the New Jersey Sports and Exposition Authority or the Atlantic City Convention and Visitors Authority in connection with, the Atlantic City

convention center project, the municipality shall not repeal the luxury tax, nor reduce the rate of the tax, nor eliminate from taxation any retail sales that are subject to the tax on the date of enactment of P.L.1991, c.375 (C.5:10-14.3 et al.), so long as such bonds, notes, leases, or other financing documents, assignments, agreements or arrangements shall remain outstanding.

e. As soon as practicable, and to the extent permitted by the terms of the Luxury Tax Bond Resolution and the bonds, notes, leases, or other financing documents, assignments, agreements or arrangements issued to finance, or entered into to finance or refinance, in whole or in part, or incurred in connection with, the Atlantic City convention center project, and subject to the diligence and reasonable determination provisions of subsection f. of section 6 of P.L.1971, c.137 (C.5:10-6), the New Jersey Sports and Exposition Authority shall transfer its ownership interest or other rights in the Atlantic City convention center project to the Atlantic City Convention and Visitors Authority, and cease any supervision of the Atlantic City Convention and Visitors Authority. Upon such transfer, (i) the Atlantic City Convention and Visitors Authority shall assume all of the powers, rights, assets and duties of the authority with respect to the Atlantic City convention center project to the extent provided by P.L.2008, c.47 (C.52:27H-31.1 et al.), and such powers shall then and thereafter be vested in and shall be exercised by the Atlantic City Convention and Visitors Authority, and (ii) all debts, liabilities, obligations and contracts of the authority with respect to the Atlantic City convention center project, other than any bonds, notes, or other obligations, including any credit agreement, of the authority issued and outstanding, or then in effect, on the date of such transfer under the Luxury Tax Bond Resolution, are imposed upon the Atlantic City Convention and Visitors Authority, and all creditors of the authority and persons having claims against or contracts with the authority of any kind or character relating to the Atlantic City convention center project may enforce those debts, claims and contracts against the Atlantic City Convention and Visitors Authority as successor to the authority in the same manner as they might have had against the authority, and the rights and remedies of those holders, creditors and persons having claims against or contracts with the authority relating to the Atlantic City convention center project shall not be limited or restricted in any manner by P.L.2008, c.47 (C.52:27H-31.1 et al.). All expenses incurred in carrying out the transfer of the Atlantic City convention center project from the authority to the Atlantic City Convention and Visitors Authority pursuant to the provisions of P.L.2008, c.47 (C.52:27H-31.1 et al.), including expenses incurred to obtain any required consents, approvals, waivers or non-objections as described in subsection f. of section 6 of P.L.1971, c.137 (C.5:10-6), shall be payable solely from luxury tax revenues and other amounts held under the Luxury Tax Bond Resolution to the extent available to pay such expenses.

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

C.52:27H-29 Findings, declarations.

1. The Legislature finds that the tourist, resort and convention industry of Atlantic City has traditionally made an important contribution to the economic vitality of this State; that the recent revitalization of that industry as a result of the authorization of casino gaming in Atlantic City has resulted in significant economic benefits not only to the residents of the city and its immediate environs, but to all of the residents of the State in the form of increased business and employment opportunities and augmented State and local revenues; and that the future growth of this industry will depend in part upon the provision and

operation of an attractive convention center in Atlantic City or the promotion and marketing of the city of Atlantic City and the provision of an adequate mechanism whereby the interests and efforts of the State, the city and the private sector may be effectively coordinated and the financial soundness of a convention center assured.

To this end, the Legislature declares the establishment of an authority having the requisite power to own, lease, promote, operate, maintain, transfer and sell a convention center project in Atlantic City and to promote and market the city of Atlantic City to be in the public interest of the citizens of this State.

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

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

C.52:27H-30 Short title.

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

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

C.52:27H-31 "Atlantic City Convention and Visitors Authority."

3. There is created a public body corporate and politic, with corporate succession, to be known as the "Atlantic City Convention and Visitors Authority." The authority is constituted as an instrumentality of the State exercising public and essential governmental functions, and the exercise by the authority of the powers conferred by this act shall be an essential government function of the State. For the purposes of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the authority is allocated within the Department of the Treasury, but, notwithstanding the allocation, the authority shall be independent of any supervision or control by the department or any officer or employee thereof.

