

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6597 SENATE STATE AFFAIRS

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ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY

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RECEIVED

M E M O R A N D U M

FEB 06 1989

OFFICE OF THE  
COMMISSIONER

TO: Linda Wild, Legislative Liaison  
Department of Commerce & Economic Development

FROM: Bertram L. Wagnon  
Executive Director *[Signature]*

DATE: February 6, 1989

SUBJECT: CSSB #1

Section 05.40.100 Bond Participation:

Under this provision AIDEA could issue bonds on behalf of the Sports Authority. This appears a logical progression in that the Sports Authority would not have to duplicate the financing and bonding ability already available within AIDEA.

Section 8 of the bill amends A.S.44.88.080 to allow AIDEA to finance a Sports facility in participation with the Alaska Amateur Sports Authority.

The relationship established by S.B. #1 between the Sports Authority and AIDEA appears to be sensible and logical. The Sports Authority board would be responsible for of course their activities, however, AIDEA would assist and participate in their financing endeavors. From a technical aspect I see nothing that would impede such a relationship from being functional.

In implementing this legislation, it would be envisioned that the Board of the Sports Authority would identify projects they wanted to construct. The Sports Authority and AIDEA would then prepare financial feasibility plans to assess the best possible way to finance such facilities.



Official Business

# Alaska State Legislature

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

## MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot, Chairman

RE: January 18 Committee Hearing

DATE: January 17, 1989

On Wednesday, January 18 at 1:30 p.m. in the Beltz Room, the Senate State Affairs Committee will hear the following bills:

SB 1, Relating to the Alaska Amateur Sports Authority, the Alaska Sports Congress, the Alaska Council on Physical Fitness, and the Alaska amateur sports fund.

SB 102 would establish the Alaska Amateur Sports Authority as a public corporation within the Department of Commerce and Economic Development. Governance would be by an 11-member board of directors, with advice from a sports congress and a council on physical fitness. The authority would be responsible for developing and promoting amateur sports in Alaska. Funding would be with state general funds, bonds issued by the authority, and private contributions.

SB 102, Relating to Winter Olympic funding.

SB 102 would continue the \$10 Permanent Fund Dividend check-off for the Winter Olympics until a site is selected for the 1998 Olympics. This amends current statute, which references the 1996 Olympics, to reflect the International Olympic Committee's recent decision to stagger the summer and winter Olympics (holding them in 1996 and 1998 respectively). The bill has a zero fiscal note.

SB 8, which extends the termination date of the Alaska Women's Commission and was heard on Monday, will be back before the committee as well.

Anch Times 1-19-88

## Senators disagree on need for amateur sports agency

By BRIAN S. AKRE  
Associated Press

JUNEAU — Legislation to create a new quasi-state agency to promote and develop amateur sporting events in Alaska faces hurdles in the Senate State Affairs Committee, where at least two members question its need.

Senate Bill 1 would create the Alaska Amateur Sports Authority and two advisory groups with the ultimate goal of boosting the state's winter tourism industry.

Under the bill, the authority would have the power to issue bonds, subject to legislative approval, for the construction of amateur sports facilities.

The 17-page bill is sponsored by Senate President Tim Kelly, R-Anchorage, and Sens. Paul Fischer, R-Soldotna, and Jay Kerttula, D-Palmer. The

authority's structure would be based on a similar organization in Minnesota.

During a committee hearing Wednesday, Sens. Jan Faiks, R-Anchorage, and Al Adams, D-Kotzebue, questioned the need for the legislation, its scope and the potential cost to the state of creating a new agency.

"Why do we need to create another group in the state of Alaska that can create bonds?" Adams asked.

A fiscal analysis of the measure estimates it would cost the state about \$100,000 in the first year and about \$155,000 every year thereafter for two administrative jobs and expenses of the agency's board of directors.

No action was taken on the bill. Kelly said the sponsors plan to scale it down, eliminating the two advisory

See Sports, page B-3

## Sports: Booster

Continued from page B-1

groups. The new version also will place the agency's bonding power under the Alaska Industrial Development and Export Authority, he said.

Proponents of the bill said the state money would be an investment that eventually would boost Alaska's tourism industry during the slow winter months.

Eldon Mulder, an aide to Kelly, said the authority would promote Alaska as a prime site for amateur winter sporting events, including ski, hockey, bobsled and speed-skating competitions.

"We can capitalize on the mystique of Alaska," he said in an interview. "To the people Outside, traveling to Alaska is something that's always been a dream, a goal. It gives us a foot up on the competition, a natural tie that we could really exploit."

The effort fits in with the movement to get the Winter Olympics in Anchorage, he said.

"Most people look at the Olympics as a tremendous economic boost, which it is. But tied into the Olympics are all these other various sporting events and competitions," Mulder said.

Faiks, however, said the job of expanding the tourism industry and winter sports facilities was best left to the private sector, not state government.

"You didn't need government to bring the World Cup (ski races) to Alyeska," she said, referring to the ski resort outside Anchorage.

# Amateur sports have high economic impact

Minnesota has attracted and secured more than 20 nationally prominent sports events for 1988 through 1992, with the potential economic impact of more than \$53 million statewide.

New emphasis on attracting major sports events means that Minnesota can realize \$20 to \$30 million annually in economic benefits beginning in 1990, according to Governor Rudy Perpich.

Minnesota emerged as a national leader in promotion and development of amateur sports in 1987, when the Minnesota Amateur Sports Commission (MASC) was formed and \$29 million was appropriated for amateur athletic facilities.

Minnesota should have a national or world class facility for each of the Olympic sports by the early 1990s, according to Paul Erickson, MASC executive director. In preparation for

the 1988 Legislative session, the MASC approved a resolution recommending an additional \$20 million toward amateur sports facilities.

"If we are successful in accomplishing this capital bonding initiative, we will be 90 percent complete in achieving our master plan of sports facilities for Minnesota," Erickson says.

"Sports have become a significant component in Minnesota's economy, and we have much to gain by becoming a nationally known training headquarters for Olympic teams."

"We have a great deal of spectator support," Erickson says. "The World Series has shown us that. But we also have many participants in amateur sports activities in our state. The MASC recently completed a detailed study which indicates that more than 1.2 million Minnesotans are registered amateur sports members. We

top all other states in the ratio of participants to residents."

The most important factor in attracting major amateur sports events to the state is the development of quality facilities, Erickson says.

Plans are currently under way for the National Sports Center at Blaine, a facility for track and field, soccer and cycling; the National Ice Hockey Training and Event Center at St. Cloud State University; an Olympic-caliber swimming center at the University of Minnesota; and an expansion of both alpine and nordic ski trails at Giants Ridge Recreational Area in Biwabik.

The MASC has prepared recommendations to the Governor and to the 1988 Minnesota Legislature for the next phase of facility development.

The MASC, with direct assistance from Governor Perpich, assisted The Twin Cities Olympic Festival Or-

ganization in its successful bid for the 1990 U.S. Olympic Sports Festival. This national event is expected to draw more than 500,000 spectators.

To determine the economic gains that sports bring to our state, Erickson says, you apply the "multiplier factor," which determines the potential economic impact of sports events.

"We have determined that for every new job created by hosting sports events, another six-tenths of a job results, for a total of 1.6 jobs," Erickson says. "There are two effects from new jobs; direct and indirect. When we host a sports event in the Twin Cities, athletes and spectators stay in area hotels. This is a direct effect. Hotel suppliers, who provide linens, food and housekeeping, also benefit. As they spend their earnings, they create an indirect effect on our economy."

# MEDALIST

For the Amateur Stars of the North



VOL. I. NO. 1

SPRING, 1988

## To Lead the Nation in Amateur Sport

By Wayne Faris, Chairman of the Minnesota Amateur Sports Commission



Governor Perpich, in appointing the Minnesota Amateur Sports Commission (MASC), placed a threefold challenge before us — to create economic development through amateur sport, to support our amateur sport associations, and to establish Minnesota as a center for national and Olympic team training.

The Governor, via his far-sighted initiatives, has given us the tools necessary to accomplish these goals. The \$29.4 million in capital bonding funds appropriated by the 1987 State Legislature for amateur sport facility development has opened the door to expand world class amateur sport events and their effects.

The MASC is dedicated to devoting equal attention to the social and economic benefits of amateur sport. I believe that the Commission ultimately will be judged by our ability to maintain an appropriate and sensitive balance in achieving both of these goals.

Working with the Commission and the MASC staff to develop pragmatic initiatives to make our goals realities are our

four boards.

The "Star of the North" State Games board, chaired by Tom Keller, is creating a state Olympic-style sport competition where all our amateur athletes will have the opportunity to join in festive, yet challenging, sport competition. I encourage all Minnesotans to attend.

Studying long-term health and fitness issues that affect Minnesotans, the Governor's Council on Physical Fitness and Sport, under the leadership of Dr. Allan Ryan, will bring vital knowledge on these topics to our people through such events as a conference on women's sports in the fall.

The Minnesota Amateur Sports Congress is made up of representatives from our state's amateur sport associations. The Congress, scheduled to meet annually, will offer participants an opportunity to share ideas, concerns and solutions about amateur sport.

The Governor's Council,

State Games and the Amateur Sports Congress are developing pragmatic initiatives to broaden the benefits of amateur sports to young and old alike in our communities.

Success in amateur sport development requires three elements: proper facilities, a broad development program and the ability to host major events. The Minnesota Amateur Sport Promotion Board, chaired by John Geisler, is the MASC's clearinghouse for identifying key amateur sport events with significant economic and social impact. Working with the MASC staff, the board provides assistance to any amateur sport community that would like to bid for a significant amateur sport event, enhance a current program, or learn how events can become beneficial public relations and advertising banners for sport and community development.

Most notably, the MASC staff, with direct help from the Governor, assisted The Twin Cit-

ies Olympic Festival Organization in its successful bid for the 1990 U.S. Olympic Sports Festival.

If Minnesota is to attract major amateur sport events, quality facilities are imperative. The Minnesota Olympic Development Program is the core of our amateur development strategy.

Olympic-caliber amateur sport facilities in Minnesota, which are designed for training as well as for amateur sport competition have been designated as National Team Training Centers by numerous major sports.

This combination of superb facilities with long-term training commitment will ensure that major amateur sport events are held in Minnesota, bringing significant economic benefits to our state.

By keeping a clear view of our goals, by combining world-class facility development, event promotion and support for our amateur sport associations, we are well on the way to creating exciting sporting opportunities and economic benefits for Minnesota now and in the future.

Most importantly, I want to say a special thank you to the hundreds of dedicated volunteers who have made this first phase of the Minnesota Amateur Sport Commission a success.

The real strength of the MASC is the partnership between the Commission members, staff and volunteers. As chairman, I am proud to be part of one of the most enthusiastic and ambitious elements of Minnesota state government.



## Hosting the Nation

Minnesota, once again, has proved to the world that it can successfully host a world-class sporting event.

As baseball fans watched the Minnesota Twins fight their way to victory in the 1987 World Series, the state of Minnesota also caught the attention of the media as a superb host of the World Series.

"The World Series proved that the Twin Cities can easily accommodate a major influx of people. More importantly, the Series gave the state credibility, established it as a major sports center and showed that Minnesotans support sports," noted Ron Gorick, chair of the Metropolitan Sports Facilities Commission.

The U.S. Olympic Committee has already demonstrated its confidence in Minnesota by awarding the 1990 U.S. Olympic Festival to The Twin Cities Olympic Festival Organization Inc.

The two-week Olympic Festival, the largest regularly sched-

uled amateur sports competition in the country, will feature 34 Olympic sports and more than 4,250 athletes, trainers and coaches. Approximately 350,000 paying fans are expected to attend the events July 4 - 16, 1990.

The Olympic Festival has opened doors to many amateur sport host opportunities for the state with Minnesota athletes benefitting as greater facilities and competitions find homes here, according to Robert Parkinson, chairman of the festival organization.

Building upon the 1987 Legislature's \$29.4 million investment in facilities for eight Olympic sports, Minnesota is positioning itself as a national center for amateur sport and national team training.

Eight U.S. amateur sport national governing bodies already have designated Minnesota as their national team training center location, and there may be as many as 16 national sport training centers in the state by 1992.

## Results of Sport Study Suggest Economic Potential

A detailed study of Minnesota amateur sport organizations recently completed by the MASC indicates that more than 1.2 million Minnesotans are registered amateur sport members.

"The potential in combining opportunity for our athletes and economic development to benefit all residents is readily apparent," says Paul Erickson, executive director of the MASC.

The study analyzed data on demographics, sport facilities, and competition and training events reported by contracts in each of Minnesota's 65 amateur sport organizations. Eighty-three percent of the state's amateur sport associations took part in the survey process.

The study is being presented to the 1988 Minnesota Legislature as an economic and social impact report to provide substantive information supporting the MASC's expanding mission.

"The economic analysis of the impact of amateur sport pro-

vides the MASC and the Legislature with facts necessary to make sound decisions to benefit Minnesota," notes Erickson. "The study sheds light on the value of amateur sport in terms of measuring the level of social well-being, health and fitness activity, and the economic contribution to our state's economy."

MASC staff feel the study provides a better understanding of each sport's goal, information about current projects, a "snapshot assessment" of areas where sports need general or individual support, and clarification of what is involved in amateur sport in our state.

Analysis of event information and membership numbers will aid staff in developing programs to support Minnesota's amateur organizations. Effective choices can be made in amateur sport facility development and usage needs using the survey as a starting point.

## Governor's Council on Physical Fitness and Sport Promotes Fitness for All



Minnesota has joined 34 other states across the nation in establishing a Governor's Council on Physical Fitness and Sport to promote the health and fitness of its citizens.

With the current strong national awareness on health and fitness programs, including employee fitness programs, community recreation, amateur events and club membership, people have a variety of opportunities. "Often the most difficult task for the individual concerned with fitness is deciding which activities to choose," Dr. Allan Ryan, council chairman said.

The council has determined that a primary objective will be to organize events that emphasize the importance of fitness and health in daily life. "Fitness Day

for Legislators" will involve basic screening and evaluation testing during the legislative session. A conference focusing on women's sports and health issues is planned for late 1988, and another conference on sports medicine is planned in conjunction with the 1988 "Star of the North" State Games in July.

"The benefits of sport actually extend beyond the individual and include the entire community," Dr. Ryan said.

"Whether a person is involved in a senior fitness program, a recreational league, or a competition, he or she contributes to the stability and health of his or her community. Each individual becomes a fitness promoter."

# Events Promotion is Vital Link

Providing a crucial link for Minnesota amateur sports, major amateur sport events and communities statewide, the Minnesota Amateur Sport Event Promotion Board is one of four MASC boards.

Amateur sport championships create more than \$300 million in economic impact in the United States annually. MASC Executive Director Paul Erickson estimates that Minnesota will reach \$20 to \$30 million annually in new net economic benefits re-

sulting from sport initiatives by 1990.

John Geisler, chair of the Minnesota Amateur Sport Events Promotion Board, stresses that "Attracting amateur sport events to Minnesota not only will increase competition, training and "personal best" opportunities for our state's amateur athletes, but also will create significant economic benefits for communities and residents statewide."

Made up of volunteers with public relations, marketing, busi-

ness development and government relations skills, the Events Promotion Board can provide valuable expertise to amateur sport in Minnesota.

Two of the board's major initiatives are the Technical Assistance Program and the Lead Network.

The Technical Assistance Program allows communities or amateur sport associations to apply to the MASC and the Events Promotion Board for technical assistance to bid on sporting events

for which they otherwise might be unable to compete.

