

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

SENATE BILL NO. 516

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska Amateur Sports Authority, the Alaska Sports Congress, the Alaska Council on Physical Fitness, and the Alaska amateur sports fund; and providing for an effective date."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. PURPOSE. The purpose of this Act is to establish an
12 authority for

13

(1) the promotion and development of amateur sports in the
14 state;

15

(2) the planning, managing, and constructing of amateur sports
16 training facilities; and

17

(3) developing and promoting amateur sports events that will
18 generate income in the state.

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* Sec. 2. AS 05 is amended by adding a new chapter to read:

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CHAPTER 40. ALASKA AMATEUR SPORTS AUTHORITY.

21

ARTICLE 1. CREATION AND ORGANIZATION.

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Sec. 05.40.010. ALASKA AMATEUR SPORTS AUTHORITY. The Alaska
23 Amateur Sports Authority is established. The authority is a public
24 corporation of the state. The corporation is an instrumentality of
25 the state in the Department of Commerce and Economic Development but
26 has a legal existence independent of and separate from the state and
27 has continuing succession until its existence is terminated by law.

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Sec. 05.40.020. DIRECTORS. (a) The authority is governed by a
29 board of 11 directors. The directors shall be the governor or a

1 designee of the governor, the commissioner of commerce and economic
2 development, a member of the state senate appointed by the senate
3 president, a member of the state house of representatives appointed by
4 the speaker of the house, and seven directors appointed by the gover-
5 nor as follows: a representative of the Alaska Tourism Marketing
6 Council, and six public members with experience in promoting amateur
7 sports, with at least one public member appointed from each judicial
8 district in the state.

9 (b) The directors appointed by the governor serve at the plea-
10 sure of the governor. All directors serve for three-year terms. Each
11 director shall hold office for the term of the director's appointment
12 and until a successor is appointed and qualified. A director is
13 qualified for reappointment. A vacancy in a directorship occurring
14 other than by expiration of term shall be filled in the same manner as
15 the original appointment but only for the unexpired term.

16 (c) The directors must be residents of the state and shall
17 comply with the requirements of AS 39.50 (Conflict of Interest). Each
18 director, before entering upon the director's duties, shall subscribe
19 to an oath to perform the duties of office faithfully, impartially,
20 and justly to the best of the director's ability. A record of the
21 oath shall be filed with the Office of the Governor.

22 (d) The directors of the authority serve without compensation,
23 but are entitled to travel and per diem expenses authorized by law for
24 state boards and commissions under AS 39.20.180.

25 Sec. 05.40.030. OFFICERS AND QUORUM. The governor or a designee
26 of the governor shall serve as chairman. The directors shall elect a
27 secretary and a treasurer who need not be directors, and the same
28 person may be elected to serve both as secretary and treasurer. The
29 powers of the authority are vested in the directors. Six directors of

1 the authority constitute a quorum. Action may be taken and motions
2 and resolutions adopted by the authority at a meeting by the affirma-
3 tive vote of at least six directors. A vacancy in the board of direc-
4 tors of the authority does not impair the right of a quorum to exer-
5 cise all the powers and perform all the duties of the authority.

6 Sec. 05.40.040. STAFF; PROFESSIONAL SERVICES CONTRACTS. The
7 authority shall employ an executive director who serves at the plea-
8 sure of the authority as its chief administrative officer. The execu-
9 tive director may, with the approval of the authority, select and
10 employ additional staff as necessary. Employees of the authority are
11 in the exempt service under AS 39.25.110. In addition to its staff of
12 regular employees, the authority may contract for the services of
13 consultants and professional, technical, and financial advisors the
14 authority considers necessary for the purpose of developing informa-
15 tion, conducting hearings, studies, investigations, or other proceed-
16 ings, or otherwise exercising its powers.