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

C.52:27H-32 Membership; appointment.

4. a. The authority shall consist of seven members as follows:

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

(2) The Treasurer of the State of New Jersey, who shall be an ex officio member.

b. Vacancies in the membership of the authority shall be filled in the same manner as prescribed by law for the original appointment, but for the unexpired term only.

c. No more than four members of the authority shall be affiliated with the same political party. The public members of the authority shall serve for a term of five years and until a successor shall have been appointed and qualified; except that of the public members first appointed pursuant to the provisions of P.L.1991, c.375, the Governor shall designate upon

appointment: two members for a term of five years, one for a term of four years, one for a term of three years, one for a term of two years and one for a term of one year.

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

C.52:27H-34 Quorum; officers; president.

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

b. The chairman of the authority shall be appointed by the Governor, and the authority shall designate one of its members to serve as the vice-chairman. The authority shall appoint a president who shall serve as its chief operating officer. The president shall serve at the pleasure of the authority and shall be a person qualified by training and experience to perform the duties of the president's office, as those duties shall be prescribed by the bylaws of the authority.

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

C.52:27H-37 Authority's powers relative to convention center project.

9. The authority shall have the power to acquire, own, lease, operate, maintain, transfer and sell the convention center project in the city of Atlantic City and to promote and market the city of Atlantic City in such manner as it shall determine to be in furtherance of the purposes of P.L.1981, c.459 (C.52:27H-29 et seq.).

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

C.52:27H-40 Additional powers.

12. In addition to the powers granted to the authority in P.L.1981, c.459 (C.52:27H-29 et seq.), the authority may:

a. Make and alter bylaws for its organization and internal management and make rules and regulations with respect to its operations;

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

c. Sue and be sued in its own name;

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

e. Enter into agreements or other transactions with and accept grants and the cooperation of the United States or any agency thereof or any State or local agency in furtherance of the

purposes of P.L.1981, c.459 (C.52:27H-29 et seq.), and do anything necessary in order to avail itself of this aid and cooperation;

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

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

h. Appoint such officers, employees, and agents as it may require for the performance of its duties, and fix their compensation, promote and discharge them, all without regard to the provisions of Title 11A of the New Jersey Statutes;

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

j. Invest moneys of the authority not required for immediate use in those obligations, securities and other investments as the authority shall deem prudent;

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

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

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

n. Advertise and promote the tourist, resort, convention and casino gaming industries of the city of Atlantic City and for these purposes establish funds, adopt and collect fees and other charges and make expenditures consistent with the provisions of any contract for the operation of the convention center project; and

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

C.52:27H-41.1 Power of authority relative to issuance of bonds, notes.

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

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

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

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

e. Bonds or notes may be issued under the provisions of P.L.2008, c.47 (C.52:27H-31.1 et al.) without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or other things than those proceedings, conditions or things which are specifically required by the provisions of P.L.2008, c.47 (C.52:27H-31.1 et al.).

f. Bonds and notes of the authority issued under the provisions of P.L.2008, c.47 (C.52:27H-31.1 et al.) shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision but all such bonds and notes, unless funded or refunded by bonds or notes of the authority, shall be payable solely from revenues or funds pledged or available for their payment as authorized in P.L.2008, c.47 (C.52:27H-31.1 et al.). Each bond and note shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof or the interest thereon only from revenues, receipts or funds pledged or available for their payment as authorized in P.L.2008, c.47 (C.52:27H-31.1 et al.) and that neither the State nor any political subdivision thereof is obligated to pay such principal or interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds or notes.

C.52:27H-41.2 Covenants, contracts between authority, holders of bonds, notes.

