

CHAPTER 273

AN ACT concerning the funding, construction and operation of the projects of certain tourism improvement and development authorities and the powers of those authorities and the powers and projects of the New Jersey Sports and Exposition Authority, amending and supplementing P.L.1992, c.165, amending P.L.1971, c.137, amending P.L.1991, c.375 and supplementing P.L.1966, c.30.

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

1. Section 3 of P.L. 1992, c. 165 (C.40:54D-3) is amended to read as follows:

C.40:54D-3 Definitions.

3. As used in this act:

"Authority" means a tourism improvement and development authority created pursuant to section 18 of this act, P.L.1992, c.165 (C.40:54D-18).

"Bond" means any bond or note issued by an authority pursuant to the provisions of this act.

"Commissioner" means the Commissioner of the Department of Commerce and Economic Development.

"Construction" means the planning, designing, construction, reconstruction, rehabilitation, replacement, repair, extension, enlargement, improvement and betterment of a project, and includes the demolition, clearance and removal of buildings or structures on land acquired, held, leased or used for a project.

"Convention center facility" means any convention hall or center or like structure or building, and shall include all facilities, including commercial, office, community service, parking facilities and all property rights, easements and interests, and other facilities constructed for the accommodation and entertainment of tourists and visitors, constructed in conjunction with a convention center facility and forming reasonable appurtenances thereto but does not mean the Wildwood convention center facility as defined in this section.

"Tourism project" means the convention center facility or outdoor special events arena, or both, located in the territorial limits of the district, and any costs associated therewith but does not mean the Wildwood convention center facility as defined in this section.

"Cost" means all or any part of the expenses incurred in connection with the acquisition, construction and maintenance of any real property, lands, structures, real or personal property rights, rights-of-way, franchises, easements, and interests acquired or used for a project; any financing charges and reserves for the payment of principal and interest on bonds or notes; the expenses of engineering, appraisal, architectural, accounting, financial and legal services; and other expenses as may be necessary or incident to the acquisition, construction and maintenance of a project, the financing thereof and the placing of the project into operation.

"County" means a county of the sixth class.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

"Fund" means a Reserve Fund created pursuant to section 13 of P.L.1992, c.165 (C.40:54D-13).

"Outdoor special events arena" means a facility or structure for the holding outdoors of public events, entertainments, sporting events, concerts or similar activities, and shall include all facilities, property rights and interests, and all appurtenances reasonably related thereto, constructed for the accommodation and entertainment of tourists and visitors.

"Participant amusement" means a sporting activity or amusement the charge for which is exempt from taxation under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) by virtue of the participation of the patron in the activity or amusement, such as bowling alleys, swimming pools, water slides, miniature golf, boardwalk or carnival games and amusements, baseball batting cages, tennis courts, and fishing and sightseeing boats.

"Predominantly tourism related retail receipts" means:

- a. The rent for every occupancy of a room or rooms in a hotel subject to taxation pursuant to subsection (d) of section 3 of the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-3);

- b. Receipts from the sale of food and drink in or by restaurants, taverns, or other establishments in the district, or by caterers, including in the amount of such receipt any cover, minimum, entertainment or other charge made to patrons or customers, subject to taxation pursuant to subsection (c) of section 3 of the "Sales and Use Tax Act," P.L.1966, c.30

(C.54:32B-3) but excluding receipts from sales of food and beverages sold through coin operated vending machines; and

c. Admissions charges to or the use of any place of amusement or of any roof garden, cabaret or similar place, subject to taxation pursuant to subsection (e) of section 3 of the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-3).

"Purchaser" means any person purchasing or hiring property or services from another person, the receipts or charges from which are taxable by an ordinance authorized under P.L.1992, c.165 (C.40:54D-1 et seq.).

"Sports authority" means the New Jersey Sports and Exposition Authority established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.).

"Tourism" means activities involved in providing and marketing services and products, including accommodations, for nonresidents and residents who travel to and in New Jersey for recreation and pleasure.

"Tourism development fee" means a fee imposed by ordinance pursuant to section 15 of P.L.1992, c.165 (C.40:54D-15), within a tourism improvement and development district on:

a. Persons making sales of tangible personal property or services, the receipts from which are subject to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), but which are not predominately tourism related retail receipts as defined in this section;

b. Persons making charges for participant amusements as defined in this section;

c. Persons operating businesses that charge for parking, garaging or storing of motor vehicles;

d. Persons maintaining or operating coin-operated vending machines within the district, for the machines within the district, regardless of the types of commodities sold through the machines; and

e. Persons making sales of tangible personal property or services, the receipts from which are subject to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), and which are predominately tourism related retail receipts as defined in this section, but only to the extent that the amount of tax on those receipts collected in a year by the person is less than the amount of the tourism development fee for that year.

