

SB

261

HFIN

FILE

Alaska State Legislature

#3803

Mailing Address:
P.O. Box 55094
North Pole, Alaska 99705
Ph: (907) 488-0862
Fax: (907) 488-4271

While in Juneau
State Capitol
Juneau, Alaska
99801-1182
Ph: (907) 465-4976
Fax: (907) 465-3883

MIKE MILLER
President of the Senate

Senate District Q

SB 261 Sponsor Statement

In the fall of 1997, Anchorage was awarded the bid to host the World Special Olympics Winter games in 2001. The bid award was contingent on the State agreeing to be the financial guarantor of the Games.

Working in conjunction with Senator Stevens, the Governor and private industry, Speaker Phillips and I agreed to jointly introduce legislation (HB357) that would "morally obligate" the State to pay any residual costs of the Games if private industry does not raise the money.

The total budget for the games is eight million dollars, four million dollars cash and four million dollars in-kind. In seven months, the organizing committee has raised over one million cash and two million in-kind. With three years left to generate funds, the organizing committee is committed to raising more than what is required host the Games and the legislature will not be required to appropriate funds to cover costs.

The legislation establishes AIDEA as the controlling agency to oversee the organizing committees fundraising activities and to report to the legislature on January 2 of each year the total funds raised to date. In the event that the money is not raised, the legislature would be 'morally obligated' to cover any costs, up to four million dollars.

Alaska is fortunate to have been awarded the bid. Special Olympics is a unique organization that benefits athletes in all areas of our State. The opportunity for them to participate in a worldwide competition with people of their same abilities is a once in a lifetime experience.

Agreement
for
S.O. 2001
World Wide
Games

50 pg
Blurb
of how
games are
to be
run

3/19/98

shall pay a royalty to SOI in an amount calculated pursuant to Section 11.03 (the "SOI Royalty"), to be paid solely out of the Cash Surplus, if any

ARTICLE X

RAISING FUNDS FOR THE GAMES

Section 10.01. Costs for the Games. All costs incurred by the GOC for planning, organizing, financing and conducting the Games (including without limit the GOC obligations regarding broadcasting under Article XIII), including cash expenses and Budget-Relieving In-Kind Support, shall not exceed Eight Million Dollars (\$8,000,000) (the "Cost Limitation"). The foregoing shall not restrict the GOC from planning and conducting Additional Events that, if included in the GOC Budget Plan, might otherwise cause the GOC to exceed the Cost Limitation, provided that the GOC obtains separate funding for such Additional Events and SOI approves such Additional Events as provided in Article VI. The foregoing proviso is intended to ensure that the funding for a particular Additional Event does not detract from the GOC's efforts and obligation to raise funds for the Games as required by this Agreement. For purposes of this Section, "separate funding" means financial support that the GOC can demonstrate to SOI's reasonable satisfaction is available for funding a particular Additional Event, but not for the GOC's general use in funding the Budget Plan or otherwise paying for the Games.

Section 10.02. Responsibilities of SOI. Except as may be explicitly provided elsewhere in this Agreement, SOI's obligation to provide financial support for the Games shall be limited to the following:

10.02-1. Required SOI Support. SOI shall provide the GOC with support having a total value of eight hundred thousand dollars (\$800,000) (the "Required SOI Support"), made up of the following:

(a) Budget-Relieving In-Kind Support. The Required SOI Support shall include (and may, at SOI's option, consist entirely of) Budget-Relieving In-Kind Support obtained through SOI's corporate sponsors and/or through arrangements by SOI with professionals, such as public relations professionals or accountants, to provide budget-relieving in-kind services to the GOC. On or before March 1, 1999 (or by any later date agreed upon by the parties), SOI shall notify the GOC of the types and approximate value of all Budget-Relieving In-Kind Support that SOI plans to provide as Required SOI Support. In addition, if SOI determines it advisable to provide the GOC with the services of a professional public relations consultant to assist with the GOC's international public information and/or promotional activities for the Games, SOI may credit those fees against Required SOI Support. SOI shall inform the GOC regularly as

order C.S. 3/19/98
 - as amended - 3/19/98 PG 3 of 4

CS FOR SENATE BILL NO. 261(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 2/25/98