13. In any resolution of the authority authorizing or relating to the issuance of any bonds or notes, the authority, in order to secure the payment of such bonds or notes and in addition to its other powers, shall have power by provisions therein which shall constitute covenants by the authority and contracts with the holders of such bonds or notes to:

a. Secure the bonds or notes as provided in section 24 of P.L.2008, c.47 (C.52:27H-41.12);

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

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

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

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

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

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

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

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

j. Covenant as to the fixing and collection of rents, fees, rates and other charges, the amount to be raised each year or other period of time by rents, fees, rates and other charges, and as to the use and disposition to be made thereof;

k. Covenant to create or authorize the creation of special funds or monies to be held in pledge or otherwise for construction, operating expenses, payment or redemption of bonds or notes, reserves or other purposes and as to the use, investment, and disposition of the monies held in such funds;

l. Establish the procedure, if any, by which the terms of any contract or covenant with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which such consent may be given;

m. Covenant as to the construction, improvement, operation or maintenance of any project and its other real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance monies;

n. Provide for the release of property, leases or other agreements, or revenues and receipts from any pledge or mortgage and to reserve rights and powers in, or the right to dispose of, property which is subject to a pledge or mortgage;

o. Provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation and to prescribe the events of default and the terms and conditions upon which any or all of the bonds, notes or other obligations of the authority shall become or may be declared due and payable before maturity and the terms and conditions upon which any such declaration and its consequences may be waived;

p. Vest in a trustee or trustees within or without the State such property, rights, powers and duties in trust as the authority may determine, including the right to foreclose any mortgage, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds or notes pursuant to P.L.2008, c.47 (C.52:27H-31.1 et al.) and to limit or abrogate the right of the holders of any bonds or notes of the authority to appoint a trustee under P.L.2008, c.47 (C.52:27H-31.1 et al.) and to limit the rights, duties and powers of such trustee;

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

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

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

t. Make covenants other than, or in addition to, the covenants herein expressly authorized by P.L.2008, c.47 (C.52:27H-31.1 et al.), of like or different character, and to make such covenants to do or refrain from doing such acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or notes or which, in the absolute discretion of the authority, will tend to make bonds or notes more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein.

C.52:27H-41.3 Pledge by authority valid, binding.

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

C.52:27H-41.4 Establishment of reserves, funds, accounts.

15. The authority may establish such reserves, funds or accounts as may be, in its discretion, necessary or desirable to further the accomplishment of the purposes of the authority or to comply with the provisions of any agreement made by or any resolution of the authority.

C.52:27H-41.5 Covenant between State, holders of bonds, notes.

16. The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds or notes issued pursuant to P.L.2008, c.47 (C.52:27H-31.1 et al.) that the State will not limit or alter the rights or powers hereby vested in the authority to acquire, construct, maintain, improve, renovate, preserve, repair and operate the Atlantic City convention center project in any way that would jeopardize the interest of such holders, or to perform and fulfill the terms of any agreement made with the holders of such bonds or notes, or to fix, establish, charge and collect such rents, fees, rates, payments or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of the authority and fulfill the terms of any agreement made with the holders of such bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, until the bonds and notes, together with interest thereon, are fully met and discharged or provided for.

C.52:27H-41.6 Immunity from liability.

17. Neither the members of the authority nor any person executing bonds or notes issued pursuant to P.L.2008, c.47 (C.52:27H-31.1 et al.) shall be liable personally on such bonds or notes by reason of the issuance thereof.

C.52:27H-41.7 Investment permitted.

18. The State and all public officers, governmental units and agencies thereof, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, monies or other funds belonging to them or within their control in any bonds or notes issued pursuant to P.L.2008, c.47 (C.52:27H-31.1 et al.), and such bonds or notes shall be authorized security for any and all public deposits.

C.52:27H-41.8 Proceeds deemed trust funds.

19. All sums of money received pursuant to the authority of P.L.2008, c.47 (C.52:27H-31.1 et al.), whether as proceeds from the sale of bonds or notes or as revenues or receipts, shall be deemed to be trust funds to be held and applied solely as provided in the proceedings under which the bonds or notes are authorized. Any officer with whom or any bank or trust company with which such sums of money shall be deposited as trustee thereof shall hold and apply the same for the purposes thereof, subject to such provisions as P.L.2008, c.47 (C.52:27H-31.1 et al.) and the proceedings authorizing the bonds or the notes of any issue or the trust agreement securing the bonds or notes may provide.

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

C.52:27H-42 Annual budget.

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

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

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

d. No proposed budget required pursuant to this section shall be approved by the authority unless it is in compliance with the terms of any bond resolution or trust agreement relating to the financing of facilities operated by the authority.

C.52:27H-41.9 Powers of convention authority.