"Tourism improvement and development district" or "district" means an area within two or more contiguous municipalities within a county of the sixth class established pursuant to ordinance enacted by those municipalities, for the purposes of promoting the acquisition, construction, maintenance, operation and support of a tourism project, and to devote the revenue and the proceeds from taxes upon predominantly tourism related retail receipts and from tourism development fees to the purposes as herein defined.

"Tourist industry" means the industry consisting of private and public organizations which directly or indirectly provide services and products to nonresidents and residents who travel to and in New Jersey for recreation and pleasure.

"Vendor" means a person selling or hiring property or services to another person, the receipts or charges from which are taxable by an ordinance authorized under P.L.1992, c.165 (C.40:54D-1 et seq.).

"Wildwood convention center facility" means the project authorized by paragraph (12) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6).

2. Section 4 of P.L.1992, c.165 (C.40:54D-4) is amended to read as follows:

C.40:54D-4 Tourism improvement and development districts.

4. a. Two or more contiguous municipalities located in a county of the sixth class may, by ordinances of a substantially similar nature, create a tourism improvement and development district for the purpose of increasing public revenue and to levy taxes upon predominantly tourism related retail receipts at a rate not to exceed 2 percent, and to devote the proceeds therefrom for the purposes herein described. Municipal ordinances so adopted shall not affect which retail receipts are subject to the "Sales and Use Tax Act."

For the same purposes, the ordinances establishing the district shall also provide for the imposition of tourism development fees authorized pursuant to section 15 of P.L.1992, c.165

(C.40:54D-15). The taxes on predominantly tourism related retail receipts and tourism development fees so imposed shall be uniform throughout the district.

b. Notwithstanding any other law to the contrary, ordinances so adopted shall not be subject to referenda, and shall not be altered or repealed, except by mutual action of all such municipalities and then only upon the written approval of the State Treasurer and, so long as the sports authority shall own and be responsible for the construction and operation of the Wildwood convention center facility, upon the written approval of the sports authority. Each municipality which enters into the creation of the district shall covenant that the ordinance, or a condition imposed by statute that each municipality is required to meet, shall not be altered or repealed in such manner as to affect any bonds or other obligations pertaining to projects within the district which are outstanding. Any alteration or repeal, or attempted alteration or repeal, in violation of this subsection, whether before or after the effective date of P.L.1997, c.273 (C.40:54D-25.1 et al.) shall be null and void.

c. The district shall comprise all territory within the boundaries of the municipalities which create or enter into the district.

d. A contiguous municipality located in a county of the sixth class may, by such an ordinance, and with the mutual consent of the governing bodies of the municipalities which created the district, enter into the district so created after the date of the district's creation.

e. A copy of an ordinance adopted pursuant to this section shall be transmitted upon adoption or amendment to the State Treasurer. An ordinance so adopted or any amendment thereto shall provide that the retail receipts tax provisions of the ordinance or any amendment to the retail receipts tax provisions shall take effect on the first day of the first full month occurring 90 days after the date of transmittal to the State Treasurer.

3. Section 6 of P.L.1992, c.165 (C.40:54D-6) is amended to read as follows:

C.40:54D-6 Collection, administration of tax, determination, certification of revenues.

6. a. The director shall collect and administer any tax imposed pursuant to the provisions of P.L.1992, c.165 (C.40:54D-1 et seq.) notwithstanding the provisions of any other law or ordinance to the contrary. In carrying out the provisions of P.L.1992, c.165 (C.40:54D-1 et seq.) the director shall have all the powers granted in P.L.1996. c.30 (C.54:32B-1 et seq.).

b. The director shall determine and certify to the State Treasurer on a monthly basis the amount of revenues collected in a district on predominantly tourism related retail receipts pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.). The State Treasurer, upon the certification of the director and upon the warrant of the State Comptroller, shall pay and distribute on a monthly basis to the fund established pursuant to section 13 of P.L.1992, c.165 (C.40:54D-13) the amount so determined and certified.

4. Section 13 of P.L.1992, c.165 (C.40:54D-13) is amended to read as follows:

C.40:54D-13 Reserve fund created.