17 ARTICLE 2. POWERS AND DUTIES.

18 Sec. 05.40.050. POWERS OF AUTHORITY. In addition to other
19 powers granted in this chapter, the authority may

- 20 (1) sue and be sued;
- 21 (2) adopt and alter an official seal;
- 22 (3) adopt and enforce bylaws and regulations for the con-
23 duct of its business and for the use of its services and facilities;
- 24 (4) maintain offices in the state;
- 25 (5) subject to appropriation by the legislature, acquire,
26 hold, use, and dispose of its income, revenue, funds, and money;
- 27 (6) acquire, hold, use, lease, rent, construct, and dispose
28 of real and personal property for its purposes;
- 29 (7) operate, maintain, improve, and extend a system of

1 amateur sports facilities that the authority determines to be neces-
2 sary or desirable to promote or develop amateur sports in the state;

3 (8) establish other nonprofit corporations or charitable
4 organizations to promote and develop amateur sports;

5 (9) do all acts and things necessary, convenient, or desir-
6 able to carry out the powers expressly granted or necessarily implied
7 in this chapter.

8 Sec. 05.40.060. DUTIES OF AUTHORITY. The authority shall

9 (1) promote the development of training centers;

10 (2) promote physical fitness by promoting participation in
11 amateur sports;

12 (3) develop, foster, and coordinate physical fitness ser-
13 vices and programs;

14 (4) sponsor amateur sport workshops, clinics, and confer-
15 ences;

16 (5) provide recognition for outstanding developments,
17 achievements, and contributions to amateur sports;

18 (6) stimulate and promote amateur sport research;

19 (7) collect, disseminate, and communicate amateur sport
20 information;

21 (8) promote amateur sport and physical fitness programs in
22 schools and local communities;

23 (9) develop programs to promote personal health and phys-
24 ical fitness by participation in amateur sports in cooperation with
25 medical, dental, sports medicine, and similar professional societies;

26 (10) promote the development of recreational amateur sport
27 opportunities and activities in the state, including the means of
28 facilitating acquisition, financing, construction, and rehabilitation
29 of sports facilities for the holding of amateur sporting events;

- 1 (11) promote national and international amateur sport compe-
2 titions and events;
3 (12) sanction or sponsor amateur sports competitions;
4 (13) take membership in regional or national amateur sports
5 associations or organizations;
6 (14) promote participation by people with physical disabili-
7 ties and visual and hearing impairments in amateur sports; and
8 (15) meet at least quarterly, and at other times as deter-
9 mined by the authority.

10 Sec. 05.40.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,
11 with the cooperation of the Department of Transportation and Public
12 Facilities, shall prepare a comprehensive long-range plan for the
13 development and improvement of amateur sports facilities and shall
14 revise and update the plan at least every five years. The comprehen-
15 sive long-range plan and revisions and updates of the plan are subject
16 to legislative approval by law.

17 ARTICLE 3. ACQUISITION OF PROPERTY.

18 Sec. 05.40.080. ACQUISITION OF LAND AND EASEMENTS. The authori-
19 ty, as part of the cost of constructing, maintaining, or improving
20 amateur sports facilities, may acquire by purchase, gift, or exchange
21 land in fee simple or easements that it considers necessary and rea-
22 sonable for either temporary or permanent public use. By the same
23 means, the authority may obtain material, including clay, gravel,
24 sand, or rock, or the land necessary to obtain the material, including
25 access to it. The authority may acquire the land or materials not-
26 withstanding the fact that title to it is vested in the state or a
27 department, agency, commission, or institution of the state.

28 Sec. 05.40.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE
29 OF EXCHANGE. When a majority of the directors of the authority

1 declares that it is in the best public interest of the state, the au-
2 thority may acquire by purchase, gift, or exchange privately or pub-
3 licly owned land or an interest in land for the purpose of exchanging
4 the land for privately or publicly owned land that the authority is
5 authorized by law to acquire.