The Lead Network sends information to Minnesota visitor and convention bureaus and amateur sport associations about communities and state sport associations wishing to attract and host major sport events.

Minnesota already has secured more than 20 nationally prominent events, with an estimated economic impact of more than \$53 million, through 1992.

## Major Sporting Events Secured By Minnesota

Revenue brought to Minnesota by major amateur sport events provides the economic foundation for developing amateur sport in the state.

<u>YEAR</u>	<u>EVENT</u>	<u>NEW NET ECONOMIC IMPACT*</u> (Est. Net \$ x 1.6)	
1988	NCAA Women's Volleyball Final Four in St. Paul	\$ 190,000	
	U. S. Women's National Amateur Golf Tournament	320,000	
	Western Collegiate Hockey Finals in St. Paul	2,424,000	
	National Women's Softball Tournament in Bloomington	150,000	
	U. S. Olympic Nordic Ski Trials in Biwabik	240,000	
	U. S. National Weightlifting Championships in Minneapolis	40,000	
	MidAmerican Kayaking Championships in Carlton	90,000	
	USA Cup International Soccer Tournament in Blaine	2,000,000	
	U. S. Men's National Curling Championship in St. Paul	77,500	
	U. S. Women's National Hockey Championships	45,000	
	Twin Cities Marathon	1,100,000	
	Grandma's Marathon in Duluth	1,588,000	
	ITCA National Collegiate Indoor Tennis Championships	145,550	
	North American Yachting Championships in Minnetonka	322,000	
	North Central Regional Swimming & Diving Championships	318,000	
	1989	NCAA Division One Hockey Finals in St. Paul	2,752,000
		NCAA Regional Men's Basketball Tournament in the Metrodome	3,840,000
USA Cup International Soccer Tournament in Blaine		2,200,000	
NCAA Slalom Ski Championships in Biwabik		860,000	
NCAA Giant Slalom Ski Championships in Lutsen		860,000	
Twin Cities Marathon		1,200,000	
Grandma's Marathon in Duluth		1,700,000	
1990	U. S. Olympic Sports Festival - Metropolitan Area	25,000,000	
	USA Cup International Soccer Tournament in Blaine	2,400,000	
	Twin Cities Marathon	1,300,000	
	Grandma's Marathon in Duluth	1,800,000	
	Major Yacht Racing Event	1,100,000	
1991	U. S. Men's National Golf Tournament in Chaska	10,000,000	
	World Championships of Bandy in Roseville	500,000	
	USA Cup International Soccer Tournament in Blaine	2,600,000	
	Twin Cities Marathon	1,400,000	
	Grandma's Marathon in Duluth	2,000,000	
1992	NCAA Final Four Men's Basketball Tournament in the Metrodome	2,545,000	
	USA Cup International Soccer Tournament in Blaine	3,000,000	
	Twin Cities Marathon	1,500,000	
	Grandma's Marathon in Duluth	2,200,000	
TOTAL		\$79,807,050	

### \*Sources:

St. Paul Pioneer Press Dispatch (1987)  
State of Utah Study on Amateur Athletics (1985)  
Economic Impact of Giants Ridge (1986)  
NCAA (1987)  
Minnesota Special Olympics (1987)

Twin City Bid Response for 1996 Olympics (1987)  
Pan Am Games Organizing Committee (1987)  
Twin Cities Marathon (1987)  
Grandma's Marathon (1987)  
National Governing Bodies of Amateur Sport

# The Minnesota Olympic Development Program

"Minnesota is developing plans to establish a state-of-the-art facility for every winter and summer sport of the Olympic movement," Paul Erickson, MASC executive director said. "The Minnesota Amateur Sports Commission's 'Blueprint II — A Long-Range Planning Document' has identified the many excellent facilities that exist in Minnesota and established a development timetable for future facilities."

The MASC has established a goal that by the early 1990s, Minnesota should have a national or world class facility for each of the 37 Olympic sports. "If the MASC is successful in accomplishing the capital bonding initiatives for the 1988 Legislative Session, we will be 90 percent complete in achieving our master plan of sport facilities for Minnesota," Erickson said.

Minnesota began its strategic development of amateur sport facilities in 1984 by investing \$7 million in the Giants Ridge Ski Area. Through the Minnesota Iron Range Resources & Rehabilitation Board, a regional state agency, a dream was realized to develop a major sport training and event center for cross country skiing, biathlon, nordic-combined and alpine skiing.

In 1987 the second phase of Minnesota's formal plan to develop amateur sport facilities was accomplished through actions of the 1987 Minnesota Legislature. In addition, the Legislature created the Minnesota Amateur Sports Commission, a state agency dedicated to harnessing the social and economic benefits of sport. The Legislature provided funding for the National Sports Center at Blaine, Minnesota, for the sports of track and field, soccer and cycling. The Center will include a 12,000-seat soccer and track and field stadium, indoor track and soccer training area, 300-bed dormitory, food service, and a 250-meter velodrome/racing track for cycling. Estimated completion is scheduled for 1989.

A National Ice Hockey Training & Event Center was approved for location at St. Cloud State University. The Center will include two Olympic-size sheets of ice, a 7,000+ seat arena, training rooms and sport medicine facilities. Expected completion is fall 1989.

The MASC awarded a \$3 million grant to the University of Minnesota for an Olympic-caliber swimming center. The University of Minnesota will utilize

additional state funds and other private funds to develop a \$21 million swimming and recreation center. Expected completion is scheduled for the spring of 1990.

An additional \$2.2 million was awarded to Giants Ridge Recreational Area for expansion of both the alpine and nordic ski trails. Giants Ridge now has a complete biathlon trail system and more than 50 kilometers of cross country ski trails as well as two new ski lifts to facilitate additional amateur alpine ski competitions.

The MASC has prepared recommendations to the Governor and the 1988 Minnesota Legislature for the next phase of facility development. The new proposals will add additional sports to the Blaine facility, which is the flagship of the MASC, and attempt to develop new winter sport facilities.

Because of the excellent infrastructure of the planned facilities at Blaine with the dormitory, food service and indoor training opportunities, the MASC is recommending a cover for the velodrome to accommodate 12 months of cycling training. In addition, the MASC is seeking additional funds to develop a national training center for wrestling and

weightlifting as well as planning money for future expansion of the stadium.

The city of Roseville is the proposed venue for a speedskating training and event center. The MASC is proposing \$2 million to be augmented by \$1.5 million of private funds.

To continue Minnesota's long tradition of producing champion ski jumpers, the MASC is recommending a pool of \$4 million to build event and training ski jumps. The Commission is considering proposals from Bloomington and Giants Ridge. A \$4 million contribution of private funds is required.

The MASC is recommending a \$4 million shooting sport center also at Giants Ridge, which would require a \$1 million private match. This center would be a showcase for shooting sports including archery, pistol, rifle, trap and skeet.

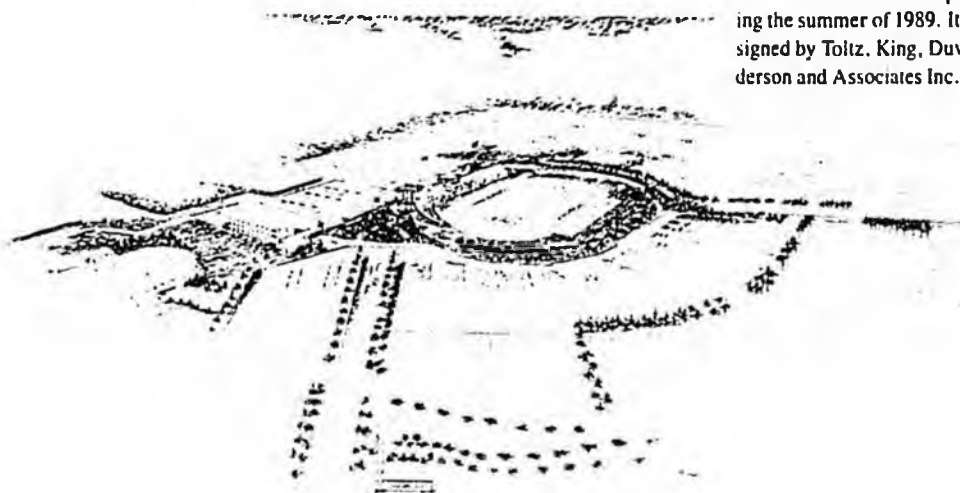
Whitewater kayaking is destined for a national training center on the St. Louis River near Carlton, Minnesota. Developing spectator viewing areas, parking and other support facilities will cost \$260,000.

The Commission is also considering an appropriation of \$2.2 million to complete the planning and construction of a luge/bobsled run for the city of Duluth at Spirit Mountain.

Finally, a \$50,000 study is being proposed to determine the best competition and training site for rowing. With Minnesota's 10,000 lakes, there are a number of good candidates. St. Paul, Minneapolis and Duluth all have expressed interest in this project.

Upon successful adoption by the 1988 Legislature, Minnesota would only have to complete plans for the rowing, luge and bobsled, field hockey and team handball facilities. After that, the MASC will look closely at making training amenities for a canoe/kayak center and possibly a national fencing training center, an outdoor summer tennis arena and tournament center. To complete the full Olympic circle of facilities, the Commission will encourage and work with the private sector to develop a 100 percent privately financed major bowling center and an equestrian center.

The National Sports Center at Blaine will include facilities for cycling, soccer, and track and field, and is scheduled for completion during the summer of 1989. It is designed by Toltz, King, Duvall, Anderson and Associates Inc.



# Training with the Best:

## Minnesota Sport Centers are National Focus

Interest in amateur sport has skyrocketed in recent years resulting in a wealth of new sports research. Amateur sport places greater emphasis on correct training than ever before.

Advances in physiology, training, nutrition, sport psychology, and the care and prevention of injuries are being driven by a constant push to upgrade training programs for athletes and coaches. Like J.F.K.'s goal to put a man on the moon, the heightened attention on excellence in sport has mobilized knowledge, financial resources and, most importantly, the top people.

Currently under construction with funds from the 1977 Legislature, Minnesota's National Team Training Centers for eight sports have been professionally designed with assistance from the best U.S. coaches, athletes, sports medicine physicians, and event organizers to reflect the lat-

est advancements in training and teaching.

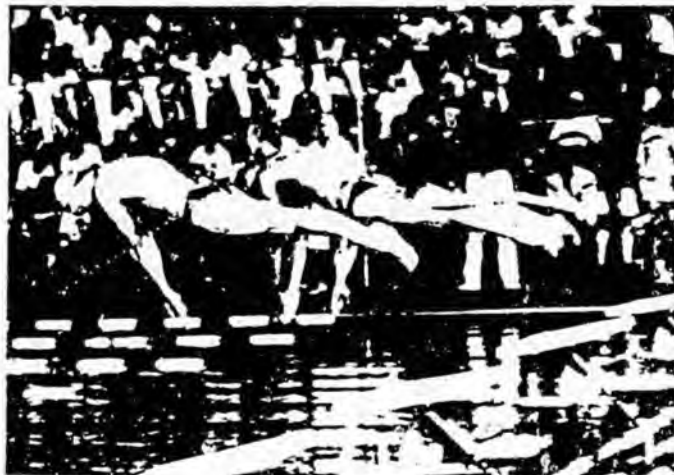
Built for the coach and athlete as well as the spectator, these centers will expose amateur competitors throughout the region to the top talent in their sport through developmental camps

and weekend seminars. National coaching colleges will be held alongside of national team training, so that the leading sport experts may share their expertise with growing numbers of committed amateur coaches — coaches who will further encour-

age development of a new wave of athletes.

Collectively called the National Amateur Sports Institute, these accredited programs represent a significant second level of achievement for the amateur sport movement. Previously, amateur organizations concentrated on their elite training. The top athletes received recognition, and many other athletes then became aware of the sport. Now, as the National Governing Bodies of Sport expand their developmental programs, they increase their membership strength.

More importantly, the health and fitness of the nation are strengthened as the amateur sport movement broadens and expands — striving for excellence in elite programs and reaching individuals in all levels of involvement and skill through development programs.



## Olympic Trials at Giants Ridge:

### “A First-Rate Event”

200 nordic skiers vied for positions on the U.S. Nordic Ski Team at the Olympic trials held January 17 - 23 at Giants Ridge Nordic Team Training Center in Biwabik, Minnesota.

Biwabik served up perfect race conditions. The skiers competed at 20° F on fresh snow and enjoyed the top-notch organization for which Giants Ridge is known throughout the United States Ski Association. A pioneer of Olympic facilities development in Minnesota, Giants Ridge was supported by 300 local volunteers during the six-day event.

Several skiers expressed the hope that the trials would return to Biwabik every four years. “It seems no matter how often they come here, they always want to come back to the Ridge,” Mike Gentile, director of Giants Ridge, says. “We have excellent snow conditions here from Thanksgiving through March,” he added.

“But you just can’t believe what a difference our volunteers make. They deserve a lot of credit for the success of these major events.”

Spectators at the event also enjoyed the facility’s new downhill runs, four chairlifts, and expanded chalet. Giants Ridge now has a total of 80 acres of superb skiing and more than 50 km of world class cross country trails.

Other events scheduled at Giants Ridge this winter include the National Collegiate Ski Association Championships, both alpine and nordic, March 9 - 12; the Minnesota Special Olympics Winter Games, February 16 - 18; and the Minnesota State High School Nordic Skiing Championships, February 12.

For a complete list of events and current snow conditions at Giants Ridge, call 1-800-262-SNOW.

## Minnesota’s Own “Stars of the North” to Shine in ‘88

More than 4,000 amateur athletes from throughout the state will be in the spotlight during Minnesota’s first annual “Star of the North” State Games in St. Cloud, June 24 through July 2.

According to Governor Rudy Perpich, this Olympic-style multi-sport festival, for Minnesota’s amateur athletes, is a major component in the state’s mission to support amateur sport. Governor Perpich demonstrated his commitment to amateur sport by traveling throughout the state January 18 to officially announce the 1988 inaugural games.

The “Star of the North” State Games Board, appointed by the MASC, will regulate the games, evaluate city bids, and assist the host cities and amateur sport organizations staging the games.

“Minnesota athletes of all ages and skill levels will have the opportunity to develop their physical abilities while competing within their sport,” Tom Keller, board chairman, said. “Winning

the prestigious state games title gives amateur athletes the recognition they deserve.”

Competitions are scheduled for athletics, bowling, boxing, cycling, fencing, ice ringette, judo, karate, racquetball, rowing, soccer, softball, synchronized swimming, taekwondo, volleyball, weightlifting, and wrestling. Many events also will include competitions for physically disabled athletes. The games, hosted annually by cities throughout Minnesota, will include winter competition by 1989.

“The games are sure to be an exciting time,” Kay Lacher, State Games director said. “Not only the thrill of competition, but also the camaraderie and unity that are uniquely Minnesotan will be shared by athletes, families and friends.”

For more information about the “Star of the North” State Games, contact Kay Lacher, State Games Director, c/o Minnesota Medalist.



## SUMMARY OF LEGISLATIVE ACTION

- Established the Minnesota Amateur Sports Commission - Legislation relating to athletic and sporting events; creating the Minnesota Amateur Sports Commission and providing its powers and duties; requiring the sponsorship of certain amateur athletic events; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 240A. The Legislature appropriated \$330,700 to fund the Commission for the biennium.
  
- Approved \$29.4 million in Amateur Sport Facilities Bonding - contingent upon designation of the facilities as official training sites by the national governing body member of the United States Olympic Committee and upon issuance of the necessary general obligation special tax bonds.
  