13. There is created for a tourism improvement and development district established pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.), a reserve fund to be held by the State Treasurer, but not to exist in the State Treasury, to be the repository for monies paid to the State Treasurer pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.), and disbursed as provided herein.

5. Section 14 of P.L.1992, c.165 (C.40:54D-14) is amended to read as follows:

C.40:54D-14 Application of fund.

14. a. Until such time as the conditions set forth in subsection b. of this section are met, the revenues deposited by the State Treasurer in the fund shall be applied for the purposes of financing the provision, advertising, promotion, improvement and operation of the tourism project within the district, and the acquisition, maintenance, operation and support of the tourism project designated by the authority authorized to undertake those activities pursuant to section 18 of P.L.1992, c.165 (C.40:54D-18).

b. Commencing on that date which is the later of (1) July 1, 1993, or (2) six months prior to the first date on which any payment of principal or interest on any bonds or notes issued for, or any payment of rent under any lease entered into in connection with the acquisition, construction, reconstruction, maintenance, operation or support of a convention center facility or other tourism project to accomplish the purposes set forth in section 21 of P.L.1992, c.165 (C.40:54D-21), are required to be made from the revenues collected pursuant to section 4 of P.L.1992, c.165 (C.40:54D-4), the revenues thereafter retained by the State Treasurer pursuant to section 12 of P.L.1992, c.165 (C.40:54D-12), shall be applied exclusively in accordance with the provisions of the resolution or resolutions authorizing the issuance of bonds for that tourism project, to the payment of principal of and interest on bonds so issued, the maintenance of necessary reserves and the allocation of monies for future debt service payments. On that date which is the later date determined pursuant to paragraph 1 or 2 of this subsection, all monies then accumulated in the fund shall be removed by the State Treasurer and the proceeds, with the interest thereon, shall be used for any of the purposes set forth in subsection a. of this section.

c. At the end of any full calendar year occurring after the date which is the later date determined pursuant to paragraph 1 or 2 of subsection b. of this section and after all payments coming due during that calendar year of principal and interest on authority bonds or notes issued for a tourism project have been made, and all obligations to the holders of those bonds have been met, including the maintenance of necessary reserves and the allocation of monies for future debt service payments, any balance remaining in the fund in that calendar year shall be applied to any deficiency between the operating expense budget and the anticipated operating revenues available for the following fiscal year to the entity operating the tourism project.

d. At the end of each full calendar year occurring after the date which is the later date determined pursuant to paragraph 1 or 2 of subsection b. of this section and after all payments for that year have been made from the fund pursuant to subsections b. and c. of this section, any monies remaining in the fund in that calendar year shall be used for the purposes set forth in subsection a. of this section.

e. Pending application to the purposes for which monies deposited in the fund may be used, the monies in the fund shall be invested by the State Treasurer pursuant to applicable regulations prescribed for the investment of State monies. Any income received from these investments shall be added to the fund from which earned, and used only for the purposes of the fund.

f. Notwithstanding any other law to the contrary, subsections a. through d. of this section shall not apply to any authority in existence on July 1, 1997 for the period of time beginning on the effective date of P.L.1997, c.273 (C.5:10-6.3) and continuing thereafter until the 60th day following the date on which the State Treasurer certifies that all bonds or notes issued by the sports authority pursuant to section 12 of P.L.1991, c.375 (C.5:10-14.3) and section 18 of P.L.1997, c.273 (C.5:10-6.3) to finance the Wildwood convention center facility, together with interest thereon, have been fully met and discharged or provided for. During such period of time all revenues from a district with an authority in existence on July 1, 1997 shall be deposited by the State Treasurer in the fund created pursuant to section 13 of P.L.1992, c.165 (C.40:54D-13) and shall be allocated as follows: 90 percent of the revenues shall be transferred by the State Treasurer to the sports authority for purposes in connection with the Wildwood convention center facility to be applied as set forth in subsection g. of section 6 of P.L.1971, c.137 (C.5:10-6) and the remaining 10 percent of the revenues shall be transferred by the State Treasurer to the Greater Wildwood Tourism Improvement Development Authority to be applied set forth in section 21 of P.L.1992, c.165 (C.40:54D-21).

6. Section 18 of P.L.1992, c.165 (C.40:54D-18) is amended to read as follows:

C.40:54D-18 "The Tourism Improvement and Development Authority."