6 ARTICLE 4. FINANCIAL PROVISIONS.

7 Sec. 05.40.100. BONDS OF THE AUTHORITY. (a) If authorized by
8 the legislature, the authority may borrow money and may issue bonds,
9 including bonds on which the principal and interest are payable

10 (1) exclusively from the income and receipts or other money
11 derived from a sports facility project financed with the proceeds of
12 the bonds or derived from a transaction financed, guaranteed, or
13 insured with the proceeds of the bonds;

14 (2) exclusively from the income and receipts or other money
15 derived from a designated sports facility project or other sources
16 whether or not they are financed, insured, or guaranteed in whole or
17 in part with the proceeds of the bonds; or

18 (3) from its income and receipts or other assets generally,
19 or a designated part or parts of them.

20 (b) In addition to the authorization required under (a) of this
21 section, bonds shall be authorized by resolution of the authority, and
22 be dated and shall mature as the resolution may provide, except that a
23 bond may not mature more than 40 years from the date of its issue.
24 Bonds shall bear interest at the rate or rates, be in the
25 denominations, be in the form, either coupon or registered, carry the
26 registration privileges, be executed in the manner, be payable in the
27 medium of payment, at the place or places, and be subject to the terms
28 of redemption which the resolution or a subsequent resolution may
29 provide.

1 (c) Bonds of the authority, regardless of form or character, are
2 negotiable instruments for all the purposes of AS 45.01 - AS 45.09
3 (Uniform Commercial Code).

4 (d) The bonds of the authority may be sold at public or private
5 sale in the manner, for the price or prices, and at the time or times
6 that the authority may determine.

7 (e) Before issuing bonds, the authority shall provide for con-
8 sideration at least sufficient, in the judgment of the authority, to

9 (1) pay the principal of and interest on the bonds as they
10 become due;

11 (2) create and maintain the reserves for the payments that
12 the authority considers necessary or desirable; and

13 (3) meet all costs necessary to service the bonds.

14 (f) The authority may combine, for the purposes of a single
15 offering, bonds financing more than one amateur sports facility proj-
16 ect.

17 Sec. 05.40.110. TRUST INDENTURES AND TRUST AGREEMENTS. (a) In
18 the discretion of the authority, an issue of bonds may be secured by a
19 trust indenture or trust agreement between the authority and a corpo-
20 rate trustee or by a secured loan agreement or other instrument or
21 under a resolution giving powers to a corporate trustee by means of
22 which the authority may:

23 (1) make and enter into any and all the covenants and
24 agreements with the trustee or the holders of the bonds that the
25 authority determines to be necessary or desirable, including, cove-
26 nants, provisions, limitations, and agreements as to

27 (A) the application, investment, deposit, use, and
28 disposition of the proceeds of bonds of the authority or of money
29 or other property of the authority or in which it has an inter-

1 est;

2 (B) the fixing and collection of rents or other con-
3 sideration for, and the other terms to be incorporated in a lease
4 or contract of sale of an amateur sports facility.

5 (C) the assignment by the authority of its rights in
6 the lease or contract of sale of an amateur sports facility;

7 (D) the terms and conditions upon which additional
8 bonds of the authority may be issued;

9 (E) the vesting in a trustee of rights, powers,
10 duties, funds, or property in trust for the benefit of bond-
11 holders, including the right to enforce payment, a right to
12 performance, and all other rights of the authority or of the
13 bondholders under a lease, contract of sale, mortgage, security
14 agreement, or trust agreement with respect to an amateur sports
15 facility;

16 (2) pledge, mortgage or assign money, leases, agreements,
17 property or other assets of the authority either presently in hand or
18 to be received in the future, or both; and

19 (3) provide for any other matters of like or different
20 character that in any way affect the security or protection of the
21 bonds.

22 (b) In this section, "corporate trustee" means a trust company,
23 bank, or national banking association with corporate trust powers,
24 located in this state or another state.