- Projects funded:
  - \$14.7 - Blaine  
Track & Field, Soccer, and Cycling Sport Complex.
  
  - \$9.5 million - St. Cloud  
Ice Hockey Training Center and Arena at St. Cloud State University.
  
  - \$3 million - Metro Area  
Olympic-caliber Swimming Center to be awarded to a Twin Cities site.
  
  - \$2.2 million - Biwabik  
Ski Center expansion and improvements at Giants Ridge Recreational Area.
  
- Projects not funded:
  - \$3.5 million - Roseville  
Speedskating Training Center.
  
  - \$250,000 - University of Minnesota-Minneapolis  
Fencing Training Center.
  
  - \$6.8 million - Biwabik  
Multi-Sports Building; sewer, water.

# Star Tribune

NEWSPAPER OF THE TWIN CITIES

SUNDAY / May 1/1988

## State in sports race for long haul

Championship events  
profitable for hosts

By Rob Hotakainen  
Staff Writer

When oil prices fell and Houston's new skyscrapers stood empty, the city began wooing amateur sports championships to help revive a boom city gone bust.

It had paid off handsomely for Indianapolis, which turned to amateur sports as a way to boost tourism and overcome its inferiority complex.

Now Minnesota has entered this new field and appears to be in the race to stay. Even though Atlanta beat out the Twin Cities Friday for the right to compete internationally for the 1996 Summer Games, the Olympics bid was only part of a long-term strategy aimed at making Minnesota one of the top amateur sports centers in the United States.

Today in Washington, D.C., Minnesota officials will make a pitch for the 1991 International Special Olympics for mentally retarded athletes. On Thursday, Minnesota will compete against Houston and Indianapolis for the U.S. National Figure Skating Championships, also in 1991. More bids are in the works, including a possible attempt to lure the Pan Am Games, the second largest international sporting event, in 1999.

Playing host to amateur sports events has grown into a \$300 million business nationwide. Compared with the Olympics, most of the events are small, but enough of them can bring in sufficient numbers of athletes, coaches, families and fans whose spending adds up to real money, officials say.

Minnesota is out to capture up to 10 percent of this market by 1990, boosting the state's economy by as much as \$30 million a year. Even though Minnesota won't get the 1996 Summer Games, the state already is seen by competitors as a strong contender for the smaller but lucrative championships.

Competitors say that Minnesota's ability to lure amateur championships will grow even stronger after the Twin Cities plays host to the U.S. Olympic Festival in 1990 and capitalizes on the exposure. Indianapolis had the festival in 1982. Houston had it four years later. Both cities turned a profit.

Amateurs continued on page 6A

# Amateurs

Continued from page 1A

Other factors that could help Minnesota, according to competitors, are the national publicity that came with the state's bid for the 1996 Summer Games and the prestige that came with staging the World Series and gaining a professional basketball franchise. In addition, competitors say that Minnesota has shown the ability to attract other big sporting events, such as golf's U.S. Open in 1991 and the National Collegiate Athletic Association men's basketball championships in 1992.

But entering the amateur sports business requires organization and money. So far, the state has created a new government commission to promote amateur sports and is spending millions to build Olympic-style training sites across the state. To pay for its efforts, Minnesota is collecting millions under a new sales tax on sports-related memberships, such as health clubs, that other states and cities are considering copying.

"They have postured themselves to become an automatic big player, and there aren't many big players," said Jack Berger, executive director of the Greater Houston Sports Foundation.

"They're doing everything right," said Sandy Knapp, president of the Indiana Sports Corp. "They're being taken very seriously, and they should be. They're looking at the big picture. It seems to be a long-term strategy, not a shot in the dark, flash in the pan approach."

In 1987, the Legislature decided to spend more than \$29 million to build four training centers, including the \$14.7 million National Sports Center at Blaine, which will be used for track and field, soccer and cycling. By 1991, the state will be asked for as much as \$30 million to build world-class facilities for all 37 Olympic sports.

Bonding debt for the aggressive building campaign is being paid with revenues from a 6 percent sales tax that applies to sports and health club memberships, country club memberships and green fees. That tax is expected to raise \$7 million this year and is enough to support roughly 10 times that amount in bonding, said State Rep. Gordon Voss, DFL-Blaine, who proposed the tax last year.

"It was politically astute to tax the sports-related community to support amateur sports," said Jay Flood, a Santa Monica, Calif., representative on the U.S. Olympic Committee's site selection team. "You're not tak-

## Major national or international sporting events scheduled for Minnesota (includes amateur and professional):

### 1989:

- NCAA Division One Hockey Finals in St. Paul
- NCAA Regional Men's Basketball Tourney in the Metrodome

### 1990:

- U.S. Olympic Sports Festival

### 1991:

- U.S. Open Golf Tourney in Chaska

### 1992:

- NCAA Final Four Men's Basketball Tourney in the Metrodome

## National or international sporting events Minnesota is bidding for or will bid for:

### 1989:

- Bud-Lite U.S. Triathlon Series Event
- Western Collegiate Hockey Finals in St. Paul

### 1990:

- U.S. National Cycling Championships
- NCAA Final Four Women's Basketball Tourney in the Metrodome

### 1991:

- International Special Olympics
- U.S. National Figure Skating Championships
- U.S. National Swimming Championships
- U.S. Winter Olympic Festival

ing the money out of the mouths of babes. It was very creative." Flood said that he sent copies of the Minnesota tax law to officials in Atlanta, San Diego and Hawaii who have asked for ideas on how to finance amateur sports development.

Besides paying for new training centers, the tax money is used to run the new Minnesota Amateur Sports Commission (MASC), which was formed in 1987 and already is involved in eight bids for national and international events. The commission also is working with cities around the state to plan what sports events they can attract. For example, Rochester has been identified as a choice for Olympic badminton, fencing and table tennis.

Because it is a clean industry with no smokestacks, the amateur sports field is becoming more and more competitive among a growing list of U.S. cities and states. The Houston Sports Foundation sent a representative to the U.S. National Weightlifting Championships, which conclude today at St. Louis Park. Nearly 150 weightlifters are competing for medals and an eventual spot in the 1988 Summer Olympics in Seoul, South

Korea. Houston is competing for money as it promotes the city as a site for future championships.

In the last year alone, Houston has booked 16 events that are expected to bring in \$40 million. One of those, a national racquetball championship on Memorial Day weekend, is expected to bring in 900 participants and add \$400,000 to the city's economy.

"Sports is one way that Houston is taking to get the city back on track," Berger said.

Indianapolis, recognized as the amateur sports capital of the United States, has played host to nearly 100 national or international amateur athletic events in the past six years.

"We were never going to have mountains and seashores and tourist-attracting weather," Knapp said. "We just had no image. Nobody thought about Indianapolis. Amateur sports was identified as one of our initiatives."

Along with Indianapolis and Hous-

Amateurs continued on page 7A

## Amateurs Continued from page 6A

ton, other cities working for amateur championships include Colorado Springs, Colo.; San Diego; Orlando, Fla.; Syracuse, N.Y.; New York City; Los Angeles and Raleigh-Durham, N.C. Observers say that more cities and states can be expected to enter the competition.

"It's no longer a well-kept secret," Knapp said. "Every month, some city or organization from some state is in contact with us, trying to find out what we've done and how we've done it."

Her advice to newcomers: "Control your appetite. We could have had twice as many events as we've hosted, but we didn't feel the market could accommodate those. You don't need too many failures to derail the train of success. It's human nature that you get so caught up in the thrill and excitement that you forget what it took to get you there."

For now, no one is guessing when the breaking point comes and too many players will enter the industry. Some say that the country will split into five or six regional centers that attract the bulk of the events.

"You could have the survival of the fittest, obviously," Berger said. "The people who possess the events are going to want to go to the cities that produce the best results. That will come out in the wash. Too many cities will take care of itself. Right now, there are plenty of events to go around. Obviously, from a selfish standpoint, we want as many as pos-

sible."

So does Minnesota, which expects to be a survivor as in the amateur sports business. "We're well ahead of the pack," said Paul Erickson, MASC's executive director.

In addition to the economic benefits, the push on amateur sports will get more Minnesota youths involved in sports, giving them more positive things to do with their time, say Gov. Rudy Perpich and other proponents.

"Just like you should maximize brain power, I think you should maximize athletic power," Perpich said.

"The fact that these things make money is only one prong of the fork. The other is that these are good things to do," MASC Chairman Wayne Faris said.

Opponents of Minnesota's newest venture are hard to find, but at least one state senator says there's been too much emphasis placed on sports:

"I think we're trying to lull people to sleep by giving them more entertainment," said Sen. Charles Berg, DFL-Chokio. "When athletics mean more than anything else, I think that we've got our priorities mixed up."

(Staff Writer Bruce Benidt contributed to this story.)

## SUNSHINE STATE GAMES FOUNDATION DIVERSIFIES

In 1986, the Florida state legislators, realizing the importance of amateur sports and its economic impact on a community, allocated 1.6 million dollars to the Sunshine State Games Foundation to help bring and promote amateur sporting events in our state. This program became known as the Event Bidding and Funding program and it has had a great deal success in the last eighteen months.

In 1988, over forty events will be held in the state of Florida, thanks to the efforts of the Event Bidding and Funding program. This program works with local organizing committees, state governing bodies and any interested organizations who are interested in bringing amateur athletic events into their community. The organization interested in submitting a bid receives guidance and support from the our office and assists them in putting together a professional bid booklet. In some cases, the program will assist some of the members of the local organizing committee to travel to a particular city to make their bid presentation for that event. Once the event has been secured, the Event Bidding and Funding program may continue to work with the local organizing committee assisting them in putting together the proper administrative organization in order to successfully host the event. Further, the local organizing committee (LOC) may apply for a grant from the Sunshine State Games Foundation to assist them in the hosting of the event. So far, over \$550,000 have been awarded to different LOC's throughout the state to assist them in the hosting of events.

As the Event Bidding and Funding program grows in maturity and experience, every success has been documented and the results published. For example, in February 1987, the Junior Olympic Fencing Tournament was held in the city of Orlando and was partially funded by this program. A study was done by the University of Central Florida on the economic impact of this event. Approximately 1,200 participants and officials attended the event and once completed, the economic impact study reported that this event brought \$700,000 in hard cash into the city of Orlando. When multiplied by the economic index number, the event brought over 1.2 million dollars into the local community. This particular study has been the source of much excitement among sports leaders throughout the state, as well as the state legislators who have reviewed this study. It has become very obvious that amateur athletic events coming into a community can mean a great deal to the economy, and the success of the Event Bidding and Funding program will continue to grow in months to come due to this.

In 1986, together with the Event Bidding and Funding program, the Florida Amateur Sports Council was begun. This Council was created because there was no statewide support organization which could serve as a clearing house for information and provide general support to the many state amateur sports governing bodies

and local organizing committees in Florida. Now that we are bringing events to the state of Florida, we needed to create an organization which could serve as an informational clearing house for everyone involved in amateur sports. Presently, the Florida Amateur Sports Council has 29 members and it's efforts continue to grow. The FASC publishes a newsletter called the Sports Index which is sent to all Council members, state and national governing bodies, as well as many sports leaders throughout Florida and the nation. The Sports Index brings brief and concise news about events happening in the state of Florida dealing with amateur sports in general. It also brings news about important national developments in sports, as well as news from the USOC office. Anyone interested in having information published in this newsletter, may send material to the FASC office in Gainesville at 1330 NW 6th Street, Suite A, Gainesville, FL 32601 and it will be incorporated into the next issue.

On January 22-23, 1988 a sports administrative workshop was held in Orlando for all sports leaders and organizations throughout the state. The workshop attracted over one hundred participants and was highlighted by the presence of the USOC President, Bob Helmick and the Olympic Sports Festival Administrator, Sheila Walker. Following the workshop, a general meeting was held of the Council and officers were elected for 1988. The President elect was Betty Ann Danna who comes from the sport of roller skating. Vice President, Stuart Borne comes from ice hockey, Secretary, Mary Pose from synchronized swimming, Second Vice President, Nick Cimmento from boxing and Treasurer, Bill Bunker from the Pinellas Sports Authority.

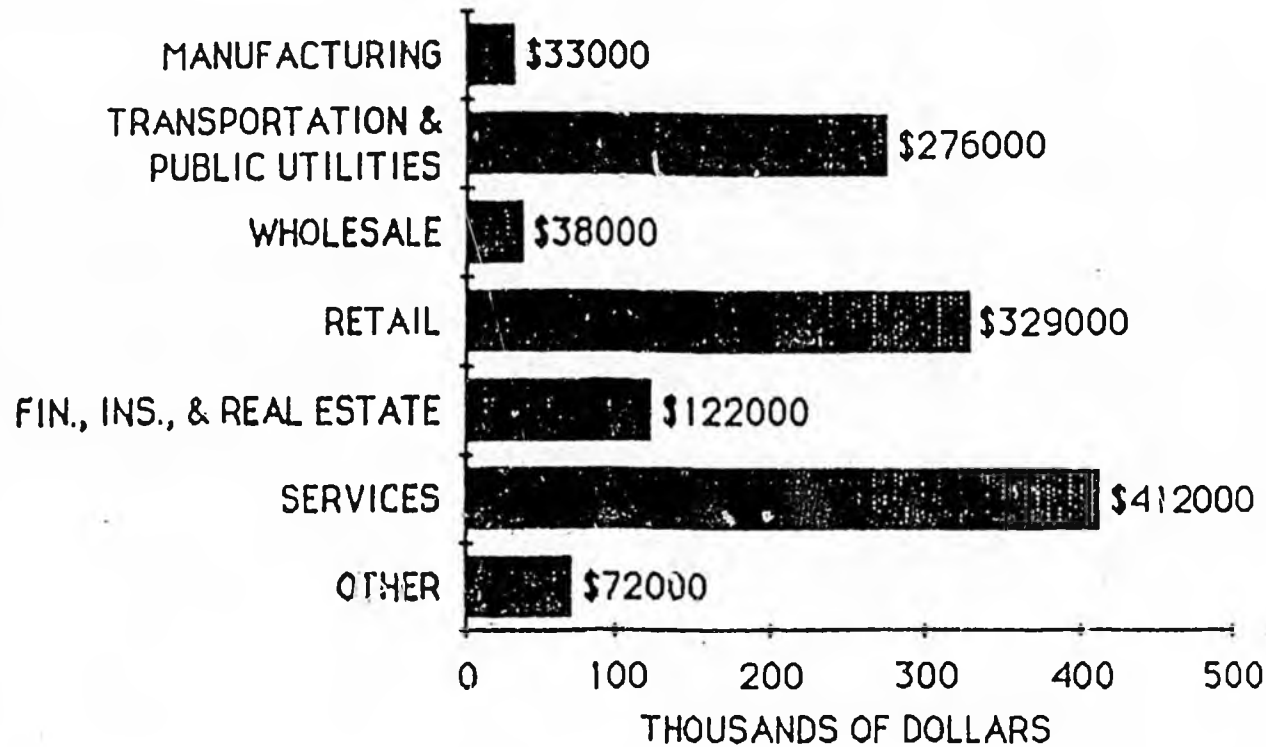
In 1988 as we begin to plow new ground for the Florida Amateur Sports Council, the growth of amateur sports organizations in the state of Florida will be tremendous. The Council officers are meeting in Gainesville during the Governor's Council on Physical Fitness and Sports meeting March 23rd and are making plans for new projects in the Fall. The growth of the Event Bidding and Funding program will continue at a steady pace with new events already being bid on by many local organizing committees throughout Florida and application for funding being submitted on a monthly basis to the Sunshine State Games Foundation office.