18. a. Ordinances adopted to create a tourism improvement and development district pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.) shall provide for the creation of a public body corporate and politic for the district, under the name and style of "the Tourism Improvement and Development Authority."

b. Copies of the ordinances for the creation of the authority or amendments thereof shall

be filed in the office of the Secretary of State and in the office of the Division of Local Government Services in the Department of Community Affairs. A copy of the certified ordinance or amendment shall be admissible in evidence in any action or proceeding and shall be conclusive evidence of due and proper adoption and filing thereof. After filing in the office of the Secretary of State, a copy of the ordinance or amendment shall be published at least once in a newspaper published or circulating in the adopting municipalities, together with a notice stating the fact and date of its adoption and the date of first publication of the notice. If no action questioning the validity of the creation of the authority is commenced within 45 days after the first publication of the notice, then the authority shall be conclusively deemed to have been validly created and authorized to transact business and exercise powers pursuant to this act, P.L.1992, c.165 (C.40:54D-1 et seq.).

c. An authority so established shall be subject to the provisions of the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), except that the creation of the authority shall not be subject to approval of the Local Finance Board in the Department of Community Affairs.

7. Section 19 of P.L.1992, c.165 (C.40:54D-19) is amended to read as follows:

C.40:54D-19 Dissolution of authority.

19. The governing bodies of the municipalities which created an authority pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.) may by ordinance, dissolve the authority pursuant to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), except that any authority in existence on July 1, 1997, shall not be dissolved prior to the date certified by the State Treasurer that all bonds or notes issued by the sports authority pursuant to section 12 of P.L.1991, c.375 (C.5:10-14.3) and section 18 of P.L.1997, c.273 (C.5:10-6.3) to finance the Wildwood convention center facility, together with interest thereon, have been full met and discharged or provided for. Any dissolution, or attempted dissolution, of any such authority in violation of this section, whether before or after the effective date of P.L.1997, c.273 (C.40:54D-25.1 et al.) shall be null and void.

8. Section 20 of P.L.1992, c.165 (C.40:54D-20) is amended to read as follows:

C.40:54D-20 Appointment of members.

20. a. After the expiration of the period of 45 days following the first publication of the creating ordinances, the governing body of each municipality joining in the creation of the tourism improvement and development district shall appoint the first members to the authority. Each municipality shall be entitled to appoint three members to the authority. Two of the three members so appointed shall be owners, or employees of vendors, for whom a regular part of a dominant line of their business generates retail receipts subject to taxation or who are subject to payment of municipal fees pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.). The remaining member appointed by each municipality shall be a resident of the municipality who is not such an owner or employee of a vendor. No member shall hold any elective public office.

b. The Commissioner of the Department of Commerce and Economic Development shall be an ex officio member of the authority.

c. Each member of the authority shall serve for a term of four years, except of the members initially appointed, two shall be appointed for a term of two years and one shall be appointed for a term of two years and one shall be appointed for a term of four years. Each member shall hold office for the term of the member's appointment and until the member's successor is appointed and qualified. A member shall be eligible for reappointment.

A vacancy in the membership occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only.

d. The commissioner may designate an employee of the department to represent the member at meetings of the authority. The designee of the member may lawfully vote and otherwise act on behalf of the member.

The designation shall be made annually in writing and delivered to the authority and shall be

effective until revoked or amended by written notice delivered to the authority.

e. The authority, upon the first appointment of its members and thereafter at the same time in each year, shall annually elect from among its members, a chairman and a vice-chairman who shall hold office until a successor is elected. The authority may also appoint and employ, without regard to the provisions of Title 11A of the New Jersey Statutes, an executive director and other agents and employees as the authority may require, and shall determine their qualifications, terms of office, duties and compensation thereof.

f. The powers of the authority shall be vested in the voting members thereof in office from time to time; a majority of the members of the authority shall constitute a quorum and the affirmative vote of a majority of the full membership shall be necessary for any action taken by the authority unless the bylaws of the authority shall require a larger number. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority.

g. The members of the authority shall serve without compensation, but the authority may reimburse its members for actual and necessary expenses incurred in the discharge of their duties.

h. Each appointed member of the authority may be removed by the appointing authority for cause after a public hearing and may be suspended by the authority pending the completion of the hearing. Each member of the authority before entering upon the duties of office shall take and subscribe an oath to perform the duties of the office faithfully, impartially, prudently and justly to the best of the member's ability. A record of these oaths shall be filed in the office of the Secretary of State.

9. Section 21 of P.L.1992, c.165 (C.40:54D-21) is amended to read as follows:

C.40:54D-21 Public purpose of authority.

