

S

B

L

O

Q

SENATE COMMITTEE REPORT

FURTHER

1/9/89

DATE TURNED INTO OFFICE 2/1/89

Mr. President:

FINANCE

Committee considered SB 102

Winter Olympic funding; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero DR fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature] *Shoreoff*

[Signature] *DUBOIS*

[Signature] *Frank*

[Signature] *Fischer*

[Signature] *Chairman* **(DO PASS)**

Chairman signature and recommendation

Committee Backup attached

FISCAL NOTE

REQUEST

Revision Date: _____
Title: An Act relating to Winter Olympic Funding
Sponsor: Kelly
Requestor: Senate State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: If the United States Olympic Committee makes its decision by December 31, 1989 as in Section 3(a)(1), or the International Olympic Committee makes its decision by December 31, 1991 as in Section 3(a)(2), the Permanent Fund Dividend application form can be changed in time so there will be no fiscal impact. If the above committees makes its decision by October 1 and does not select Anchorage, the Permanent Fund Dividend Division can ignore the checkoff by applicants and pay the applicant the full value of the dividend

Prepared By: Ervin Jones
Division: Permanent Fund Dividend Division

Phone: 465-2323
Date: January 17, 1989

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 1/17/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

1 IN THE SENATE

BY KELLY

2

SENATE BILL NO. 102

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Winter Olympic funding; and
7 providing for an effective date."

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

9 * Section 1. Section 3(a), ch. 6, SLA 1986, is repealed and reenacted
10 to read:

11 (a) Section 2 of this Act takes effect as follows:

12 (1) on December 31, 1989, if during 1989 the United States
13 Olympic Committee does not select Anchorage, Alaska as America's
14 choice to host the 1998 Olympic Winter Games;

15 (2) on December 31, 1991, if before or during 1991 the
16 International Olympic Committee does not select Anchorage, Alaska to
17 host the 1998 Olympic Winter Games;

18 (3) on December 31, 1998, if before or during 1991 the
19 International Olympic Committee selects Anchorage, Alaska to host the
20 1998 Olympic Winter Games.

21 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

'NO OLYMPICS 98'

(907) 344-2998

STATEMENT OF POSITION:

'NO OLYMPICS 98' is a grass roots organization of Anchorage residents that opposes bringing the 1998 Winter Olympics to Anchorage. 'NO 98' feels that the effort to bring the Winter Olympics to Anchorage is another in a long line of quick fix schemes, a continuation of the "big boom" theory of economics. In reality, the Winter Olympics is a two week event, ten years in the future, that will cost the taxpayers of Anchorage untold millions of dollars. Please consider the following:

*The Anchorage Organizing Committee has said on many occasions that their proposed budget is based on guesses and estimates and that it is subject to daily change and that the same can be said of the proposed venues. What the AOC is saying is that their budget has no basis in fact, that the proposed venues are just that, proposed. 'No Olympics 98' takes the AOC at it's word. Their budget and venue proposals are not worth the paper they are written on and are therefore not worth discussing.

*The Anchorage Organizing Committee is a private organization with no public obligations yet they expect the public to back their venture with tax dollars. A blank check from the taxpayers.

*No Olympics, not even Los Angeles, has been held without public (taxpayer) funds. If these public funds are subtracted from the Olympic budgets there is no surplus, only a loss.

*The facilities at Lake Placid, New York are in a sad state of disrepair (Sports Illustrated September, 1988). Many of the Olympic athletes prefer to train close to home. Anchorage is 1400 plus miles from the nearest lower 48 airport and airfare and housing are more expensive than lower 48 locations. Why would Anchorage be any different than Lake Placid?

*Why is the Anchorage Organizing Committee attempting to bid for the 1998 games without a vote of the people? The August 23 vote applied to the 1994 bid only.

*The Anchorage Organizing Committee has twice been rejected by the International Olympic Committee. Both times they finished next to last in the voting. We hear many excuses, but the bottom line is this, they failed.

*Anchorage and Alaska are already world class tourist destinations. Tourists come to Alaska to see our unmatched scenery, to feel the Alaska mystique, to experience the last frontier. Anyone with a mountain and some snow can be a ski resort, only Alaska can be Alaska.

*According to newspaper reports the AOC will finish 1988 with a DEFICIT OF \$50,000 TO \$100,000. If the AOC cannot handle it's own finances, how can we trust them with a blank check from the taxpayers of Anchorage?

'NO OLYMPICS 98' believes in real economic development. Real jobs that pay real wages, jobs that can support a family, economic development that will fill the empty buildings in Anchorage. The Federal Express Cargo Facility, Flying Tigers expansion, the proposed ski resorts at Hatcher Pass and Eagle River, the continuation of the expansion of our tourist industry, the promotion of our fishing industry, further oil exploration and much more. These projects and projects like them produce two things: tax dollars and jobs. This is what we need today and tomorrow. The Olympics offers none of this.

FOR FURTHER INFORMATION ON 'NO OLYMPICS 98' CALL 344-2998

MICHAEL P. CITTI----CHAIRMAN
WILLIAM PATTERSON----VICE CHAIRMAN

AOC plans include dividend check-off

By STEVE RINEHART
Daily News reporter

With most of its operating money coming from permanent fund dividends, the Anchorage Organizing Committee for the 1998 Olympics is hedging its bets.