If you have any questions regarding these two programs, please contact our office in Gainesville and we will be happy to send you material to further explain what the FASC and Event Bidding and Funding program is all about.

Jose' H. Rodriguez  
Executive Director  
Florida Amateur Sports Council  
Event Bidding and Funding Program

EXHIBIT 10

IMPACT OF EXPENDITURES BY FENCING TOURNAMENT PARTICIPANTS ON  
CENTRAL FLORIDA'S MAJOR ECONOMIC SECTORS  
(VALUE OF OUTPUT)



AMATEUR SPORTING EVENTS INVENTORY:

IMPACT UPON UTAH'S ECONOMY

<u>ORGANIZATION</u>	<u>EVENT</u>	<u>#/PAR</u>	<u>#/D</u>	<u>DRAW</u>	<u>REVENUE</u>	<u>TAX REV</u>
AAU	JUNIOR OLYMPICS	4000	5	12000	2100000.00	141750.00
AAU	INDOOR NAT TRACK CHAMPIONSHIP	500	4	5000	700000.00	47250.00
ALL-AMERICAN AMATEUR BASEBALL	NATIONAL TOURNAMENT	270	7	5400	1323000.00	89302.50
AMATEUR GOLF ASSOC OF AMERICA	REGIONAL CHAMPIONSHIP	288	4	576	195840.00	13319.20
AMATEUR SOFTBALL ASSOCIATION	NATIONAL TOURNAMENT	600	7	1800	441000.00	29767.50
AMERICAN AMATEUR BASEBALL CON	COMBINED WORLD SERIES	5000	8	50000	14000000.00	945000.00
AMERICA CASTING ASSOCIATION	NATIONAL TOURNAMENT	200	3	400	78000.00	5265.00
AMERICA ENDURANCE RIDE CONFERENCE	ANNUAL RIDE	100	3	100	10500.00	708.75
AMERICAN HIKING SOCIETY	ANNUAL HIKE	150	2	150	10500.00	708.75
AMERICAN LEGION BASEBALL	WORLD SERIES	500	08	25000	7000000.00	472500.00
AMERICAN PLATFORM TENNIS ASSOC	MEN'S CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN PLATFORM TENNIS ASSOC	WOMEN'S CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN PLATFORM TENNIS ASSOC	MIXED DOUBLES CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN PLATFORM TENNIS ASSOC	SENIORS CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN POWER BOAT ASSOCIATION	NATIONAL RACE	200	2	2000	260000.00	17550.00
AMERICAN WATER SKI ASSOCIATION	NATIONAL CHAMPIONSHIP	530	3	1590	405450.00	27367.88
AMERICAN WATER SKI ASSOCIATION	NATIONAL CHAMPIONSHIP	530	4	3180	1081200.00	72981.00
AMERICAN DART ORGANIZATION	NO AMERICAN OPEN	2000	2	2000	340000.00	22950.00
AMERICAN LAWN BOWLING ASSOCIATION	NATIONAL CHAMPIONSHIP	450	3	900	229500.00	15491.25
AMERICAN TENNIS ASSOCIATION	NATIONAL CHAMPIONSHIP	960	6	4800	2448000.00	165240.00
BABE RUTH BASEBALL	WORLD SERIES	540	5	2700	472500.00	31893.75
BALLOON FEDERATION OF AMERICA	WORLD CHAMPIONSHIP	200	2	200	28000.00	1755.00
BASS'N GAL	WOMEN'S BASS CHAMPIONSHIP	150	3	300	58500.00	3948.75
BILLIARD CONGRESS	NATIONAL CHAMPIONSHIP 1	4500	3	9000	1755000.00	118462.50
BILLIARD CONGRESS	NATIONAL CHAMPIONSHIP 2	4500	3	9000	1755000.00	118462.50
BILLIARD CONGRESS	NATIONAL CHAMPIONSHIP 3	4500	3	9000	1755000.00	118462.50
CASE BULLET ASSOCIATION	NATIONAL CHAMPIONSHIP	40	3	80	15600.00	1053.00
INT HANDGUN NET SILHOUETTE A	NATIONAL TOURNAMENT	1200	3	2400	468000.00	31590.00
INT BATON TWIRLING ASSOCIATION	NATIONAL MEET	1400	3	8000	840000.00	56700.00
INTER JET SKI ASSOCIATION	NATIONAL CHAMPIONSHIP	200	3	600	117000.00	7897.50
INTER UNIVERSITY SPORTS BOARD	EVENT 1	2000	4	16000	4160000.00	280800.00
INTER UNIVERSITY SPORTS BOARD	EVENT 2	2000	4	16000	4160000.00	280800.00
INTER UNIVERSITY SPORTS BOARD	EVENT 3	2000	4	16000	4160000.00	280800.00
LITTLE LEAGUE BASEBALL	COMBINED WORLD SERIES	9999	7	149985	36746325.00	2480376.94
NATIONAL AMPUTEE GOLF ASSOCIATION	NATIONAL TOURNAMENT	100	3	200	51000.00	3442.50
NATIONAL ASSOC OF LEFT-HANDED GOLF	WORLD TOURNAMENT	340	3	680	173400.00	11704.50
NATIONAL ASSOC OF LEFT-HANDED GOLF	COMBINED NATIONAL TOURNAMENT	1300	3	2600	663000.00	44752.50
NATIONAL BATON TWIRLING ASSOCIATION	NATIONAL MEET	4000	4	8000	1120000.00	75600.00
NATIONAL CAMPERS AND HIKERS	CONVENTION AND CAMPOUT	3000	5	12000	2100000.00	141750.00
NATIONAL DUCKPIN BOWLING ASSOCIATION	NATIONAL TOURNAMENT	9000	7	18000	8190000.00	552825.00

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

EXHIBIT 10

IMPACT OF EXPENDITURES BY FENCING TOURNAMENT PARTICIPANTS ON  
CENTRAL FLORIDA'S MAJOR ECONOMIC SECTORS  
(VALUE OF OUTPUT)

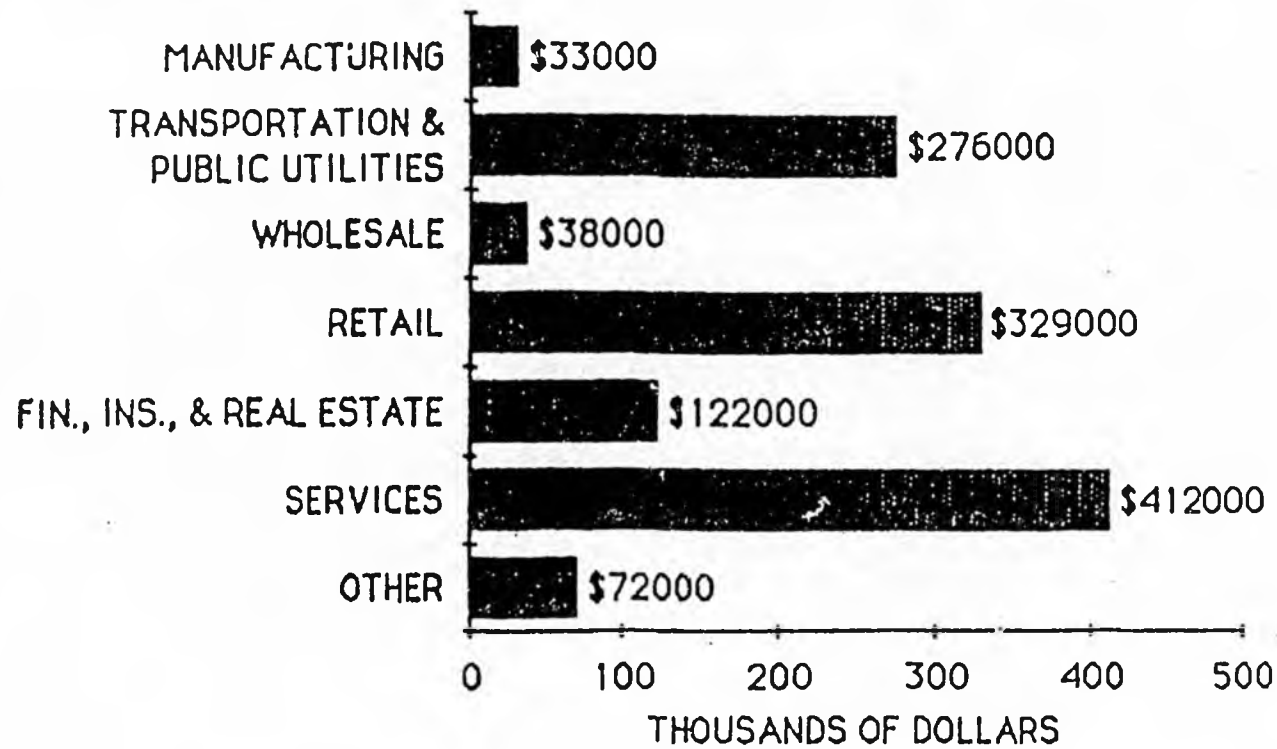


EXHIBIT 9

IMPACT OF EXPENDITURES BY FENCING TOURNAMENT PARTICIPANTS  
ON CENTRAL FLORIDA'S MAJOR ECONOMIC SECTORS

	EMPLOYMENT (Actual)	OUTPUT (thousands of dollars)	WAGES (thousands of dollars)
Agriculture, Agricultural Services, Forestry & Fishing, & Mining	.1	7	4
Construction	.5	17	13
Manufacturing	.2	33	6
Transportation and Public Utilities	3.7	276	96
Wholesale	.7	38	16
Retail Trade	9.4	329	122
Finance, Insurance, & Real Estate	1.0	122	25
Services	10.1	412	170
Government	.2	10	2
Administrative Auxiliary	1.0	38	20
	<hr/>	<hr/>	<hr/>
TOTAL	26.9	1,282	474
Multipliers	1.657	1.83	1.751

AMATEUR SPORTING EVENTS INVENTORY:

IMPACT UPON UTAH'S ECONOMY

<u>ORGANIZATION</u>	<u>EVENT</u>	<u>#/PAR</u>	<u>#/D</u>	<u>DRAW</u>	<u>REVENUE</u>	<u>TAX REV</u>
AAU	JUNIOR OLYMPICS	4000	5	12000	2100000.00	141750.00
AAU	INDOOR NAT TRACK CHAMPIONSHIP	500	4	5000	700000.00	47250.00
ALL-AMERICAN AMATEUR BASEBALL	NATIONAL TOURNAMENT	270	7	5400	1323000.00	89302.50
AMATEUR GOLF ASSOC OF AMERICA	REGIONAL CHAMPIONSHIP	288	4	576	195840.00	13219.20
AMATEUR SOFTBALL ASSOCIATION	NATIONAL TOURNAMENT	800	7	1800	441000.00	29767.50
AMERICAN AMATEUR BASEBALL CON	COMBINED WORLD SERIES	5000	8	50000	14000000.00	945000.00
AMERICA CASTING ASSOCIATION	NATIONAL TOURNAMENT	200	3	400	78000.00	5265.00
AMERICA ENDURANCE RIDE CONFERENCE	ANNUAL RIDE	100	3	100	10500.00	708.75
AMERICAN HIKING SOCIETY	ANNUAL HIKE	150	2	150	10500.00	708.75
AMERICAN LEGION BASEBALL	WORLD SERIES	500	08	25000	7000000.00	472500.00
AMERICAN PLATFORM TENNIS ASSOC	MEN'S CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN PLATFORM TENNIS ASSOC	WOMEN'S CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN PLATFORM TENNIS ASSOC	MIXED DOUBLES CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN PLATFORM TENNIS ASSOC	SENIORS CHAMPIONSHIPS	150	4	450	153000.00	10327.50
AMERICAN POWER BOAT ASSOCIATION	NATIONAL RACE	200	2	2000	260000.00	17550.00
AMERICAN WATER SKI ASSOCIATION	NATIONAL CHAMPIONSHIP	530	3	1590	405450.00	27367.88
AMERICAN WATER SKI ASSOCIATION	NATIONAL CHAMPIONSHIP	530	4	3180	1081200.00	72981.00
AMERICAN DART ORGANIZATION	NO AMERICAN OPEN	2000	2	2000	340000.00	22950.00
AMERICAN LAWN BOWLING ASSOCIATION	NATIONAL CHAMPIONSHIP	450	3	900	229500.00	15491.25
AMERICAN TENNIS ASSOCIATION	NATIONAL CHAMPIONSHIP	960	6	4800	2448000.00	165240.00
BABE RUTH BASEBALL	WORLD SERIES	540	5	2700	472500.00	31893.75
BALLOON FEDERATION OF AMERICA	WORLD CHAMPIONSHIP	200	2	200	28000.00	1755.00
BASS'N GAL	WOMEN'S BASS CHAMPIONSHIP	150	3	300	58500.00	3948.75
BILLIARD CONGRESS	NATIONAL CHAMPIONSHIP 1	4500	3	9000	1755000.00	118462.50
BILLIARD CONGRESS	NATIONAL CHAMPIONSHIP 2	4500	3	9000	1755000.00	118462.50
BILLIARD CONGRESS	NATIONAL CHAMPIONSHIP 3	4500	3	9000	1755000.00	118462.50
CASE BULLET ASSOCIATION	NATIONAL CHAMPIONSHIP	40	3	80	15600.00	1053.00
INT HANDGUN MET SILHOUETTE A	NATIONAL TOURNAMENT	1200	3	2400	468000.00	31590.00
INT BATON TWIRLING ASSOCIATION	NATIONAL MEET	1400	3	8000	840000.00	56700.00
INTER JET SKI ASSOCIATION	NATIONAL CHAMPIONSHIP	200	3	600	117000.00	7897.50
INTER UNIVERSITY SPORTS BOARD	EVENT 1	2000	4	16000	4160000.00	280800.00
INTER UNIVERSITY SPORTS BOARD	EVENT 2	2000	4	16000	4160000.00	280800.00
INTER UNIVERSITY SPORTS BOARD	EVENT 3	2000	4	16000	4160000.00	280800.00
LITTLE LEAGUE BASEBALL	COMBINED WORLD SERIES	9999	7	149985	36746325.00	2480376.94
NATIONAL AMPUTEE GOLF ASSOCIATION	NATIONAL TOURNAMENT	100	3	200	51000.00	3442.50
NATIONAL ASSOC OF LEFT-HANDED GOLF	WORLD TOURNAMENT	340	3	680	173400.00	11704.50
NATIONAL ASSOC OF LEFT-HANDED GOLF	COMBINED NATIONAL TOURNAMENT	1300	3	2600	663000.00	44752.50
NATIONAL BATON TWIRLING ASSOCIATION	NATIONAL MEET	4000	4	8000	1120000.00	75600.00
NATIONAL CAMPERS AND HIKERS	CONVENTION AND CAMPOUT	3000	5	12000	2100000.00	141750.00
NATIONAL DUCKPIN BOWLING ASSOCIATION	NATIONAL TOURNAMENT	9000	7	18000	8190000.00	552825.00