21. The public purpose of an authority shall be to undertake a tourism project if it is necessary or useful to the economic development and public welfare of the residents and tourist industry of the creating municipalities, and to promote, advertise and enhance the attractiveness of the district to visitors and tourists; provided however, that such promotion, advertisement and enhancement shall not be undertaken by any authority with respect to the Wildwood convention center facility unless any such authority is expressly authorized by the sports authority to undertake such activities. Except as otherwise provided in, and subject to any limitations in P.L.1997, c.273 (C.40:54D-25.1 et al.), an authority shall have the following powers:

- a. To adopt bylaws for the regulation of its affairs and the conduct of its business;
- b. To adopt an official common seal and alter it at its pleasure;
- c. To maintain an office at a place or places within the district as it may designate;
- d. To sue and be sued in its own name;
- e. To acquire from any predecessor owner or operator, and to construct, reconstruct, maintain, and operate a convention center facility or other tourism project;
- f. To issue bonds or notes of the authority for the purposes of this act and to provide for the rights of the holders thereof all as provided in the "Local Bond Law," N.J.S.40A:2-1 et seq.;
- g. To set and collect rents, fees, charges or other payments for the lease, use, occupancy or disposition of a convention center facility or other tourism project acquired, constructed or reconstructed by the authority pursuant to the provisions of P.L.1992, c.165 (C.40:54D-1 et seq.). Any revenues collected shall be available to the authority for use in furtherance of any of the purposes of this act;
- h. To acquire, lease as lessee or lessor, own, rent, use, hold and dispose of real property and personal property or any interest therein, in the exercise of its powers and the performance of its duties under this act;
- i. To acquire in the name of the authority by purchase, gift or otherwise, on terms and conditions and in a manner as the authority may deem proper, or by the exercise of the power of eminent domain except as against the State of New Jersey, any land and other property which the authority may determine is necessary for the construction, reconstruction, maintenance, operation or support of tourism projects pursuant to the provisions of this act, P.L.1992, c.165 (C.40:54D-1 et seq.) or parts thereof or rights therein, and any fee simple absolute or any lesser

interest in private property, and any fee simple absolute in, easements upon, or the benefit of restrictions upon abutting property to preserve and protect same;

j. To grant by franchise, lease or otherwise, the use of any property owned and controlled by the authority to any person for the consideration and for the period or periods of time and upon terms and conditions as are agreed upon;

k. To apply for, receive and accept from the United States of America or any agency thereof, or the State and any subdivision thereof, subject to the approval of the State Treasurer, grants for or in aid of the planning, acquisition or construction of a convention center facility or other tourism project, and to receive and accept aid or contributions from any other public or private source, of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which those grants and contributions may be made;

l. Subject to the limitations of this act, to determine the location, type and character of its tourism project and all other matters in connection therewith;

m. To enter into contracts or agreements with any entity for the entity to issue bonds or notes on behalf of the authority and to make payments to the entity to secure those bonds or notes;

n. To procure and enter into contracts for any type of insurance and indemnify against loss or damage to property from any cause, including the loss of use and occupancy and business interruption, death or injury of any person, employee liability, any act of any member, officer, employee or servant of the authority, whether part-time, compensated or uncompensated, in the performance of the duties of office or employment or any other insurable risk or any other losses in connection with property, operations, assets or obligations in any amounts and from any insurers as are deemed desirable. In addition, the authority may carry its own liability insurance;

o. To promote and advertise the district and to promote the use of the tourism projects by tourists and visitors to the district; and

p. To enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the authority or to carry out any power expressly given in P.L.1992, c.165 (C.40:54D-1 et seq.).

10. Section 22 of P.L. 1992, c. 165 (C.40:54D-22) is amended to read as follows:

C.40:54D-22 Applicability of "Local Public Contracts Law."

22. All purchases, contracts or agreements made by the authority pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.) shall be made or awarded pursuant to the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

11. Section 23 of P.L. 1992, c. 165 (C.40:54D-23) is amended to read as follows:

C.40:54D-23 Maintenance of projects.

23. Any convention center facility or other tourism project of the authority shall be maintained and kept in the condition and repair as the authority determines, or the bond covenants require. A project or any part thereof may be policed and operated by employees and other persons as the authority may employ or authorize.

12. Section 25 of P.L.1992, c.165 (C.40:54D-25) is amended to read as follows:

C.40:54D-25 Issuance of bonds, notes.