Referred: Rules

Sponsor(s): SENATORS MILLER, Taylor, Leman, Ellis, Pearce, Wilken, Lincoln, Hoffman, Green

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Special Olympics World Winter Games to be held in
 2 Anchorage in the year 2001; establishing a reserve fund for the games; providing
 3 certain duties and authority for the Alaska Industrial Development and Export
 4 Authority regarding financing for those games; and providing for an effective
 5 date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1. FINDINGS.** The legislature finds that

8 (1) holding the 2001 Special Olympics World Winter Games in Anchorage will
 9 benefit the state through national and international recognition of the state as a location for
 10 large-scale sporting events;

11 (2) the 2001 Special Olympics World Winter Games are expected to draw
 12 thousands of athletes, coaches, and spectators to the state;

13 (3) the state's economy is expected to benefit from the influx of athletes,

1 coaches, and spectators who participate in or attend the 2001 Special Olympics World Winter
2 Games;

3 (4) the Alaska Industrial Development and Export Authority can fulfill its vital
4 economic development mission for the state by facilitating the 2001 Special Olympics World
5 Winter Games;

6 (5) by the holding of the 2001 Special Olympics World Winter Games in
7 Anchorage, the state will host the largest multisport event in the world in 2001, showcasing
8 its world-class competition venues and unparalleled natural beauty to a global television
9 audience; and

10 (6) the state and its people are proud to welcome athletes experiencing certain
11 developmental disabilities from around the world who will demonstrate their extraordinary
12 skills, dedication, courage, and joy during the 2001 Special Olympics World Winter Games.

13 * Sec. 2. RESERVE FUND ESTABLISHED. There is created in the Alaska Industrial
14 Development and Export Authority the 2001 Special Olympics World Winter Games reserve
15 fund to carry out the purposes of this Act. All money for the 2001 Special Olympics World
16 Winter Games granted to the authority by the United States government, all money
17 appropriated to the fund, and all money received by the authority from other grants, trusts,
18 bequests, and donations for those games shall be paid into the reserve fund.

19 * Sec. 3. ADMINISTRATION. (a) The authority may

20 (1) accept grants from the United States government for the 2001 Special
21 Olympics World Winter Games to be held in Anchorage;

22 (2) accept gifts, grants, trusts, bequests, or donations from any person for those
23 games;

24 (3) administer and invest the reserve fund in accordance with the powers and
25 responsibilities established in AS 37.10.071;

26 (4) use the reserve fund as the authority determines necessary to facilitate those
27 games; and

28 (5) designate agents and delegate the authority's powers under this Act to them
29 as necessary;

30 (b) The authority shall

31 (1) review the finance plan submitted to the authority by the local sponsor

original
of the ~~the~~ Budget of \$8 m \$

1 organization under sec. 4 of this Act;

2 (2) annually

3 (A) determine whether there is sufficient money from all sources other
4 than from state appropriations to cover the valid obligations of the local sponsor
5 organization for the games;

6 (B) if there is insufficient money from those other sources, determine
7 the amount, not to exceed a cumulative total of \$4,000,000, necessary to capitalize the
8 reserve fund to fulfill the purposes of the reserve fund; and

9 (C) report that amount to the governor and the legislature in the
10 certificate required by sec. 4(e) of this Act.

11 * Sec. 4. FINANCING AND FINANCIAL GUARANTEE PLAN. (a) If the local sponsor
12 organization desires a state financial guarantee plan for the games, the organization shall
13 prepare a finance plan for those games and submit that plan to the authority for approval no
14 later than 90 days after the effective date of this Act. The finance plan must include

15 (1) an estimate of the total cost of the games and a description of the sources
16 of money that will be used to finance the total cost of the games;

17 (2) an estimate of the operational costs of the games and a description of the
18 source of money that will be used to pay the operational costs;

19 (3) a method of financing the games that minimizes the cost to the state and
20 ensures the local sponsor organization uses its best efforts to minimize costs to the state.