AMATEUR SPORTING EVENTS INVENTORY:  
IMPACT UPON UTAH'S ECONOMY

<u>ORGANIZATION</u>	<u>EVENT</u>	<u>#PAR</u>	<u>#D</u>	<u>DRAW</u>	<u>REVENUE</u>	<u>TAX REV</u>
NATIONAL FIELD ARCHERY	NATIONAL INDOOR CHAMPIONSHIP	700	3	1400	273000.00	18427.50
NATIONAL FIELD ARCHERY	NATIONAL OUTDOOR CHAMPIONSHIP	700	4	1400	364000.00	24570.00
NATIONAL HORSESHOE PITCHERS ASSOC	NATIONAL TOURNAMENT	500	4	1500	210000.00	14175.00
NATIONAL POCKET BILLIARDS	U.S. TEAM OPEN	500	4	1000	260000.00	17550.00
NATIONAL SENIOR SPORTS ASSOC	NAT TOURNAMENT COMBINED(3 EVENTS)	320	3	640	163200.00	11016.00
NATIONAL SKEET SHOOTING ASSOC	U.S. OPEN	300	3	600	153000.00	10327.50
NATIONAL SKEET SHOOTING ASSOC	WORLD CHAMPIONSHIP	900	3	2700	638500.00	46473.75
NATIONAL WHEELCHAIR ATHLETIC ASSOC	NATIONAL CHAMPIONSHIP	400	3	800	204000.00	13770.00
NATIONAL BASEBALL CONGRESS	NATIONAL CHAMPIONSHIP	612	5	1836	321800.00	21687.75
NATIONAL BICYCLE LEAGUE	MOTOCROSS CHAMPIONSHIP	1000	4	3000	420000.00	28650.00
NATIONAL BOWLING	NATIONAL TOURNAMENT	1500	4	22500	3150000.00	212625.00
NATIONAL RIFLE ASSOCIATION	U.S. INTER CHAMPIONSHIP	1200	3	2400	468000.00	31590.00
NATIONAL RIFLE ASSOCIATION	COLLEGIATE CHAMPIONSHIP	200	3	400	42000.00	2835.00
NCAA	FOOTBALL (2 DIVISIONS)	7500	1	742500	48262500.00	3257718.75
NCAA	COMBINED EVENTS	7500	2	375000	48750000.00	3290625.00
PEOPLE TO PEOPLE SPORTS	ANNUAL HORSE SHOW	1000	4	4000	1360000.00	91800.00
PONY BASEBALL	WORLD SERIES 11-12	9750	7	97500	23887500.00	1612406.25
PONY BASEBALL	WORLD SERIES 13-14	7500	7	75000	16375000.00	1240312.50
PONY BASEBALL	WORLD SERIES 15-16	5250	7	52500	12862500.00	868218.75
PONY BASEBALL	WORLD SERIES 17-18	3000	7	30000	7350000.00	49612.50
U.S. ASSOC FOR BLIND ATHLETES	NATIONAL MEET	500	4	1000	260000.00	17550.00
U.S. BASEBALL	U.S. BASEBALL WORLD JR. CUP	144	4	1440	201600.00	13608.00
U.S. CANOE ASSOCIATION	U.S. MARATHON CANOE & KAYAK	500	4	1000	260000.00	17550.00
U.S. CROQUET	NATIONAL CHAMPIONSHIP	50	3	100	25500.00	1721.25
U.S. CROQUET	NATIONAL CLUB TEAMS	110	3	220	56100.00	3786.75
U.S. CROQUET	NATIONAL COLLEGE CHAMPIONSHIP	50	3	100	10500.00	708.75
U.S. CURLING	NATIONAL CURLING CHAMPIONSHIP	1500	4	3000	780000.00	52650.00
U.S. CYCLING FEDERATION	NATIONAL CHAMPIONSHIP	540	4	1080	280800.00	18954.00
U.S. FENCING ASSOCIATION	JR. NATIONAL CHAMPIONSHIP	450	4	1350	459000.00	30982.50
U.S. FENCING ASSOCIATION	SR. NATIONAL CHAMPIONSHIP	650	4	1300	442000.00	29835.00
U.S. FIGURE SKATING ASSOCIATION	COMBINED EVENTS	500	3	15000	3600000.00	248000.00
U.S. GOLF ASSOCIATION	U.S. MEN'S OPEN	250	3	2500	637500.00	48031.25
U.S. GOLF ASSOCIATION	COMBINED TOURNAMENT	5274	3	10548	2669740.00	181557.45
U.S. HANG GLIDING ASSOCIATION	MASTERS CHAMPIONSHIP	32	3	64	12480.00	842.40
U.S. HANG GLIDING ASSOCIATION	REGIONAL CHAMPIONSHIP	90	3	180	35100.00	2369.25
U.S. PARACHUTE ASSOCIATION	NATIONAL CHAMPIONSHIP	1150	2	1150	149500.00	10091.25
U.S. PARACHUTE ASSOCIATION	SKIING/SKY DIVING	100	3	100	25500.00	1721.25
U.S. PARACHUTE ASSOCIATION	COLLEGIATE MEET	150	4	150	39000.00	2632.50
U.S. POLO ASSOCIATION	U.S. OPEN	40	4	400	136000.00	9180.00
U.S. POLO ASSOCIATION	GOLD CUP	80	4	800	272000.00	18360.00

AMATEUR SPORTING EVENTS INVENTORY:IMPACT UPON UTAH'S ECONOMY

<u>ORGANIZATION</u>	<u>EVENT</u>	<u>#PAR</u>	<u>#D</u>	<u>DRAW</u>	<u>REVENUE</u>	<u>TAX REV</u>
U.S. SKI ASSOCIATION	COMBINED EVENTS	1000	3	10000	2700000.00	182250.00
U.S. SQUASH RACQUETS ASSOCIATION	NAT CHAMP COMBINED (8 EVENTS)	1320	5	3960	1683000.00	113402.50
U.S. TABLE TENNIS ASSOCIATION	U.S. CLOSED TOURNAMENT	750	4	1500	390000.00	26325.00
U.S. TABLE TENNIS ASSOCIATION	U.S. OPEN	750	4	1500	390000.00	26325.00
U.S. VOLEYBALL ASSOCIATION	NATIONAL CHAMPIONSHIP	900	3	1800	459000.00	30982.50
U.S. WOMEN'S CURLING	NATIONAL CHAMPIONSHIP	1300	4	2600	676000.00	45630.00
USA AMATEUR BOXING	U.S. AMATEUR CHAMPIONSHIP	100	3	500	52500.00	3543.75
USA AMATEUR BOXING	U.S. OLYMPIC TRIALS	100	7	2000	910000.00	61425.00
USA AMATEUR BOXING	U.S. JUNIOR BOXING CHAMPIONSHIP	100	4	500	70000.00	4725.00
USA FIELD HOCKEY	AUTUMN MEET	1300	4	3900	1014000.00	68445.00
USA FIELD HOCKEY	USA FIELD HOCKEY CLASSIC	1000	3	7000	1365000.00	92137.50
USA WRESTLING	NATIONAL JR. OLYMPICS	1500	4	4500	1170000.00	78975.00
USA WRESTLING	NATIONAL CHAMPIONSHIP 15-16	500	3	1000	105000.00	7087.50
USA WRESTLING	NATIONAL CHAMPIONSHIP 20+	500	3	1000	195000.00	13162.50
USA WRESTLING	NATIONAL SR. WORLD CHAMPIONSHIP	600	4	1200	408000.00	27540.00
USA WRESTLING 17-18	NATIONAL JR. OLYMPICS	2000	4	6000	840000.00	56700.00
WOMEN'S INTER BOWLING CONGRESS	AMERICAN BOWLING CONGRESS	8000	4	16000	4160000.00	280800.00
WOMEN'S INTER BOWLING CONGRESS	ABC MASTER'S TOURNAMENT	700	4	2100	546000.00	36855.00
WOMEN'S INTER BOWLING CONGRESS	ABC NATIONAL TOURNAMENT	5000	4	45000	11700000.00	789750.00
WOMEN'S SPORTS FOUNDATION	HALL OF FAME BANQUET	500	1	500	42500.00	2868.75
YOUNG AMERICAN BOWLING ALL	JR. BOWLING CHAMPIONSHIPS	162	3	486	51030.00	3444.52
YOUNG AMERICAN BOWLING ALL	NAT COLLEGIATE BOWLING CHAMP	120	3	480	50400.00	3402.00

TOTAL:

#PAR 161,141.00

#D 393.00

DRAW 1,942,125.00

REVENUE 300,320,565.00

TAX REV 20,271,638.14

Printed 102 of the 102 records.



LAWS OF ALASKA

1988

Source

CSSR 490 (SA)

Chapter No.

15

AN ACT

Establishing the Alaska sports fund; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

Approved by the Governor: March 10, 1988
Actual Effective Date: This Act takes effect on the effective date of those sections of an Act enacted by the Fifteenth Alaska State Legislature that enact AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f) providing for winter Olympics commemorative plates.

if won Olympic bid, would do commemorative license plates -> authorizing statute on books but no plates have been made or sold

Chapter 15

AN ACT

Establishing the Alaska sports fund; and providing for an effective date.

\* Section 1. LEGISLATIVE INTENT. The legislature finds that it is beneficial to support and promote the development of youth and winter sports within Alaska. In order to encourage the spirit of dedication and excellence in Alaskan athletes, this Act establishes the Alaska sports fund. It is the intent of the legislature to use the fund to encourage

- (1) sports potential in Alaska youth;
(2) state, national, and international competitions; and
(3) development of training facilities in the state.

\* Sec. 2. AS 05.35 is amended by adding a new section to read:

Sec. 05.35.150. ALASKA SPORTS FUND. There is established as a separate fund in the Department of Commerce and Economic Development the Alaska sports fund. The fund consists of private contributions and money appropriated to the fund from receipts under AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f). Money in the fund may be appropriated for the promotion and development of sports.

\* Sec. 3. This Act takes effect on the effective date of those sections of an Act enacted by the Fifteenth Alaska State Legislature that enact AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f) providing for winter Olympics commemorative plates, or immediately under AS 01.10.070(c), whichever is later.

### WHAT IS A "SPORTS AUTHORITY"?

A Sports Authority is a mechanism designed to attract amateur athletic competition to Alaska. It operates much like a convention and visitors bureau--instead of bringing conventions to the state or municipality, it attracts athletic contests. With the contests come the athletes, coaches and fans, all of whom spend their money in Alaska. Thus, the sports authority works "hand and glove" with the tourism industry.

### WHY DO WE NEED A SPORTS AUTHORITY??

Many sports authorities already exist around the United States, working to attract these competitions to their sites. Without a mechanism in place working constantly, over a long period of time to bring these contests here, Alaska will be overlooked and we'll miss a tremendous opportunity to enhance ourselves as a year round tourist destination.

Additionally, during the the oil boom days we constructed many new facilities which are being underutilized. The sports authority would work to help attract competition to better utilize those facilities and make them more cost efficient.

### WHAT KINDS OF COMPETITION COULD WE ATTRACT??

This past year we've hosted the World Junior Hockey and Alpine Skiing Championships. Those contests resulted in over \$4 million worth of new revenue to the state. We are currently bidding for the World Masters Biathlon Championships. Conceivably we could many varied competitions including logging, cross-country skiing, swimming and Diving, Gymnastics, Rock Climbing as well as many other championships.

Pat - Other talking points.

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directors appointed by the governor. The appointment of each director other than the commissioner of revenue and the commissioner of community and regional affairs is subject to confirmation by the legislature. The three directors appointed by the governor serve at the governor's pleasure for four-year terms. They must be residents of the state and qualified voters at the time of appointment and shall comply with the requirements of AS 39.50 (conflict of interest). The directors first appointed shall have terms of two, three and four years respectively. Each director shall hold office for the term of appointment and until a successor has been appointed and qualified. A director is eligible for reappointment. A vacancy in a directorship occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only. Each director before entering upon the duties of office shall take and subscribe to an oath to perform the duties faithfully, impartially, and justly to the best of the director's ability. A record of the oath shall be filed in the office of the governor. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.030. Renumbered in 1980.

Sec. 44.85.040. Officers, quorum, and meetings. (a) The directors shall elect one of their number as chairman. The directors shall elect a secretary and a treasurer who need not be directors, and the same person may be elected to serve both as secretary and treasurer. The powers of the bond bank authority are vested in the directors, and three directors of the bond bank authority constitute a quorum. Action may be taken and motions and resolutions adopted by the bond bank authority at any meeting by the affirmative vote of at least three directors. A vacancy in the directorship of the bond bank authority does not impair the right of a quorum to exercise all the powers and perform all the duties of the bond bank authority.

(b) The bond bank authority may meet and transact business by an electronic medium if (1) public notice of the time and locations where the meeting will be held by an electronic medium has been given in the same manner as if the meeting were held in a single location; (2) participants and members of the public in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and (3) copies of pertinent reference materials, statutes, regulations, and audio-visual materials are reasonably available to participants and to the public. A meeting by an electronic medium as provided in this subsection has the same legal effect as a meeting in person. (§ 1 ch 79 SLA 1975; am § 1 ch 86 SLA 1983)

Revisor's notes. — Formerly AS 44.58.040. Renumbered in 1980.

Effect of amendments. — The 1983 amendment, designated the former provisions of this section as subsection (a) and added subsection (b).

**Sec. 44.85.050. Bonding of members.** Before the issuance of bonds or notes under this chapter, each director shall execute a surety bond in the penal sum of \$25,000 and the treasurer shall execute a surety bond in the penal sum of \$50,000. Each surety bond shall be conditioned upon the faithful performance of the duties of the office of the director or treasurer, to be executed by a surety company authorized to transact business in the state as surety and filed in the office of the lieutenant governor. After issuance of bonds or notes by the bond bank authority each director shall maintain the surety bond in force. All costs of the surety bonds shall be borne by the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.050. Renumbered in 1980.

**Sec. 44.85.060. Compensation and expenses.** The directors of the bond bank authority shall serve without compensation, but the bond bank authority shall reimburse its directors for actual expenses necessarily incurred in the discharge of their duties. Notwithstanding any other law, an officer or employee of the state need not forfeit office or employment or any benefits by reason of acceptance of appointment to the office of director of the bond bank authority. (§ 1 ch 79 SLA 1975 am § 1 ch 56 SLA 1976)

Revisor's notes. — Formerly AS 44.58.060. Renumbered in 1980.

**Sec. 44.85.070. Staff.** The bond bank authority shall employ an executive secretary who may with the approval of the bond bank authority select and employ additional staff as necessary. Employees and agents of the bond bank authority other than legal counsel and the executive secretary are in the classified service under AS 39.25. In addition to its staff of regular employees, the bond bank authority may contract for and engage the services of the bond counsel, consultants, experts, and financial advisors the bond bank authority considers necessary for the purpose of developing information, or conducting studies, investigations, hearings or other proceedings. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.070. Renumbered in 1980.