25. a. Except as otherwise provided in section 18 of P.L.1997, c.273 (C.5:10-6.3), the authority may from time to time issue its bonds or notes for any of its purposes under this act, including the payment, funding, or refunding of principal 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. Bonds and notes so issued shall be subject to the "Local Bond Law," N.J.S.40A:2-1 et seq. and the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.).

b. Except as otherwise provided in section 18 of P.L.1997, c.273 (C.5:10-6.3) and except

as may be otherwise expressly provided by the authority, every issue of bonds or notes shall be general obligations payable out of any monies or revenues of the authority, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or funds. The authority may issue the types of bonds or notes as it may determine, including, without limiting the generality of the foregoing, bonds or notes on which the principal and interest are payable: (1) exclusively from the income and revenues derived from a tax upon retail receipts of any vendor located within the tourism improvement and development district created pursuant to the provisions of section 4 of P.L.1992, c.165 (C.40:54D-4); (2) exclusively from the income and revenues from rates, charges and fees of a convention center facility or other tourism project operated by the authority, whether or not the project is financed in whole or in part with the proceeds of the bonds or notes; or (3) from its revenues generally. Any bonds or notes may be additionally secured by a pledge of any grant or contribution from the federal government or any State or any agency or public subdivision thereof or any person or a pledge of any monies, income or revenues of the authority from any source whatsoever. In addition, the authority may, in anticipation of the issuance of the bonds or the receipt of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government, 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 authority or appropriations, grants reimbursements or other funds or revenues of the authority.

13. Section 27 of P.L.1992, c.165 (C.40:54D-27) is amended to read as follows:

C.40:54D-27 Report filed with Local Finance Board.

27. a. Within 30 days after the issuance of any bonds or notes by the authority pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.), the authority shall file a report with the Local Finance Board setting forth, if applicable, the principal amount of bonds or notes issued and the annual payments of principal and interest to be made on the bonds or notes.

b. At least 90 days prior to the date which is the later date determined pursuant to paragraph 1 or 2 of subsection b. of section 14 of P.L.1992, c.165 (C.40:54D-14), and subject to subsection f. of that section an authorized officer of the authority issuing bonds or notes for, or entering into a lease in connection with, the acquisition, construction, reconstruction or improvement of the convention center facility or other tourism project shall notify the Director of the Division of Local Government Services in the Department of Community Affairs of the precise date determined pursuant to subsection b. of section 14 of P.L.1992, c.165, the amounts payable thereafter: (1) on account of the principal and interest on, or reserve funding requirements on, those bonds or notes; or (2) as rent under the lease, and the name and address of the paying agent or agents for the bonds or notes, or of the lessor under the lease. The director shall, upon the receipt of that notice, verify the facts contained therein, and certify the same to the State Treasurer.

c. Following the certification in subsection b. of this section and upon the date set forth therein, the State Treasurer shall thereafter pay prior to each payment date from the fund the amounts certified to be paid: (1) to the appropriate paying agent or agents for the principal and interest on, or reserve funding requirements on, the bonds or notes; or (2) to the lessor as rent under the lease.

14. Section 29 of P.L.1992, c.165 (C.40:54D-29) is amended to read as follows:

C.40:54D-29 Pledge of State to bondholders.

29. The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds or notes issued by an authority pursuant to the provisions of P.L.1992, c.165 (C.40:54D-1 et seq.) that the State will not limit or alter the rights or powers vested in an authority to acquire, construct, maintain and operate any project, or to perform and fulfill the terms of any agreement made with the holders of the bonds or notes, or to fix, establish, charge and collect rates, fees or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of that authority and fulfill the terms of any contract with another

entity or any agreement made with the holders of the bonds or notes, and that the State will not in any way impair the rights or remedies of the holders or modify in any way the exemptions from taxation provided for in this act, until the 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, are fully met and discharged or provided for.

15. Section 30 of P.L.1992, c.165 (C.40:54D-30) is amended to read as follows:

C.40:54D-30 Immunity from personal liability on bonds.

30. Neither the members of an authority nor any person executing bonds or notes issued pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.) shall be liable personally on the bonds or notes by reason of the issuance thereof.

16. Section 35 of P.L.1992, c.165 (C.40:54D-35) is amended to read as follows:

C.40:54D-35 Property exempt from levy, sale.

35. Except as otherwise provided in section 17 of P.L.1997, c.273 (C.40:54D-25.1), all property of the authority, except any property which is subjected to a lien to secure any bonds or notes, shall be exempt from levy and sale by virtue of an execution and no execution or other judicial process shall issue against the same, nor shall any such judgment against the authority be a charge or lien upon its property; provided that nothing herein contained shall apply to or limit the rights of the holders of any bonds or notes to pursue any remedy for the enforcement of any pledge or lien.