25 Sec. 05.40.120. CAPITAL RESERVE FUNDS AND CAPITAL RESERVE FUND
26 REQUIREMENT. (a) For the purpose of securing one or more issues of
27 its bonds, the authority may establish one or more special capital
28 reserve funds and pay into those funds the proceeds of the sale of its
29 bonds and other money that may be made available to the authority from

1 other sources for the purposes of the capital reserve funds. A
2 capital reserve fund may be established only if the authority
3 determines that the establishment of the fund would enhance the
4 marketability of the bonds, and if the costs of a project that are to
5 be financed with the proceeds of the bonds do not exceed \$10,000,000.
6 Money in a capital reserve fund, except as provided in this section,
7 may be used as required only for (1) the payment of the principal of,
8 and interest on, bonds or of the sinking fund payments with respect to
9 those bonds; (2) the purchase or redemption of the bonds; or (3) the
10 payment of a redemption premium required to be paid when the bonds are
11 redeemed before maturity. However, money in a capital reserve fund may
12 not be withdrawn if the withdrawal would reduce the amount in the
13 capital reserve fund to less than the capital reserve requirement,
14 except for the purpose of making payment, when due, of principal,
15 interest, redemption premiums on the bonds, and sinking fund payments
16 when other money of the authority is not available for the payments.
17 Income or interest earned by, or increment to, a capital reserve fund,
18 from the investment of all or part of the fund, may be transferred by
19 the authority to other funds or accounts of the authority if the
20 transfer does not reduce the amount of the capital reserve fund below
21 the capital reserve fund requirement.

22 (b) If the authority decides to issue bonds secured by a capital
23 reserve fund, the bonds may not be issued if the amount in the capital
24 reserve fund is less than the capital reserve fund requirement unless
25 the authority, at the time of issuance of the bonds, deposits in the
26 capital reserve fund from the proceeds of the bonds to be issued or
27 from other sources an amount which, together with the amount then in
28 the fund, is not less than the capital reserve fund requirement.

29 (c) In computing the amount of a capital reserve fund for the

1 purpose of this section, securities in which all or a portion of the
2 fund is invested shall be valued by a reasonable method established by
3 the authority by resolution. Valuation must include the amount of
4 interest earned or accrued as of the date of the valuation.

5 (d) The chairman of the authority shall annually, no later than
6 January 2, certify in writing to the legislature the amount, if any,
7 required to restore a capital reserve fund to the capital reserve fund
8 requirement. The legislature may appropriate to the authority the
9 amount certified by the chairman of the authority. The authority
10 shall deposit the amounts appropriated under this subsection during a
11 fiscal year in the proper capital reserve fund. This section does not
12 create a debt or liability of the state.

13 (e) The authority may not establish a capital reserve fund to
14 secure an issue of bonds in an amount in excess of \$1,000,000 unless
15 at least 20 percent of the principal amount of the loan for the ama-
16 teur sports facility is retained by a federal or state chartered
17 financial institution.

18 (f) The authority may establish reserve funds, other than capi-
19 tal reserve funds, to secure one or more issues of its bonds. The
20 authority may deposit in a reserve fund established under this subsec-
21 tion the proceeds of sale of its bonds and other money that may be
22 made available from any other source. A reserve fund established
23 under this subsection must comply with (a) - (c) of this section. The
24 authority may allow a reserve fund established under this subsection
25 to be depleted without complying with (d) of this section.

26 (g) Notwithstanding any other provision of this section, the
27 authority may waive or modify the requirements of (a) of this section
28 establishing maximum costs of \$10,000,000 for a project and the re-
29 quirements of (e) of this section as it considers appropriate and

1 prudent in order to finance a sports facility project if the authority
2 intends to own the project. However, if the authority intends to
3 lease or otherwise permit the state to use or occupy a majority of the
4 project, the authority may only establish a reserve fund under (f) of
5 this section to secure bonds issued to finance a sports facility
6 project.

7 (h) In this section, "capital reserve fund requirement" means
8 the amount required to be on deposit in the capital reserve fund as of
9 the date of computation as determined by resolution of the authority.