**Sec. 44.85.080. Powers of bond bank authority.** The bond bank authority may

- (1) sue and be sued;
- (2) adopt and alter an official seal;
- (3) make and enforce bylaws and regulations for the conduct of its business and for the use of its services and facilities;

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- (4) maintain an office at any place in the state;
- (5) acquire, hold, use and dispose of its income, revenues, funds and money;
- (6) acquire, rent, lease, hold, use and dispose of other personal property for its purposes;
- (7) subject to AS 44.85.100(b), borrow money and issue its negotiable bonds or notes and provide for and secure their payment, provide for the rights of their holders and purchase, hold and dispose of any of its bonds or notes;
- (8) fix and revise from time to time and charge and collect fees and charges for the use of its services or facilities;
- (9) accept gifts or grants from the United States, or from any governmental unit or person, firm or corporation, carry out the terms or provisions or make agreements with respect to the gifts or grants, and do all things necessary, useful, desirable, or convenient in connection with procuring, accepting or disposing of the gifts or grants;
- (10) do anything authorized by this chapter, through its officers, agents or employees or by contracts with a person;
- (11) make, enter into and enforce all contracts necessary, convenient or desirable for the purposes of the bond bank authority or pertaining to a loan to a political subdivision, a purchase or sale of municipal bonds or other investments, or the performance of its duties and execution of any of its powers under this chapter;
- (12) purchase or hold municipal bonds at prices and in a manner the bond bank authority considers advisable, and sell municipal bonds acquired or held by it at prices without relation to cost and in a manner the bond bank authority considers advisable;
- (13) invest funds or money of the bond bank authority not required at the time of investment for loan to political subdivisions for the purchase of municipal bonds, in the same manner as permitted for investment of funds belonging to the state, except as otherwise provided in this chapter;
- (14) prescribe the form of application or procedure required of a political subdivision for a loan or purchase of its municipal bonds, fix the terms and conditions of the loan or purchase, and enter into agreements with political subdivisions with respect to loans or purchases;
- (15) render services to a political subdivision in connection with a public or private sale of its municipal bonds, including advisory and other services, and charge for services rendered;
- (16) charge for its costs and services in review or consideration of a proposed loan to a political subdivision or purchase by the bond bank authority of municipal bonds of the political subdivision, whether or not the loan is made or the municipal bonds purchased;
- (17) fix and establish terms and provisions with respect to a purchase of municipal bonds by the bond bank authority, including date

and maturities of the bonds, provisions as to redemption or payment before maturity, and any other matters which in connection with the purchase are necessary, desirable or advisable in the judgment of the bond bank authority;

(18) procure insurance against any losses in connection with its property, operations or assets in amounts and from insurers as it considers desirable;

(19) to the extent permitted under its contracts with the holders of bonds or notes of the bond bank authority, consent to modification of the rate of interest, time and payment of installment of principal or interest, security or any other term of a bond or note, contract or agreement of any kind to which the bond bank authority is a party; and

(20) do all acts and things necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in this chapter. (§ 1 ch 79 SLA 1975; am § 38 ch 106 SLA 1980)

Revisor's notes. — Formerly AS 44.58.080. Renumbered in 1980. amendment added "subject to AS 44.85.100(b)" at the beginning of paragraph (7).  
Effect of amendments. — The 1980

**Sec. 44.85.090. Limitations.** Under this chapter the bond bank authority may not

(1) make loans of money to a person, firm or corporation other than a municipality or purchase securities issued by a person, other than a municipality except for investment as provided in this chapter;

(2) emit bills of credit, accept deposits of money for time or demand deposit, administer trusts, or engage in any form or manner in, or in the conduct of, a private or commercial banking business, or act as a savings bank or savings and loan association;

(3) be or constitute a bank or trust company within the jurisdiction or under the control of a regulatory or supervisory board or department of the state, or the Comptroller of the Currency of the United States, or the Department of the Treasury, or Federal Reserve Board of the United States; or

(4) be or constitute a bank, banker or dealer in securities within the meaning of or subject to the provisions of securities, securities-exchange, or securities dealers law, of the United States or of this state or of another state. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.090. Renumbered in 1980.

**Sec. 44.85.095. Regulations.** The bond bank authority shall adopt regulations, in accordance with the Administrative Procedure Act (AS 44.62), to implement this chapter. (§ 39 ch 106 SLA 1980)

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Revisor's notes. — Enacted as AS 44.58.095. Renumbered in 1980.

**Sec. 44.85.100. Annual report and audit.** (a) Before October 1 of each year the bond bank authority shall make a report of its activities for the preceding fiscal year to the governor and to the legislature. The report shall set out a complete operating and financial statement covering its operations during the year. The bond bank authority shall have an audit of its books and accounts made at least once in each year by certified public accountants and the cost of the audit shall be considered an expense of the bond bank authority and a copy of the audit shall be filed with the commissioner of revenue and the legislature.

(b) The bond bank authority shall include in the report required by (a) of this section an estimate of the amount of revenue bonds of the bond bank authority to be issued during the fiscal year following the fiscal year in which the report is submitted. The bond bank authority may not issue revenue bonds, other than refunding bonds, in excess of \$50,000,000 during any fiscal year beginning after June 30, 1981, unless the legislature, by law, approves the estimate required by this subsection for that fiscal year. (§ 1 ch 79 SLA 1975; am § 40 ch 106 SLA 1980; am § 2 ch 86 SLA 1983)

Revisor's notes. — Formerly AS 44.58.100. Renumbered in 1980.

Effect of amendments. — The 1980 amendment added subsection (b).

The 1983 amendment, in subsection (b), substituted "fiscal year following the fiscal year in which the report is submitted" for

"following 12-month period" at the end of the first sentence, inserted "in excess of \$50,000,000" in the second sentence, and substituted "fiscal year" for "12-month period" in two places in the second sentence.

**Sec. 44.85.110. Annual budget.** The bond bank authority shall prepare and submit an annual budget in accordance with the provisions of the Executive Budget Act (AS 37.07). (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.110. Renumbered in 1980.

**Sec. 44.85.120. Care and custody of bonds.** The bond bank authority may enter into agreements or contracts with a bank, trust company, banking or financial institution inside or outside the state as may be necessary, desirable or convenient, in the opinion of the bond bank authority, for rendering services in connection with the care, custody or safekeeping of municipal bonds or other investments held or owned by the bond bank authority, for rendering services in connection with the payment or collection of amounts payable as to principal or interest, and for rendering services in connection with the delivery to the bond bank authority of municipal bonds or other investments purchased by it or sold by it, and to pay the cost of those services. The bond

bank authority may also, in connection with any of the services to be rendered by a bank, trust company or banking or financial institution as to the custody and safekeeping of its municipal bonds or investments, require security in the form of collateral bonds, surety agreements or security agreements in such form and amount as, in the opinion of the bond bank authority, is necessary or desirable. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.120. Renumbered in 1980.

Sec. 44.85.130. Effect of obligations. (a) Bonds and notes issued under this chapter are not a debt or liability of the state and do not create or constitute an indebtedness, liability or obligation of the state. nor do they constitute a pledge of the faith and credit of the state. All bonds and notes issued under this chapter, unless funded or refunded by bonds or notes of the bond bank authority, are general obligations of the authority to which the full faith and credit of the authority are pledged to the payments of them, except to the extent provided by the resolution authorizing the issuance of them. Each bond and note must contain on its face a statement to the effect that the bond bank authority is obligated to pay the principal and interest on the instrument only from revenues or funds of the bond bank authority and that the state is not obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on the bond or note.

(b) The state pledges to and agrees with the holders of the bonds or notes issued under this chapter that the state will not limit or restrict the rights vested in the bond bank authority to purchase, acquire, hold, sell or dispose of municipal bonds or other investments or to make loans to political subdivisions or to establish and collect fees or other charges convenient or necessary to produce sufficient revenues to meet the expenses of operation of the bond bank authority and to fulfill the terms of any agreement made with the holders of its bonds or notes or in any way impair the rights or remedies of the holders of the bonds or notes until the bonds or notes, together with the interest on the bonds or notes, and interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met, paid and discharged. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.130. Renumbered in 1980.

Sec. 44.85.140. Negotiability of bonds or notes. Notwithstanding other provisions of law, a bond or note issued under this chapter is fully negotiable for all purposes of the Uniform Commercial Code (AS 45.05), and a holder or owner of a bond or note, or of a coupon

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appurtenant to it, by accepting the bond, note or coupon is conclusively considered to have agreed that the bond, note or coupon is fully negotiable for all purposes of the Uniform Commercial Code. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.140. Renumbered in 1980.

**Sec. 44.85.150. Bonds or notes as legal investments.** Notwithstanding the restrictions of any other law, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest sinking funds, money or other funds belonging to them or within their control in bonds or notes issued under this chapter. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.150. Renumbered in 1980.

**Sec. 44.85.160. Tax exemption.** All property of the bond bank authority is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments of the state or a political subdivision of the state. All bonds or notes issued under this chapter are issued by a body corporate and public of this state and for an essential public and governmental purpose and the bonds and notes, and the interest and income on and from the bonds and notes, and all fees, charges, funds, revenues, income and other money pledged or available to pay or secure the payment of the bonds or notes, or interest on the bonds or notes, are exempt from taxation except for transfer, inheritance and estate taxes. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.160. Renumbered in 1980.

**Sec. 44.85.170. Loans to political subdivisions.** (a) The bond bank authority, to carry out the purposes and policies of this chapter, may lend money to municipalities through the purchase by the bond bank authority of municipal bonds of municipalities. Notwithstanding a home rule charter provision requiring public sale by a municipality of its municipal bonds, a municipality may sell its municipal bonds to the bond bank authority at a negotiated, private sale. The bond bank authority, for this purpose, may issue its bonds and notes payable solely from the revenues or funds available to the bond bank authority

for such payment and may otherwise assist municipalities as provided in this chapter.

(b) Notwithstanding any provision of law, to the extent that any department or agency of the state is the custodian of money payable to a municipality, at any time after written notice to the department or agency head from the bond bank authority that the municipality is in default on the payment of principal or interest on municipal general obligation bonds of the municipality then held or owned by the bond bank authority, the department or agency shall withhold the payment of that money from that municipality and pay over the money to the bond bank authority for the purpose of paying principal of and interest on bonds of the bond bank authority. (§ 1 ch 79 SLA 1975; am § 2 ch 56 SLA 1976; am § 1 ch 48 SLA 1978)

Revisor's notes. — Formerly AS 44.58.170. Renumbered in 1980.

Sec. 44.85.180. Issuance of bonds and notes. (a) Subject to AS 44.85.100(b), the bond bank authority may issue its bonds or notes in principal amounts that it considers necessary to provide funds for any purposes under this chapter, including

- (1) the purchase of municipal bonds;
- (2) the making of loans through the purchase of municipal bonds;
- (3) the payment, funding or refunding of the principal of, or interest or redemption premiums on, bonds or notes issued by it whether the bonds or notes or interest to be funded or refunded have or have not become due;
- (4) the establishment or increase of reserves to secure or to pay bonds or notes or interest on bonds or notes and all other costs or expenses of the bond bank authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(b) Except as otherwise provided in this chapter or by the bond bank authority, every issue of bonds or notes shall be general obligations payable out of the revenues or funds of the bond bank authority, subject only to agreements with the holders of particular bonds or notes pledging a particular revenue or fund. Bonds or notes may be additionally secured by a pledge of a grant or contributions from the United States or the state or a political subdivision or a person, firm or corporation, or a pledge of income or revenues, funds or money of the bond bank authority from any source whatsoever.

(c) Notwithstanding the provisions of (a) and (b) of this section, the total amount of bond bank authority bonds and notes outstanding at any one time, except bonds or notes issued to fund or refund bonds or notes, may not exceed \$300,000,000.

(d) In deciding to purchase municipal bonds of a municipality, the bond bank authority shall give preference to the municipalities

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referred to in AS 44.85.005. In addition, the following, listed in order of preference, are preferred purposes of the municipal bonds that may be considered by the bond bank authority for purchase: schools, waste water treatment facilities, fire protection and public safety facilities, public health facilities and public transportation facilities. (§ 1 ch 79 SLA 1975; am § 41 ch 106 SLA 1980; am § 3 ch 86 SLA 1983; am § 1 ch 110 SLA 1984)

**Revisor's notes.** — Formerly AS 44.58.180. Renumbered in 1980.

**Effect of amendments.** — The 1980 amendment substituted "Subject to AS 44.85.100(b), the" for "The" at the beginning of subsection (a).

The 1983 amendment, substituted "\$200,000,000" for "\$150,000,000" at the end of subsection (c).

The 1984 amendment, effective June 16, 1984, substituted "\$300,000,000" for "200,000,000" in subsection (c).

**Sec. 44.85.190. Form of issuance.** Bonds or notes of the bond bank authority shall be authorized by resolution of the bond bank authority and may be issued in one or more series and shall bear the date, mature at the time, bear interest at the rate of interest each year or within a maximum rate, be in the denomination, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable from the sources in the medium of payment at the place inside or outside the state, and be subject to the terms of redemption, with or without premium, as the resolution of the bond bank authority provides. (§ 1 ch 79 SLA 1975)

**Revisor's notes.** — Formerly AS 44.58.190. Renumbered in 1980.

**Sec. 44.85.200. Sale price.** Bonds or notes of the bond bank authority may be sold at public or private sale at the price the bond bank authority determines. (§ 1 ch 79 SLA 1975)

**Revisor's notes.** — Formerly AS 44.58.200. Renumbered in 1980.

**Sec. 44.85.210. Payment or refunding of notes.** The bond bank authority may from time to time issue its notes under this chapter and pay and retire or fund or refund the notes from proceeds of bonds or of other notes, or from other funds or money of the bond bank authority available for that purpose in accordance with a contract between the bond bank authority and the holders of the notes. (§ 1 ch 79 SLA 1975)

**Revisor's notes.** — Formerly AS 44.58.210. Renumbered in 1980.

**Sec. 44.85.220. Terms of agreement with the bondholder or noteholder.** In a resolution of the bond bank authority authorizing or relating to the issuance of bonds or notes, the bond bank authority, in order to secure the payment of the bonds or notes and in addition to its other powers, may covenant and contract with the holders of the bonds or notes

(1) to pledge to a payment or purpose all or a part of its revenues to which its right then exists or may thereafter come into existence, and the money derived from the revenues, and the proceeds of any bonds or notes;

(2) to covenant against pledging all or a part of its revenues, or against permitting or suffering a lien on those revenues or its property;

(3) to covenant as to the use and disposition of payments of principal or interest received by the bond bank authority on municipal bonds or other investments held by the bond bank authority;

(4) to covenant as to establishment of reserves or sinking funds, the making of provision for them, and the regulation and disposition of the reserves or sinking funds;

(5) to covenant with respect to or against limitations on a right to sell or otherwise dispose of property of any kind;

(6) to covenant as to bonds or notes to be issued, and their limitations, terms and conditions, and as to their custody, and as to the application and disposition of the proceeds of the bonds and notes;

(7) to covenant as to issuance of additional bonds or notes or as to limitations on the issuance of additional bonds or notes and on the incurring of other debts by it;

(8) to covenant as to the payment of the principal of or interest on the bonds or notes, as to the sources and methods of payment, as to the rank or priority of bonds or notes with respect to a lien or security or as to the acceleration of the maturity of any bonds or notes;

(9) to provide for the replacement of lost, stolen, destroyed or mutilated bonds or notes;

(10) to covenant against extending the time for the payment of bonds or notes or interest on the bonds or notes;

(11) to covenant as to the redemption of bonds or notes and privileges of their exchange for other bonds or notes of the bond bank authority;

(12) to covenant as to charges to be established and charged, the amount to be raised each year or other period of time by charges or other revenues, and as to the use and disposition to be made of the charges or other revenues;

(13) to covenant to create or authorize the creation of special funds or money to be held in pledge or otherwise for operating expenses, payment or redemption of bonds or notes, reserves or other purposes and as to the use and disposition of the money held in those funds.