C.40:54D-25.1 Transfer of assets, obligations, etc. to the sport authority.

17. a. The authority in existence on July 1, 1997 shall cooperate with the sports authority in the defeasing, refunding or refinancing of any outstanding obligations of such authority as authorized by this section and the authority shall take such steps as are necessary in order to implement such defeasing, refunding or refinancing.

b. On the 60th day following the effective day following the effective date of P.L.1997, c.273 (C.40:54D-25.1 et al.):

(1) All right, title, and interest of the authority in existence on July 1, 1997 in any of its assets, funds and property, both real and personal, as well as those obligations as set forth in paragraph (4) of this subsection, are hereby transferred to the sports authority to be held, used and applied for the purposes set forth herein.

(2) In addition to the powers vested in the sports authority pursuant to P.L.1971, c.137 (C.5:10-1 et seq.), all powers and duties which hitherto were exercised by the authority in existence on July 1, 1997 with respect to any property transferred pursuant to this section may henceforth be exercised by the sports authority.

(3) All monies transferred pursuant to this act shall be deposited in the fund created by the sports authority pursuant to subsection g. of section 6 of P.L.1971, c.137 (C.5:10-6).

(4) The sports authority shall assume such obligations of the authority as are necessary for the acquisition, construction and operation of the Wildwood convention center facility which obligations shall be as specified in a contract between the authority and the sports authority. Any such obligations of the authority which are assumed by the sports authority shall be payable from the fund created by the sports authority pursuant to subsection g. of section 6 of P.L.1971, c.137 (C.5:10-6) or from the proceeds of bonds or notes issued pursuant to section 12 of P.L.1991, c.375 (C.5:10-14.3) and section 18 of P.L.1997, c.273 (C.5:10-6.3).

C.5:10-6.3 Sports authority's operation of Wildwood convention center facility.

18. The sports authority is hereby authorized to acquire, finance through the issuance of bonds or notes, construct, operate and perform such other functions as provided in P.L.1971, c.167 (C.5:10-1 et seq.) regarding the Wildwood convention center facility authorized herein. The sports authority shall have sole responsibility to provide for the acquisition, financing

through the issuance of bonds or notes and construction and operation of the Wildwood convention center facility within the district. Further, the authority in existence on July 1, 1997 may advise the sports authority with regard to the Wildwood convention center facility.

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

C.5:10-3 Definitions.

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

- a. "Act" means this New Jersey Sports and Exposition Authority Law.
- b. "Authority" means the New Jersey Sports and Exposition Authority created by section 4 of the act.
- c. "Bonds" means bonds issued by the authority pursuant to the act.
- d. "Meadowlands complex" means the sports and exposition project authorized by paragraph (1) of subsection a. of section 6 of the act.
- e. "Notes" means notes issued by the authority pursuant to the act.
- f. "Projects" means and includes any project which the authority is authorized to undertake pursuant to subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6).
- g. "State" means the State of New Jersey.
- h. "Hackensack meadowlands" means the Hackensack Meadowlands District as delineated in P.L.1968, c.404, s.4 (C.13:17-4).
- i. "Meadowlands Commission" means the Hackensack Meadowlands Development Commission created by P.L.1968, c.404.
- j. "Racing Commission" means the New Jersey Racing Commission created by P.L.1940, c.17.
- k. "Credit agreement" as used herein includes loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, interest exchange agreement, insurance contract, surety bond, commitment to purchase bonds, purchase or sale agreements, or commitments or other contracts or agreements authorized and approved by the authority in connection with the authorization, issuance, security, or payment of bonds.
- l. "Luxury tax" means the tax levied and collected by the city of Atlantic City, county of Atlantic, pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.).
- m. "Atlantic City 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).
- n. "Wildwood convention center facility" means the project authorized by paragraph (12) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6).
- o. "Tourism related tax" means the tax levied and collected pursuant to P.L.1992, c.165 (C.40:54D-1 et seq.) for the tourism improvement and development district which includes the Wildwood convention center facility.

20. 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, 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 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.

(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 therefore, 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.

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, derived from the operation, ownership or leasing of the Atlantic City convention center project shall be applied to the costs of operating and maintaining the Atlantic City convention center project and to the other purposes set forth in this subsection as shall be provided by resolution of the authority.

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) 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 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 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 its 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.).

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.1977, 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 of 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.

21. Section 12 of P.L.1991, c. 375 (C.5:10-14.3) is amended to read as follows:

C.5:10-14.3 Sports Authority Fund.