21 (b) The local sponsor organization shall update the finance plan semiannually and
22 shall submit the updated plan to the authority for approval semiannually.

23 (c) The local sponsor organization shall provide to the authority additional information
24 reasonably requested by the authority.

25 (d) The finance plan and all updates are subject to approval by the authority following
26 reasonable due diligence by the authority to ensure state costs are minimized.

27 (e) The chair of the authority shall, at least annually, no later than January 2, make
28 and deliver to the governor and the legislature a certificate stating whether the local sponsor
29 organization has met the requirements of (a) - (d) of this section and stating the amount, if
30 any, determined under sec. 3(b)(2) of this Act, not to exceed a cumulative total of \$4,000,000/

31 If the local sponsor organization has met the requirements of (a) - (d) of this section, the

as ref in Act 10
~~with~~
Special
Olymp
Intl

1 legislature may, after January 2, 2001, appropriate an amount not to exceed \$4,000,000 to be
2 deposited by the authority in the reserve fund. Nothing in this subsection creates a debt or
3 liability of the state.

4 * Sec. 5. DEFINITIONS. In this Act,

5 (1) "authority" means the Alaska Industrial Development and Export Authority;

6 (2) "games" means the Special Olympics World Winter Games to be held in
7 Anchorage in the year 2001;

8 (3) "local sponsor organization" means the 2001 Special Olympics World
9 Games Organizing Committee or its successor organization;

10 (4) "reserve fund" means the 2001 Special Olympics World Winter Games
11 reserve fund.

12 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

0-LS1354F
Cook
3/19/98

adopted N/O 3/20/98

HOUSE CS FOR CS FOR SENATE BILL NO. 261(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS MILLER, Taylor, Leman, Ellis, Pearce, Wilken, Lincoln, Hoffman, Green, Mackie, Kelly

REPRESENTATIVES Green, Williams

A BILL

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5 Winter Games;

6 (5) by the holding of the 2001 Special Olympics World Winter Games in
7 Anchorage, the state will host the largest multisport event in the world in 2001, showcasing
8 its world-class competition venues and unparalleled natural beauty to a global television
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11 developmental disabilities from around the world who will demonstrate their extraordinary
12 skills, dedication, courage, and joy during the 2001 Special Olympics World Winter Games.

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28 (5) designate agents and delegate the authority's powers under this Act to them
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30 (b) The authority shall

31 (1) review the finance plan submitted to the authority by the local sponsor

1 organization under sec. 4 of this Act:

2 (2) annually

3 (A) determine whether there is sufficient money from all sources other
4 than from state appropriations to cover the valid obligations of the local sponsor
5 organization for the games;

6 (B) if there is insufficient money from those other sources, determine
7 the amount necessary to capitalize the reserve fund to fulfill the purposes of the
8 reserve fund, not to exceed a cumulative total of \$4,000,000 of the cost limitation of
9 \$8,000,000 as referenced in art. X, sec. 10.01, of the Special Olympic International
10 Charter; and

11 (C) report that amount to the governor and the legislature in the
12 certificate required by sec. 4(e) of this Act.

13 * **Sec. 4. FINANCING AND FINANCIAL GUARANTEE PLAN.** (a) If the local sponsor
14 organization desires a state financial guarantee plan for the games, the organization shall
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31 organization has met the requirements of (a) - (d) of this section and stating the amount, if

1 any, determined under sec. 3(b)(2) of this Act, not to exceed a cumulative total of \$4,000,000
2 of the cost limitation of \$8,000,000 as referenced in art. X, sec. 10.01, of the Special Olympic
3 International Charter. If the local sponsor organization has met the requirements of (a) - (d)
4 of this section, the legislature may, after January 2, 2001, appropriate an amount not to exceed
5 \$4,000,000 of the cost limitation of \$8,000,000 as referenced in art. X, sec. 10.01, of the
6 Special Olympic International Charter. The amount appropriated shall be deposited by the
7 authority in the reserve fund. Nothing in this subsection creates a debt or liability of the state.