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(14) to establish the procedure, if any, by which the terms of a contract or covenant with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent to amendment or abrogation, and the manner in which the consent may be given;

(15) to covenant as to the custody of any of its property or investments, their safekeeping and insurance, and the use and disposition of insurance money;

(16) to covenant as to the time or manner of enforcement or restraint from enforcement of any rights of the bond bank authority arising by reason of or with respect to nonpayment of the principal or interest of a municipal bond;

(17) to provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation and to prescribe the events of default and the terms and conditions upon which any or all of the bonds, notes or other obligation of the bond bank authority become or may be declared due and payable before maturity and the terms and conditions upon which the declaration and its consequences may be waived;

(18) to vest in a trustee inside or outside the state such property, rights, powers and duties in trust as the bond bank authority may determine, which may include any of the rights, powers and duties of a trustee appointed by the holders of the bonds or notes, and to limit or abrogate the right of the holders of the bonds or notes of the bond bank authority to appoint a trustee under this chapter or limit the rights, powers and duties of the trustee;

(19) to pay the costs or expenses incident to the enforcement of the bonds or notes or of the resolution or of a covenant or agreement of the bond bank authority with the holders of its bonds or notes;

(20) to agree with a corporate trustee which may be a trust company or bank having the powers of a trust company inside or outside the state, as to the pledging or assigning of revenues or funds in which the bond bank authority has a right or interest, and may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of bonds or notes of the bond bank authority and not otherwise in violation of law, and the agreement may also provide for the restriction of the rights of an individual holder of bonds or notes of the bond bank authority;

(21) to appoint and to provide for the duties and obligations of a paying agent or paying agents, or other fiduciaries as the resolution may provide inside or outside the state;

(22) to limit the rights of the holders of bonds or notes to enforce a pledge or covenant securing bonds or notes; and

(23) to make covenants other than and in addition to the covenants expressly authorized in this section, of like or different character, and to make covenants to do or refrain from doing acts and things as may

be necessary, or convenient and desirable, in order to better secure bonds or notes or which, in the absolute discretion of the bond bank authority, will tend to make bonds or notes more marketable, notwithstanding that the covenants, acts or things may not be enumerated in this section. (§ 1 ch 79 SLA 1975)

Revisor's notes. -- Formerly AS  
44.58.220. Renumbered in 1980.

**Sec. 44.85.230. Purchase and disposition of own obligations.** The bond bank authority may purchase bonds or notes of the bond bank authority out of its funds or money available for the purchase of its own bonds and notes. The bond bank authority may hold, cancel or resell the bonds or notes subject to and in accordance with agreements with holders of its bonds or notes. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS  
44.58.230. Renumbered in 1980.

**Sec. 44.85.240. Bond anticipation notes.** Notwithstanding any law applicable to a municipality as to the period for temporary financing of a public improvement or purpose by issuance of its notes in anticipation of the issuance of permanent bonds or as to the renewal of bond anticipation notes, the bond bank authority may purchase and the municipality may issue bond anticipation notes and may renew them from time to time; however, the bond anticipation notes, including renewals, shall mature in such amounts and in such years not exceeding five years from the date of the original issuance as is agreed between the bond bank authority and the municipality. In connection with the transaction and purchase of bond anticipation notes, the bond bank authority may by agreement with the municipality impose any terms, conditions and limitations as in its opinion are proper for the purposes and security of the bond bank authority and the holders of its bonds or notes. The failure of a municipality to comply with the agreement constitutes a failure of the municipality to pay principal of and interest on the bonds or notes, and the bond bank authority shall enforce all rights, remedies, and provisions of law as it has under this chapter or are elsewhere provided. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS  
44.58.240. Renumbered in 1980.

**Sec. 44.85.250. Documentation.** All municipal bonds purchased, held or owned by the bond bank authority, upon delivery to the bond bank authority, must be accompanied by all documentation required by the authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.250. Renumbered in 1980.

**Sec. 44.85.260. Presumption of validity.** After issuance, all bonds or notes of the bond bank authority shall be conclusively presumed to be fully authorized and issued under the laws of the state, and a person or a municipality is estopped from questioning their authorization, sale, issuance, execution or delivery by the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.260. Renumbered in 1980.

**Sec. 44.85.270. Reserve fund.** (a) The bond bank authority shall establish and maintain a special fund called the "Alaska municipal bond bank authority reserve fund" in which there shall be deposited or transferred

(1) all money appropriated by the legislature for the purpose of the fund in accordance with the provisions of (g) of this section;

(2) all proceeds of bonds required to be deposited in the fund by terms of a contract between the bond bank authority and its bondholders or a resolution of the bond bank authority with respect to the proceeds of bonds;

(3) all other money appropriated by the legislature to the reserve fund; and

(4) any other money or funds of the bond bank authority which it decides to deposit in the fund.

(b) Subject to the provisions of (h) of this section, money in the reserve fund shall be held and applied solely to the payment of the interest on and principal of bonds of the bond bank authority as the interest and principal become due and payable and for the retirement of bonds; and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and for the retirement of bonds in accordance with the terms of a contract between the bond bank authority and its bondholders and for which payments of other money of the bond bank authority is not then available. As used in this subsection, "required debt service reserve" means, as of the date of computation, the amount required to be on deposit in the reserve fund as provided by resolution of the bond bank authority.

(c) Money in the reserve fund in excess of the required debt service reserve as defined in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any time by the bond bank authority and transferred to another fund or account of the bond bank authority subject to the provision of (h) of this section.

(d) Money in the reserve fund may be invested in the same manner and on the same conditions as permitted for investment of funds belonging to the state or held in the treasury under AS 37.10.070; however, the authority may agree with the bondholders to further limit these investments.

(e) For purposes of valuation, investments in the reserve fund shall be valued at par or if purchased at less than par, at cost unless otherwise provided by resolution of the bond bank authority. Valuation on a particular date shall include the amount of interest then earned or accrued to that date on the money or investments in the reserve fund.

(f) Notwithstanding any other provision of this chapter, bonds may not be issued by the bond bank authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and for the bonds to be issued; however, the bond bank authority may satisfy this requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance, as is needed to meet the required debt service reserve. The bond bank authority may at any time issue its bonds or notes for the purpose of increasing the amount in the reserve fund to the required debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the bond bank authority with respect to the fund.

(g) In order to assure the maintenance of the required debt service reserve in the reserve fund, the legislature may appropriate annually to the bond bank authority for deposit in the fund the sum, certified by the chairman of the bond bank authority to the governor and to the legislature, that is necessary to restore the fund to an amount equal to the required debt service reserve. The chairman annually, before January 30, shall make and deliver to the governor and to the legislature a certificate stating the sum required to restore the fund to that amount, and the sum so certified may be appropriated and paid to the bond bank authority during the then current state fiscal year. Nothing in this subsection creates a debt or liability of the state.

(h) All amounts received on account of money appropriated to the reserve fund referred to in (a)(3) of this section shall be held and applied in accordance with (b) of this section; however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the required debt service reserve, any amount representing earnings or income received on account of money appropriated to the reserve fund which exceeds the operating expenses of the authority for that fiscal year shall be transferred to the general fund of the state.

(i) All references to the "reserve fund" in this section include special accounts within the reserve fund which may be created by the authority to secure the payment of particular bonds, including, without limitation, bonds issued by the capital city established under AS 29.18.510. The commissioner of revenue may lend surplus money in the general

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fund to the authority for deposit to any account in the reserve fund in an amount equal to the required debt service reserve. The loans shall be made on such terms and conditions as may be agreed upon by the commissioner of revenue and the authority, including, without limitation, terms and conditions providing that the loans need not be repaid until the obligations of the corporation secured and to be secured by the account in the reserve fund are no longer outstanding. (§ 1 ch 79 SLA 1975; am § 3 ch 56 SLA 1976; am § 5 ch 143 SLA 1978)

Revisor's notes. — Formerly AS incorporation generally, see art. 5 of AS 44.58.270. Renumbered in 1980. 29.18.

Cross references. — As to capital city

**Sec. 44.85.280. Additional funds and accounts.** The bond bank authority may establish additional reserves or other funds or accounts as may be, in its discretion, necessary, desirable, or convenient to further the accomplishment of its purposes or to comply with the provisions of any of its agreements or resolutions. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.280. Renumbered in 1980.

**Sec. 44.85.290. Application of funds.** Money or investments in a fund or account of the bond bank authority established or held for bonds, notes, indebtedness or liability to be paid, funded, or refunded by issuance of bonds or notes, unless the resolution authorizing the bonds or notes provides otherwise, shall be applied to the payment or retirement of the bonds, notes, indebtedness or liability, and to no other purpose. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.290. Renumbered in 1980.

**Sec. 44.85.300. Rights of holders paramount.** In order to carry out its purpose under this chapter of making loans to municipalities by purchase of the municipal bonds of those municipalities and by receipt of its income from service charges and from payments of interest on the maturing principal of municipal bonds purchased and held by it, and in order to produce revenues or income to the bond bank authority sufficient at all times to meet its costs and expenses of operation under this chapter and to pay the principal of and interest on its outstanding bonds and notes when due, the bond bank authority must at all times, and to the greatest extent possible, plan to issue its bonds and notes and lend money to political subdivisions so that the purpose is achieved without in any way jeopardizing any rights of the holders of bonds or notes of the bond bank authority or affecting other matters under this chapter. (§ 1 ch 79 SLA 1975)

Revisor's notes. -- Formerly AS 44.58.300. Renumbered in 1980.

Sec. 44.85.310. Default in payment. If the bond bank authority defaults in the payment of principal or interest on an issue of notes or bonds after they become due, whether at maturity or upon call for redemption, and the default continues for 30 days, or if the bond bank authority fails or refuses to comply with this chapter or defaults in an agreement made with the holders of an issue of notes or bonds, the holders of 25 percent in the aggregate principal amount of the outstanding notes or bonds of that issue, by instrument filed in the office of the clerk of the district court of the first judicial district and executed in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of those notes or bonds for the purposes provided in this chapter. (§ 1 ch 79 SLA 1975)

Revisor's notes. -- Formerly AS 44.58.310. Renumbered in 1980.

Sec. 44.85.320. Powers and duties of trustee on default. (a) A trustee appointed under this section may, and shall in the trustee's name, upon written request of the holders of 25 per cent in principal amount of the outstanding notes or bonds,

(1) by civil action enforce all rights of the noteholders or bondholders, including the right to require the bond bank authority to collect rates, charges and other fees and to collect interest and amortization payments on municipal bonds and notes held by it adequate to carry out an agreement as to, or pledge of, the rates, charges and other fees and of the interest and amortization payments, and to require the bond bank authority to carry out any other agreements with the holders of the notes or bonds and to perform its duties under this chapter;

(2) bring a civil action upon the notes or bonds;

(3) by civil action require the bond bank authority to account as if it were the trustee of an express trust for the holders of the notes or bonds;

(4) by civil action enjoin anything which may be unlawful or in violation of the rights of the holders of the notes or bonds;

(5) declare all the notes or bonds due and payable, and if all defaults are made good, then with the consent of the holders of 25 per cent of the principal amount of the outstanding notes or bonds, annul the declaration and its consequences;

(6) the trustee, in addition to the foregoing, has all the powers necessary for the exercise of functions specifically set out or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

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(b) Before declaring the principal of notes or bonds due and payable, the trustee must first give 30 days' notice in writing to the governor, the bond bank authority, the commissioner of community and regional affairs, and the attorney general of the state. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.320. Renumbered in 1980.

**Sec. 44.85.330. Personal liability.** Neither a member of the bond bank authority nor a person executing bonds or notes issued under this chapter is liable personally on the bonds or notes. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.330. Renumbered in 1980.

**Sec. 44.85.340. Exemption from execution and sale.** All property of the bond bank authority is exempt from levy and sale by virtue of an execution and no execution or other judicial process may issue against the property. A judgment against the bond bank authority may not be a charge or lien upon its property; however, nothing in this section applies to or limits the rights of the holder of bonds or notes to pursue a remedy for the enforcement of a pledge or lien given by the bond bank authority on its revenues or other money. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.340. Renumbered in 1980.

**Sec. 44.85.350. Lien of pledge.** A pledge of revenues or other money made by the bond bank authority is binding from the time the pledge is made. Revenues or other money so pledged and thereafter received by the bond bank authority are immediately subject to the lien of the pledge without any further act, and the lien of a pledge is binding against all parties having claims of any kind in tort, contract or otherwise against the bond bank authority, regardless of whether the parties have notice of the lien. Neither the resolution nor any other instrument by which a pledge is created needs to be filed or recorded except in the records of the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.350. Renumbered in 1980.

**Sec. 44.85.360. Insurance or guaranty.** The bond bank authority may obtain from a department or agency of the United States, or a nongovernmental insurer available insurance or guaranty for the payment or repayment of interest or principal, or both, or any part of interest or principal, on bonds or notes issued by the bond bank author-

ity, or on municipal bonds of municipalities purchased or held by the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.360. Renumbered in 1980.

Sec. 44.85.370. Surety for deposits by bank. All banks, trust companies, savings banks, investment companies and other persons carrying on a banking business are authorized to give to the bond bank authority a good and sufficient undertaking with such sureties as are approved by the bank to the effect that the bank or banking institution shall faithfully keep and pay over to the order of or upon the warrant of the bond bank authority or its authorized agent all those funds deposited with it by the bank and agreed interest under or by reason of this chapter, at such times or upon such demands as may be agreed with the bank or in lieu of these sureties, deposit with the bond bank authority or its authorized agent or a trustee or for the holders of bonds, as collateral, those securities as the bond bank authority may approve. The deposits of the bond bank authority may be evidenced by an agreement in the form and upon the terms and conditions that may be agreed upon by the bond bank authority and the depository bank or banking institution. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.370. Renumbered in 1980.

Sec. 44.85.380. Expenses of administration. All expenses incurred in carrying out this chapter are payable solely from revenues or funds appropriated under this chapter and nothing in this chapter authorizes the bond bank authority to incur an indebtedness or liability on behalf of or payable by the state. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.380. Renumbered in 1980.

Sec. 44.85.390. Cooperation by government agencies. All officers, departments, boards, agencies, divisions and commissions of the state shall render services to the bond bank authority that are within the area of their respective governmental functions and that may be requested by the bond bank authority and must comply promptly with any reasonable request by the bond bank authority relating to making of a study or review as to desirability, need, cost or expense, or financial feasibility with respect to a public project, purpose or improvement, or the financial or fiscal responsibility or ability of a political subdivision making application for loan to the bond bank authority and for the purchase by the bond bank authority of municipal bonds to be issued by that municipality. The cost and expense of a service requested by the

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bond bank authority, at the request of the officer, department, board, agency, division or commission rendering the service, shall be paid by the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.390. Renumbered in 1980.

Sec. 44.85.400. Public records; open meetings. The provisions of AS 09.25.110 — 09.25.120 (public records) and AS 44.62.310 — 44.62.312 (agency public meetings) apply to the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.400. Renumbered in 1980.

Sec. 44.85.410. Definitions. In this chapter, unless the context requires otherwise,

(1) "bond bank authority" means the Alaska Municipal Bond Bank Authority established by AS 44.85.020;

(2) "bonds" means bonds of the bond bank authority issued under this chapter;

(3) "municipal bond" means a bond or note or evidence of debt which constitutes

(A) a general obligation bond which is a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.53.410; or

(B) a revenue bond, except a revenue bond for electrical generation purposes other than diesel-powered generation, issued by a municipality which pledges the revenue of a revenue-producing capital improvement and which is payable solely from the revenue of the revenue-producing capital improvement; or

(C) a general obligation bond or revenue bond combined or additionally secured; or

(D) a bond of a borough issued as a general obligation of a service area under AS 29.58.340.