12. a. The State Treasurer shall establish a special fund to be known as the "Sports Authority Fund" and shall pay into the fund amounts from the General Fund as shall be necessary to pay the principal and interest on bonds or notes of the authority issued pursuant to this section 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, provided that all payments from the General Fund shall be subject to and dependent upon appropriations made from time to time for those purposes.

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

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

(b) the satisfaction of the requirements for the payment of bonds or notes issued pursuant to P.L.1991, c.375 (C.5:10-3 et al.) or pursuant to P.L.1997, c.273 (C.40:54D-25.1 et al.); the State Treasurer and the authority shall not, except for the refunding of bonds or notes issued pursuant to subsection d. of this section which produces debt service savings, enter into any further agreements regarding payments by the State Treasurer into the "Sports Authority Fund" for any reason, including but not limited to, the financing or restructuring of the debt of the authority.

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

(3) The agreements shall provide that with respect to the Atlantic City convention center project, the authority shall review all existing expert studies that present options as to the scope and nature of the project and the linkages between the project and the economic development of Atlantic City. Based upon its analysis of the available studies and such other expert studies as the authority may authorize, the authority shall report to the Legislature and include in the minutes of the authority its proposal for the development of the Atlantic City convention center. The report shall include an explanation for the selection of the project option proposed by the authority.

c. Notwithstanding anything to the contrary in P.L.1991, c.375 (C.5:10-3 et al.), if and to the extent provided in any agreement between the State Treasurer and the authority, all or part of the revenues of the authority, other than luxury tax revenues or revenues of the Atlantic City

convention center project and other than tourism related tax revenues or other revenues of the Wildwood convention center facility, in excess of the requirements of the resolutions authorizing or relating to the issuance of any of the authority's bonds or notes, except those issued pursuant to this section, shall be paid into the General Fund in repayment to the State for amounts previously paid by the State pursuant to this section with respect to the payment of principal and interest on bonds or notes issued for any of the purposes set forth in this section, except the purposes set forth in paragraphs (3), (4), (5), and (8) of subsection d. of this section, and any payments on account of any credit agreements with respect to the bonds or notes. Except as otherwise provided in this section, bonds or notes of the authority issued pursuant to this section shall be authorized, sold and issued in the manner and be entitled to the benefits, protection and provisions as apply to bonds and notes of the authority authorized to be issued pursuant to P.L.1971, c.137 (C.5:10-1 et seq.).

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

(1) To provide sufficient funds to refund from time to time outstanding bonds or notes of the authority issued for the meadowlands complex or the Monmouth racetrack project authorized pursuant to paragraph (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), whether or not the bonds or notes or interest thereon have become due, to provide for the establishment of funds or reserves to secure payment of the bonds or notes or any other bonds or notes issued or to be issued for those purposes or interest thereon, and to provide for the payment of all other costs or expenses of the authority incident to or necessary to carry out the refunding; provided that the refunding bonds issued at any time pursuant to this paragraph shall not exceed that amount estimated to be necessary so that subsequent to the refunding, the revenues from the meadowlands complex or the Monmouth racetrack project, as the case may be, shall be sufficient to pay all costs payable from those revenues, as shall be estimated in a determination by the authority made in accordance with the agreement between the authority and the State Treasurer;

(2) To finance or refinance a capital program or programs for the meadowlands complex and the Monmouth racetrack project authorized pursuant to paragraph (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), adopted by the authority to provide for major repairs, reconstruction and improvements which are legally mandated or otherwise needed to meet environmental or safety requirements, to prevent a loss of revenues, to augment revenues or to continue or enhance the operations of any of the facilities thereof, or to upgrade any of the facilities thereof;

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

(4) To provide for the financing or refinancing of the Atlantic City convention center project;

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

(6) To provide for the financing or refinancing of any other project of the authority, but only if and to the extent expressly authorized by law enacted subsequent to the enactment of P.L.1991, c.375 (C.5:10-3 et al.);

(7) To provide for the financing of the facilities at institutions of higher education pursuant to paragraph (11) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), based upon a list of projects recommended by the Commission on Higher Education following a competitive application process, provided that the aggregate financing of the projects undertaken pursuant to this paragraph shall not exceed \$5,000,000; and

(8) To provide for the financing or refinancing of a convention center facility in the City of Wildwood pursuant to paragraph (12) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6).

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

and income accruing therefrom.

22. This act shall take effect immediately.

Approved December 24, 1997.