10 Sec. 05.40.130. PLEDGE OF THE STATE. The state pledges to and
11 agrees with the holders of bonds issued under this chapter and with
12 the federal agency that lends or contributes funds in respect to an
13 amateur sports facility that the state will not limit or alter the
14 rights and powers vested in the authority by this chapter to fulfill
15 the terms of a contract made by the authority with the holders or
16 federal agency and that the state will not in any way impair the
17 rights and remedies of the holders until the bonds, together with the
18 interest on them with interest on unpaid installments of interest, and
19 all costs and expenses in connection with an action or proceeding by
20 or on behalf of the holders are fully met and discharged. The author-
21 ity is authorized to include this pledge and agreement of the state,
22 insofar as it refers to holders of bonds of the authority, in a con-
23 tract with the holders and, insofar as it relates to a federal agency,
24 in a contract with the federal agency.

25 Sec. 05.40.140. EXEMPTION FROM TAXATION. The real and personal
26 property of the authority and its assets, income, and receipts are
27 declared to be the property of a political subdivision of the state
28 and, together with any amateur sports facility financed under this
29 chapter, devoted to an essential public and governmental function and

1 purpose, and the property, assets, income, receipts, and leasehold
2 interests shall be exempt from all taxes and special assessments of
3 the state or a political subdivision of the state, including all
4 municipalities, school districts, public utility districts, and other
5 taxing units. Bonds of the authority are declared to be issued by a
6 political subdivision of the state and for an essential public and
7 governmental purpose. The bonds, the interest, or income from them
8 and all assets, income and receipts pledged to pay or secure the
9 payments of the bonds, or interest on them, shall at all times be
10 exempt from taxation by or under the authority of the state, except
11 for inheritance and estate taxes and taxes on transfers by or in
12 contemplation of death. This section does not affect or limit an
13 exemption from license fees, property taxes, or excise, income, or any
14 other taxes provided under any other law, nor does it create a tax
15 exemption with respect to the interest of any business enterprise or
16 other person, other than the authority, in any property, assets,
17 income, receipts, or lease whether or not financed under this chapter.
18 By January 10 of each year, the authority shall submit to the governor
19 and the legislature a report describing the nature and extent of the
20 tax exemption of the property, assets, income, receipts, and leasehold
21 interests of the authority under this section.

22 ARTICLE 5. ADVISORY GROUPS.

23 Sec. 05.40.150. AMATEUR SPORTS CONGRESS. (a) There is created
24 in the Department of Commerce and Economic Development the Amateur
25 Sports Congress. The congress consists of representatives appointed
26 by the Alaska Amateur Sports Authority, representatives of amateur
27 sports organizations recognized by the Alaska Amateur Sports
28 Authority, and the board of the Alaska Amateur Sports Authority.

29 (b) The chairman of the Alaska Amateur Sports Authority shall

1 serve as the secretary general of the congress created in (a) of this
2 section. Members of the congress serve without compensation, but are
3 entitled to per diem and travel expenses authorized by law for state
4 boards under AS 39.20.180.

5 Sec. 05.40.160. POWERS OF THE CONGRESS. The Amateur Sports Con-
6 gress may

- 7 (1) hold regular and special meetings as necessary;
- 8 (2) advise the Alaska Amateur Sports Authority on the
9 development of amateur sports in the state;
- 10 (3) obtain funding for national and international amateur
11 sports competition;
- 12 (4) obtain funding for operation and maintenance expenses
13 of amateur sports facilities; and
- 14 (5) do all acts and things necessary or desirable to devel-
15 op amateur sports in the state.

16 Sec. 05.40.170. ALASKA COUNCIL ON PHYSICAL FITNESS. (a) There
17 is created in the Department of Commerce and Economic Development the
18 Alaska Council On Physical Fitness. The council consists of 12 mem-
19 bers appointed by the board of the Alaska Amateur Sports Authority.
20 The council shall include representatives from academic, medical, and
21 community health professions and shall include at least one represen-
22 tative from each judicial district.