21. a. Notwithstanding any other provision of law to the contrary, the convention authority shall have the power to issue bonds and refunding bonds, incur indebtedness and borrow money secured, in whole or in part, by money received pursuant to sections 23 and 25 of P.L.2008, c.47 (C.52:27H-41.11 and C.52:27H-41.13) for the purposes of: (1) replacing contingent State contract bonds; (2) providing funds to meet the payment obligations of the convention authority under the contingent state contract bonds or obligations of the convention authority under any replacements of the contingent State contract bonds; and (3) refunding any outstanding bonds or other obligations of the convention authority issued to finance or refinance any portion of the Atlantic City convention center project. For the purposes of P.L.2008, c.47 (C.52:27H-31.1 et al.), "contingent State contract bonds" means the New Jersey Sports and Exposition Authority State Contract Bond, Series B Standby Deficiency Agreement Series of 2000, State Contract Bond, Equity Termination Value Standby Deficiency Agreement Series of 2000 and State Contract Bond, Swap Payment Standby Deficiency Agreement of 2000.

b. The convention authority shall issue the bonds or refunding bonds in such manner as it shall determine in accordance with the provisions of P.L.2008, c.47 (C.52:27H-31.1 et al.); provided that notwithstanding any other law to the contrary, no resolution adopted by the convention authority authorizing the issuance of bonds or refunding bonds pursuant to this section shall be adopted or otherwise made effective without the approval in writing of the State Treasurer; and refunding bonds issued to refund bonds issued pursuant to this section shall be issued on such terms and conditions as may be determined by the convention authority and the State Treasurer. The convention authority may, in any resolution authorizing the issuance of bonds or refunding bonds issued pursuant to this section, pledge the contract with the State Treasurer provided for pursuant to section 24 of P.L.2008, c.47 (C.52:27H-41.12), or any part thereof, for the payment or redemption of the bonds or refunding bonds, and covenant as to the use and disposition of money available to the convention authority for payment of the bonds and refunding bonds. All costs associated with the issuance of bonds and refunding bonds by the convention authority for the purposes set forth in P.L.2008, c.47 (C.52:27H-31.1 et al.) may be paid by the convention authority from amounts it receives from the proceeds of the bonds or refunding bonds, and from amounts it receives pursuant to sections 23 and 25 of P.L.2008, c.47 (C.52:27H-41.11 and C.52:27H-41.13). The costs may include, but shall not be limited to, any costs relating to the issuance of the bonds or refunding bonds.

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

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

(2) Pledge of the contract or contracts with the State Treasurer authorized pursuant to section 24 of P.L.2008, c.47 (C.52:27H-41.12).

d. The resolution authorizing the issuance of bonds or refunding bonds pursuant to this section may also provide for the convention authority to enter into any revolving credit agreement, agreement establishing a line of credit or letter of credit, reimbursement

agreement, interest rate exchange agreement, currency exchange agreement, interest rate floor or cap, options, puts or calls to hedge payment, currency, rate, spread or similar exposure or similar agreements, float agreements, forward agreements, insurance contracts, surety bonds, commitments to purchase or sell bonds, purchase or sale agreements, or commitments or other contracts or agreements and other security agreements approved by the convention authority in connection with the issuance of the bonds or refunding bonds pursuant to this section. In addition, the convention authority may, in anticipation of the issuance of the bonds or the receipt of appropriations, grants, reimbursements or other funds, issue notes, the principal of or interest on which, or both, shall be payable out of the proceeds of notes, bonds or other obligations of the convention authority or appropriations, grants, reimbursements or other funds or revenues of the convention authority.

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

f. Bonds and refunding bonds issued by the convention authority pursuant to this section shall be special and limited obligations of the convention authority payable from, and secured by, funds and moneys determined by the convention authority in accordance with this section. Neither the members of the convention authority nor any other person executing the bonds or refunding bonds shall be personally liable with respect to payment of interest and principal on these bonds or refunding bonds. Bonds or refunding bonds issued pursuant to this section shall not be a debt or liability of the State or any agency or instrumentality thereof, except as otherwise provided by this subsection, either legal, moral or otherwise, and nothing contained in P.L.2008, c.47 (C.52:27H-31.1 et al.) shall be construed to authorize the convention authority to incur any indebtedness on behalf of or in any way to obligate the State or any political subdivision thereof, and all bonds and refunding bonds issued by the convention authority shall contain a statement to that effect on their face.