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9 (1) "authority" means the Alaska Industrial Development and Export Authority;

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13 Games Organizing Committee or its successor organization;

14 (4) "reserve fund" means the 2001 Special Olympics World Winter Games
15 reserve fund.

16 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

No. 1
 Bill Version: SB261
 (S) Publish Date: 2/6/98

**STATE OF ALASKA
 1998 LEGISLATIVE SESSION**

Revision Date: January 27, 1998
 Title: Special Olympics World Winter Games 2001

Department: DCED
 BRU: AIDEA
 Component: AIDEA

Sponsor: Sen. MILLER, Taylor, Leman, Ellis, Pearce, Wilken, Lincoln, Hoffman, Green
 Requester: Senate State Affairs COMPONENT SERIAL NO. 1234

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other Corporate Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 The bill creates a temporary reserve fund within the Alaska Industrial Development and Export Authority (AIDEA) specifically related to the Special Olympics World Games to be held in Anchorage in 2001. The bill provides AIDEA the authority to administer the reserve fund, to review and approve the local sponsor organization's finance plan and to report to the Governor and Legislature any amounts necessary to fund the reserve fund. No additional staff will be required to provide oversight of the Special Olympics 2001 fund.

Prepared by: D. Randy Simmons, Executive Director Phone: 907.269.3000
 Division: AIDEA Date: January 27, 1998
 Approved by Commissioner: Deborah B. Sedwick Date: January 27, 1998
 Agency: Commerce and Economic Development

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HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 4, 1998

FURTHER REFERRALS:

Date of Committee Action: 3/20/98

The FINANCE Committee considered:

CSSB 261(FIN)

CS FOR SENATE BILL NO. 261(FIN)

SPECIAL OLYMPICS 2001

"An Act relating to the Special Olympics World Winter Games to be held in Anchorage in the year 2001; establishing a reserve fund for the games; providing certain duties and authority for the Alaska Industrial Development and Export Authority regarding financing for those games; and providing for an effective date."

recommends it be replaced

with the following committee substitute

HCS

CSSB 261 (Fin)

the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) DCFD 2/6/98

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Ben Therriault</i>	Therriault			X	
<i>Alton Mulder</i>	Mulder	X			
<i>Larry Martin</i>	Martin	X			
<i>Vick Kohring</i>	Kohring				X
<i>Al DAVIES</i>	DAVIES	X			
<i>Ben Crussendorf</i>	Crussendorf			X	
<i>Fern DAVIS</i>	DAVIS			X	
<i>Kelly Foster</i>	Kelly Foster			X	
<i>[Signature]</i>		X			

CHAIR'S SIGNATURE *Ben Therriault*



House Finance Committee

SUBJECT OF MEETING:
HB 317

DATE: March 19, 98

PLACE: Cap 519

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Byron Walt / Kirk Kelly	APEC				2047	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	HB 317
① Cliff Stryker	Rep. AUSTIN					<input type="checkbox"/> Y <input type="checkbox"/> N	411
B. Austerman						<input type="checkbox"/> Y <input type="checkbox"/> N	
Mary Gore staff	miniMoku					<input type="checkbox"/> Y <input type="checkbox"/> N	
Doug Griffin (3194)						<input type="checkbox"/> Y <input type="checkbox"/> N	
277-8638						<input type="checkbox"/> Y <input type="checkbox"/> N	
3pm Alecku Bw Cm Bnc						<input type="checkbox"/> Y <input type="checkbox"/> N	
ED						<input type="checkbox"/> Y <input type="checkbox"/> N	