23 (b) The chairman of the council created in (a) of this section
24 shall be elected by the members of the council. Members of the coun-
25 cil serve without compensation but, when attending biannual meetings,
26 are entitled to per diem and travel expenses authorized by law for
27 state boards under AS 39.20.180.

28 Sec. 05.40.180. POWERS OF THE COUNCIL. The Alaska Council On
29 Physical Fitness may

- 1 (1) hold regular and special meetings as necessary but
2 shall meet at least biannually;
- 3 (2) study and recommend physical fitness programs;
- 4 (3) advise the Alaska Amateur Sports Authority regarding
5 participation in amateur sports and sports training; and
- 6 (4) do all acts and things necessary or desirable to en-
7 courage physical fitness in the state.

8 ARTICLE 6. GENERAL PROVISIONS.

9 Sec. 05.40.190. ANNUAL REPORT. By January 15 of each year, the
10 authority shall submit to the governor and the legislature a compre-
11 hensive report describing the operations, income, and expenditures for
12 the preceding fiscal year.

13 Sec. 05.40.200. ANNUAL AUDIT. The authority shall have its
14 financial records audited annually by a certified public accountant.
15 The legislative auditor may prescribe the form and content of the
16 financial records of the authority and shall have access to those
17 records at any time.

18 Sec. 05.40.210. BUDGET AND APPROPRIATIONS. The authority shall
19 submit its annual budget to the legislature through the governor as
20 provided for state agencies by AS 37.07 (Executive Budget Act). The
21 authority shall expend money appropriated by the legislature as autho-
22 rized by the legislature.

23 Sec. 05.40.220. REGULATIONS. The authority may adopt regu-
24 lations to implement this chapter.

25 Sec. 05.40.900. DEFINITIONS. In this chapter

- 26 (1) "authority" means the Alaska Amateur Sports Authority;
- 27 (2) "project cost" or "cost of a project" means all or any
28 part of the aggregate costs determined by the authority to be neces-
29 sary to finance the construction, expansion, or acquisition of a

1 project, including without limitation the cost of acquiring real or
2 tangible personal property, and, in connection with real property, the
3 cost of constructing buildings and improvements, the cost of con-
4 structing means of access to and from the project, the cost of con-
5 structing extensions of utility systems to the site of the project;
6 the cost of a project includes, without limitations, the cost of
7 financing the project, interest charges before, during or after con-
8 struction, expansion, or acquisition of the project, costs relating to
9 the determination of the feasibility, planning, design or engineering
10 of the project and, to the extent determined necessary by the author-
11 ity, administrative expenses, the cost of machinery or equipment to be
12 used in the operation of the project and expenses of installation,
13 replacement or rehabilitation, and all other costs, charges, fees and
14 expenses which may be determined by the authority to be necessary to
15 finance the construction, expansion, or acquisition.

16 * Sec. 3. AS 05.35.150, as added by sec. 2, ch. 15, SLA 1988, is amend-
17 ed to read:

18 Sec. 05.35.150. ALASKA AMATEUR SPORTS FUND. There is estab-
19 lished as a separate fund in the Department of Commerce and Economic
20 Development the Alaska amateur sports fund. The fund consists of
21 private contributions and money appropriated to the fund from receipts
22 under AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f). Money in the
23 fund may be appropriated for the promotion and development of amateur
24 sports.

25 * Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:
26 (25) employees of the Alaska Amateur Sports Authority.

27 * Sec. 5. Section 3 of this Act takes effect on the effective date of
28 those sections of an Act enacted by the Fifteenth Alaska State Legislature
29 that enact AS 28.10.165, 28.10.421(d)(4), and 28.10.421(f) providing for

1 winter Olympics commemorative plates, or immediately under AS 01.10.070(c),
2 whichever is later.

3 * Sec. 6. Except for sec. 3, this Act takes effect immediately under
4 AS 01.10.070(c).