C.52:27H-41.10 Pledge, covenant between State, holders of bonds, refunding bonds.

22. The State hereby pledges and covenants with the holders of any bonds or refunding bonds issued pursuant to P.L.2008, c.47 (C.52:27H-31.1 et al.) that it will not limit or alter the rights or powers vested in the convention authority by P.L.2008, c.47 (C.52:27H-31.1 et al.) nor limit or alter the rights or powers of the State Treasurer in any manner which would jeopardize the interest of the holders or any trustee of the holders, or inhibit or prevent performance or fulfillment by the convention authority or the State Treasurer with respect to the terms of any agreement made with the holders of the bonds or refunding bonds or agreements made pursuant to this section; except that the failure of the Legislature to appropriate monies for any purpose of P.L.2008, c.47 (C.52:27H-31.1 et al.) shall not be deemed a violation of this section.

C.52:27H-41.11 Annual payment to convention authority.

23. In each fiscal year, the State Treasurer shall pay from the General Fund to the convention authority, in accordance with a contract between the State Treasurer and the convention authority as authorized pursuant to section 24 of P.L.2008, c.47 (C.52:27H-41.12), an amount equal to the debt service amount due to be paid in the State fiscal year on the bonds or refunding bonds of the convention authority issued or incurred pursuant to

section 12 of P.L.2008, c.47 (C.52:27H-41.1) and any additional costs authorized pursuant to that section; provided that all such payments from the General Fund shall be subject to and dependent upon appropriations being made from time to time by the Legislature for those purposes, and provided further that all payments shall be used only to pay for the costs of the Atlantic City convention center project and the costs of financing such project.

C.52:27H-41.12 Authority to enter into contracts to implement payment arrangement.

24. The State Treasurer and the convention authority are authorized to enter into one or more contracts to implement the payment arrangement provided for in section 23 of P.L.2008, c.47 (C.52:27H-41.11). The contract shall provide for payment by the State Treasurer of the amounts required pursuant to section 23 of P.L.2008, c.47 (C.52:27H-41.11) and shall set forth the procedure for the transfer of money for the purpose of that payment. The contract shall contain terms and conditions as determined by the parties and shall, where appropriate, contain terms and conditions necessary and desirable to secure any bonds or refunding bonds of the convention authority issued or incurred pursuant to P.L.2008, c.47 (C.52:27H-31.1 et al.) provided that notwithstanding any other provision of law or regulation of the convention authority to the contrary, the convention authority shall be paid only such funds as shall be determined by the contract, and the incurrence of any obligation of the State under the contract, including any payments to be made thereunder from the General Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of P.L.2008, c.47 (C.52:27H-31.1 et al.).

C.52:27H-41.13 Deposit, use of luxury tax revenues.

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

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

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

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

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

(5) For such other uses as shall be approved in convention authority bond resolutions approved after the date of enactment of P.L.2008, c.47 (C.52:27H-31.1 et al.) or as may otherwise be provided by law.

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

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

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

b. The convention authority may pledge the luxury tax revenues paid to it in accordance with the provisions of paragraph 6 of subsection f. of section 6 of P.L.1971, c.137 (C.5:10-6) and section 14 of P.L.1991, c.375 (C.5:10-14.4) as security for the payment of the principal of and interest or premium on its bonds or notes issued for the purposes set forth in subsection a. of this section, in the same manner, to the same extent and with the same effect as the pledge of any of its other revenues, receipts and funds authorized by P.L.2008, c.47 (C.52:27H-31.1 et al.).

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

C.52:27H-44 Annual report; operating and financial statement; audit.

16. On or before the last day of the third month following the close of each fiscal year, the convention authority shall submit an annual report of its activities for the preceding fiscal year to the Governor and the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1). The report shall set forth a complete operating and financial statement covering its operations during the year. The president shall audit the books and accounts of the convention authority for each fiscal year, and a copy of that audit shall be filed with the Governor and the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

C.52:27H-44.1 Certification of transfer.

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

Repealer.

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

29. This act shall take effect immediately.

Approved July 18, 2008.