Adopting its 1989 budget on Wednesday, the AOC added \$50,000 to lobby individual Alaskans to check off the \$10 contribution when they file their dividend applications this spring.

The committee is banking on about \$850,000 from the check-off program this year, to support a roughly \$1 million budget aimed at getting Anchorage named as the U.S. candidate for the 1998 Winter Olympics.

That is about \$100,000 less than the AOC expects to collect from check-offs made last year. Some members said they are concerned that, with the economy in poor health and with the governor talking about spending permanent fund earnings, people may be less willing to part with a portion of their annual checks.

"We are being confident, yet conservative," said committee Treasurer Sharon Gagnon.

Last year, fewer people checked off the donation than in the past two years. But at \$10 apiece in 1988, instead of \$5 the previous

Please see Page B-3, AOC

Anchorage Daily News Thursday, January 19, 1989 B3

AOC: Dividend check-off a major portion of budget

Continued from Page B-1

years, the AOC still made more money.

Legislation introduced last week would continue the check-off "as long as Anchorage stays in the running" in the international contest to be named host city for 1998, said Senate President Tim Kelly, R-Anchorage, who sponsored the bill.

Monday, when the AOC's executive committee met to hash out the proposed budget, some members urged a strong campaign to encourage people to check off donations. Rick Mystrom said he expected the bulk of the public relations budget to be

spent in the few weeks of March and April when most people fill out their dividend applications. And, Tony Smith suggested the AOC commission a poll to survey people's attitude toward the check-off.

The legislature has given the AOC an exclusive right to be listed as an individual funding option on the dividend application forms. Kelly said Wednesday he would work to keep the Olympics check-off on, and other organizations off, the dividend form.

Under the bill, Kelly said, the AOC check-off would be allowed this year. And if the U.S. Olympic Committee this spring chooses Anchor-

age to vie against foreign cities to host the 1998 Games, the check-off would be allowed in successive years, and would continue if the International Olympic Committee in 1991 names Anchorage for 1998.

The organizing committee has collected about \$2.24 million from dividend check-offs in the past three years, with collections from 1988 continuing to come in. According to Ervin Jones, director of the Permanent Fund Dividend Division, 153,428 people checked the Olympics box on their dividend forms in 1986; 155,267 did so in 1987; and 96,161 did in 1988, when the donation rose to \$10.

About 550,000 state residents filed applications each of those years. The AOC is counting on support from at least 85,000 Alaskans.

In the first two years of the check-off, the AOC got \$710,635 and \$743,420. As of Tuesday, Jones said \$785,370 had been disbursed.

According to figures released by the AOC Wednesday, the committee expects to break even financially for 1988, and will be about \$46,000 ahead when bills and receipts are tallied for the entire Olympics 1994 campaign.

In the \$1,061,000 budget for 1989, the biggest expense is \$418,000 for administration.

ONLY 15% OF Budget FROM PRIVATE SOURCES

REALLY LESS SUPPORT

LESS SUPPORT

NOTHING TO SHOW FOR IT

ONLY 15.4% SUPPORT 84.6% DEFECT!

Why? Is the AOC "so special"?

IF THE AOC & OLYMPICS IS SUCH A GREAT IDEA why do we need to "sell it"?

Much Less Than ORIGINAL Budget Figure. ANOTHER AOC screw-up



**Anchorage Organizing
Committee
for the 1998 Olympics®**

The Frontier Building 3601 C Street, Suite 370 Anchorage, Alaska 99503
Phone (907) 561-1998 Fax (907) 562-0413 Telex 25311

January 26, 1989

Senator Rick Uehling
Senate Finance Committee
P. O. Box V
Juneau, Alaska 99811

Dear Senator Uehling:

I understand SB-102 will be considered in your committee in the near future. The Anchorage Organizing Committee wishes to go on record in support of this legislation. The bill would continue the Permanent Fund Dividend checkoff program while Anchorage pursues its bid for the 1998 Olympic Winter Games.

We appreciate your support.

Sincerely,

Rick Nerland
Secretary-General

RN126/cag



Alaska State Legislature

SENATE

Office of the President

P.O. Box V
State Capitol
Juneau, Alaska 99811

January 24, 1989

TO: Senator Rick Uehling
Senate Finance Co-Chair

FROM: Tim Kelly
Senate President

TJK

re: Background information on SB 102 , relating to the Winter Olympic checkoff.

Senate Bill 102 was introduced to create sunset provisions for the Winter Olympic checkoff program.

Specifically, the program ends on:

1. December 31, 1989 if the Anchorage is not selected by the United States Olympic Committee as America's choice to host the 1998 Olympic Winter Games;
2. December 31, 1991 if the International Olympic Committee does not select Anchorage as the host for the 1998 Olympic Winter Games;
3. December 31, 1998 if Anchorage is selected to host the 1998 Olympic Winter Games.

According to Mr. Rick Nerland, the Executive Director of the AOC, these proposed sunset provisions meet with the approval of the Anchorage Organizing Committee.

Additionally, it should be noted that this program is self-funded: any costs associated with running the program are paid for with checkoff funds before the funds are distributed to the AOC. Thus, there is "zero" fiscal impact with this legislation.