(4) "municipality" means a home rule or general law city or borough including but not limited to a unified municipality organized under AS 29.68;

(5) "notes" means notes of the bond bank authority issued under this chapter;

(6) "public body" means a public body corporate and politic or a political subdivision of the state established under any law of the state which may issue municipal bonds;

(7) "reserve fund" means the Alaska municipal bond bank reserve fund established under AS 44.85.280;

(8) "revenues" means all fees, charges, money, profits, payments of principal of or interest on municipal bonds and other investments, gifts, grants, contributions, appropriations and all other income derived or to be derived by the bond bank authority under this chapter. (§ 1 ch 79 SLA 1975; am § 2 ch 48 SLA 1978; am §§ 1, 2 ch 23 SLA 1980)

Revisor's notes. — Formerly AS 44.58.410. Renumbered in 1980.

Effect of amendments. — The 1980 amendment in subparagraph (B) of paragraph (3), inserted "other than diesel-powered generation" following "generation purposes," substituted "pledges" for "is a pledge of" following "a

municipality which," inserted "and which is" following "capital improvement," substituted "the revenue of the revenue-producing capital improvement" for "unpledged revenue of the public facility for which the obligations are issued" at the end of the subparagraph; and added subparagraph (D) in paragraph (3).

Sec. 44.85.420. Short title. This chapter may be cited as the Alaska Municipal Bond Bank Authority Act or the Alaska Municipal Bond Bank Act. In transactions involving general obligation bonds of municipalities, the Alaska Municipal Bond Bank Authority created by this chapter may be referred to as the Alaska Municipal Bond Bank with the same legal effect as if the reference were to Alaska Municipal Bond Bank Authority. (§ 1 ch 79 SLA 1975; am § 3 ch 48 SLA 1978)

Revisor's notes. — Formerly AS 44.58.420. Renumbered in 1980.

### Chapter 88. Alaska Industrial Development Authority.

#### Article

- 1. Creation and Organization (§§ 44.88.010 — 44.88.050)
- 2. Purpose and Powers (§§ 44.88.070 — 44.88.085)
- 3. Financial Provisions (§§ 44.88.090 — 44.88.159)
- 4. General Provisions (§§ 44.88.160 — 44.88.220)

#### Article 1. Creation and Organization.

##### Section

- 10. Legislative finding and policy
- 20. Creation of authority
- 30. Membership of authority

##### Section

- 40. Chairman and vice-chairman
- 50. Meetings, compensation, officers and employees

Sec. 44.88.010. Legislative finding and policy. (a) The legislature finds, determines and declares that

(1) there exist areas of the state in which seasonal and nonseasonal unemployment exist;

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COMPARISON OF POWERS AND DUTIES OF THE ALASKA POWER AUTHORITY (AS 44.83.080), ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY (AS 44.88.560), AND ALASKA HOUSING FINANCE CORPORATION (AS 18.56.090) TO THE ALASKA AMATEUR SPORTS AUTHORITY (SB 1).

SB 1 (AS 05.40.050)

- (1) sue and be sued
  - APA - same as SB 1
  - AHFC - same as SB 1
- (2) adopt and alter an official seal
  - APA - same as SB 1
  - AHFC - same as SB 1
- (3) adopt and enforce bylaws and regulations
  - APA - same as SB 1
  - AIDA - adopt regulations
  - AHFC - same as SB 1
- (4) maintain offices in the state
- (5) subject to appropriation by the legislature, acquire, hold, use, and dispose of its income, revenue, funds, and money
  - APA - accept gifts, grants, or loans from any person; deposit or invest its funds, subject to agreements with bondholders
  - AHFC - receive and administer any appropriation or gift, grant or donation of property or money
- (6) acquire, hold, use, lease, rent, construct, and dispose of real and personal property for its purposes
  - APA - acquire, whether by construction, purchase, gift or lease, and improve, equip, operate, and maintain power projects; sell, lease, exchange, donate, convey or encumber real or personal property
  - AIDA - acquire real or personal property by purchase, transfer, or foreclosure
  - AHFC - acquire real property by purchase, transfer or foreclosure; sell, transfer and convey the property to a buyer; rent or lease the property to a tenant pending sale
- (7) operate, maintain, improve, and extend a system of amateur sports facilities
  - APA - see (6)
- (8) establish other nonprofit corporations or charitable organizations to promote and develop amateur sports
- (9) do all acts and things necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied
  - APA - do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted
  - AIDA - exercise any other power necessary to implement
  - AHFC - same as SB 1

**Sec. 44.83.070. Purpose of the authority.** The purpose of the authority is to promote, develop and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating

- (1) power projects; and
- (2) facilities that recover and use waste energy. (§ 1 ch 278 SLA 1976; am § 5 ch 156 SLA 1978; am § 1 ch 133 SLA 1982)

**Revisor's notes.** — Formerly AS 44.56.070. Renumbered in 1980.

**Effect of amendments.** — The 1992 amendment substituted paragraphs (1) and (2) for "power production facilities limited to fossil fuel, wind power, tidal, geothermal, hydroelectric, or solar energy production and waste energy conservation facilities."

**Sec. 44.83.080. Powers of the authority.** In furtherance of its corporate purposes, the authority has the following powers in addition to its other powers:

- (1) to sue and be sued;
- (2) to have a seal and alter it at pleasure;
- (3) to make and alter bylaws for its organization and internal management;
- (4) to adopt regulations governing the exercise of its corporate powers;
- (5) to acquire, whether by construction, purchase, gift or lease, and to improve, equip, operate, and maintain power projects;
- (6) to issue bonds to carry out any of its corporate purposes and powers, including the acquisition or construction of a project to be owned or leased, as lessor or lessee, by the authority, or by another person, or the acquisition of any interest in a project or any right to capacity of a project, the establishment or increase of reserves to secure or to pay the bonds or interest on them, and the payment of all other costs or expenses of the authority incident to and necessary or convenient to carry out its corporate purposes and powers;
- (7) to sell, lease as lessor or lessee, exchange, donate, convey or encumber in any manner by mortgage or by creation of any other security interest, real or personal property owned by it, or in which it has an interest, when, in the judgment of the authority, the action is in furtherance of its corporate purposes;
- (8) to accept gifts, grants or loans from, and enter into contracts or other transactions regarding them, with any person;
- (9) to deposit or invest its funds, subject to agreements with bondholders;
- (10) to enter into contracts with the United States or any person and, subject to the laws of the United States and subject to concurrence of the legislature, with a foreign country or its agencies, for the financing, construction, acquisition, operation and maintenance of all or any part of a power project, either inside or outside the state, and for the sale or

transmission of power from a project or any right to the capacity of it or for the security of any bonds of the authority issued or to be issued for the project;

(11) to enter into contracts with any person and with the United States, and, subject to the laws of the United States and subject to the concurrence of the legislature, with a foreign country or its agencies for the purchase, sale, exchange, transmission, or use of power from a project, or any right to the capacity of it;

(12) to apply to the appropriate agencies of the state, the United States and to a foreign country and any other proper agency for the permits, licenses, or approvals as may be necessary, and to construct, maintain and operate power projects in accordance with the licenses or permits, and to obtain, hold and use the licenses and permits in the same manner as any other person or operating unit;

(13) to perform reconnaissance studies, feasibility studies, and engineering and design with respect to power projects;

(14) to enter into contracts or agreements with respect to the exercise of any of its powers, and do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter;

(15) to exercise the power of eminent domain in accordance with AS 09.55.240 — 09.55.460;

(16) to recommend to the legislature

(A) the issuance of general obligation bonds of the state to finance the construction of a power project if the authority first determines that the project cannot be financed by revenue bonds of the authority at reasonable rates of interest;

(B) the pledge of the credit of the state to guarantee repayment of all or any portion of revenue bonds issued to assist in construction of power projects;

(C) an appropriation from the general fund

(i) for debt service on bonds or other project purposes; or

(ii) to reduce the amount of debt financing for the project;

(D) an appropriation to the power project fund for a power project;

(E) *[Repealed, § 16 ch 161 SLA 1984.]*

(F) development of a project under financing arrangements with other entities using leveraged leases or other financing methods;

(G) an appropriation for a power project acquired or constructed under the energy program for Alaska (AS 44.83.380 — 44.83.425). (§ 1 ch 278 SLA 1976; am §§ 6 — 11 ch 156 SLA 1978; am §§ 16, 17 ch 83 SLA 1980; am § 5 ch 118 SLA 1981; am § 16 ch 161 SLA 1984)

**Revisor's notes.** — Formerly AS 44.56.080. Renumbered in 1980. The 1981 amendment added subparagraph (G) of paragraph (16).

**Effect of amendments.** — The 1980 amendment inserted in the middle of paragraph (13), "feasibility studies, and engineering and design," and added paragraph (16). The 1984 amendment repealed paragraph (16)(E).

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§ 44.88.550

STATE GOVERNMENT

§ 44.88.560

**Sec. 44.88.550. Interest on guaranteed loan [Repealed effective July 1, 1991].** The maximum interest rate on a loan guaranteed by the authority is

(1) for a loan guarantee that exceeds 65 percent of the loan, one and one-half percentage points above the prime rate on the day the loan guarantee is made; and

(2) for a loan guarantee that is equal to or less than 65 percent of the loan, two and three-quarters percentage points above the prime rate on the day the loan guarantee is made. (§ 2 ch 162 SLA 1988; r § 4 ch 162 SLA 1988)

**Sec. 44.88.555. Servicing of guaranteed loans [Repealed effective July 1, 1991].** (a) The financial institution that holds a loan guaranteed by the authority under AS 44.88.500 — 44.88.599 shall

(1) service the loan;

(2) exercise diligence in collecting amounts due under the loan; and

(3) comply with all requirements of the loan guarantee agreement.

(b) Amounts received toward satisfaction of a default on a loan guaranteed under AS 44.88.500 — 44.88.599 shall be allocated between the lender and the fund according to the guaranteed percentage of the loan until the principal balance has been repaid. (§ 2 ch 162 SLA 1988; r § 4 ch 162 SLA 1988)

**Sec. 44.88.560. Powers of the authority [Repealed effective July 1, 1991].** The authority may

(1) adopt regulations to implement AS 44.88.500 — 44.88.599;

(2) establish terms and conditions for loan guarantees and refinancing agreements subject to the requirements of AS 44.88.500 — 44.88.599;

(3) make and execute contracts and other instruments to implement AS 44.88.500 — 44.88.599;

(4) charge

(i) one percent of the amount guaranteed for the service it provides under AS 44.88.500 — 44.88.599; and

(ii) any other reasonable fee that the authority may establish by regulation;

(5) acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect an interest in the fund; and

(6) exercise any other power necessary to implement AS 44.88.500 — 44.88.599. (§ 2 ch 162 SLA 1988; r § 4 ch 162 SLA 1988)

**A.H.F.C.**  
§ 18.56.090

plemental housing development grants, the Department of Community and Regional housing development grant fund. Subject to appropriations for the purpose, the department regional housing authorities established under cost of on-site sewer and water facilities, road sites, energy efficient design features in homes, electrical distribution facilities to individual resi-

made only for residential housing for which approval has been obtained from the United Housing and Urban Development and which to the public on a nondiscriminatory basis. A to retire or repay obligations or debts of the it may only be for the difference between the ilable under federal law or regulation for con- tial housing for which the grant is made and onstruction. A grant may not exceed 20 percent partment of Housing and Urban Development per unit in effect at the time the grant is made. y be used only for the purposes specified in (a) of the grant money may be used for adminis- a regional housing authority whether the costs with the construction or general costs of the

shall adopt regulations to carry out the pur- he provisions of the Administrative Procedure e regulations adopted under this section. (§ 7 ch 97 SLA 1988)

of legislative sign features in homes" in the second sen- tion with the tence in subsection (a). e section, see Legislative history reports. — For e Temporary House letter of intent in connection with ch. 97, SLA 1988 (CSSB 308(C&RA)), see The 1988 1988 House Journal 3601. efficient de-

**ka Housing Finance Corporation.**

	Section
	102. (Repealed)
	104. (Repealed)
make or pur-	106. Nonconforming housing loan pro- gram
urchase pro-	110. Bonds and notes
	115. Loan servicing requirements
ns' interest	210. Market stabilization powers
	200. Definitions

Sec. 18.56.090. General powers. In addition to other powers granted in this chapter, the corporation may, for the purpose of providing housing for persons of lower and moderate income or persons located in remote, underdeveloped or blighted areas of the state and for its other corporate purposes.

(1) [Repealed, § 51 ch 115 SLA 1981.]

(2) make or participate in the making of mortgage loans to sponsors, developers, builders and purchasers of residential housing, if the corporation determines that mortgage loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(3) purchase or participate in the purchase of mortgage loans made to sponsors, developers, builders, owners and purchasers of residential housing, if the corporation

(A) has given approval before the initial making of the loan and has determined that mortgage loans were, at the time the approval was given, not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions, or

(B) has determined that the purchase or participation will result in additional residential housing, taking into account without limitation such factors as reinvestment of the proceeds of the sale in additional mortgage loans, increased availability of mortgage loans insured by the federal government, its agencies or departments, the reduction, if any, of interest payments to be made with respect to mortgage loans, or such other factors as will tend to increase or improve the supply of residential housing within the state;

(4) make partial rental payments and mortgage interest payments under a contract with any housing owner if the payments will be applied to decrease rental or mortgage interest charges of persons of lower and moderate income or owners or purchasers of residential housing in remote, underdeveloped or blighted areas of the state;

(5) make loans from the housing development fund;

(6) collect and pay reasonable fees and charges in connection with making, purchasing and servicing its mortgages, loans, notes, bonds, certificates, commitments and other evidences of indebtedness;

(7) acquire real property or any interest in real property, in its own name, by purchase, transfer or foreclosure, when the acquisition is necessary or appropriate to protect any loan in which the corporation has an interest; sell, transfer and convey the property to a buyer; and, if the sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, rent or lease the property to a tenant pending the sale, transfer or conveyance;

(8) sell, at public or private sale, to any purchaser, including the Federal National Mortgage Association, all or any part of a mortgage or other instrument; or document securing a construction, land devel-

over →

opment, mortgage or temporary loan of any type permitted by this chapter;

(9) purchase, in order to meet the requirements of the sale of its mortgages to the Federal National Mortgage Association, stock of the Federal National Mortgage Association;

(10) procure insurance against any loss in connection with its operation;

(11) consent to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other terms, of the mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to which the corporation is a party;

(12) borrow money as provided in this chapter to carry out and effectuate its corporate purposes; and issue its obligations as evidence of borrowing;

(13) include in any borrowing the amounts necessary to pay financing charges, interest on the obligations for a period not exceeding one year after the date on which the corporation estimates funds will otherwise be available to pay the interest, consultant, advisory and legal fees and other expenses that are necessary or incident to this borrowing;

(14) under AS 18.56.088, adopt and publish regulations respecting its lending programs and other regulations that are necessary to effectuate its purposes;

(15) provide technical and advisory services to sponsors, builders and developers of residential housing and to residents of it;

(16) promote research and development in scientific methods of constructing low-cost and energy-efficient residential housing of high durability;

(17) make and execute agreements, contracts and other instruments necessary or convenient in the exercise of the powers and functions of the corporation under this chapter, including contracts with any person, firm, corporation, governmental agency or other entity;

(18) receive, administer and comply with the conditions and requirements respecting any appropriation or gift, grant or donation of property or money;

(19) sue and be sued in its own name;

(20) adopt an official seal;

(21) adopt bylaws for the regulation of its affairs and the conduct of its business and adopt regulations and policies in connection with the performance of its functions and duties;

(22) employ fiscal consultants, engineers, attorneys, real estate counselors, appraisers and other consultants and employees that may be required in the judgment of the corporation, and fix and pay their compensation from funds available to the corporation;

(23) do all acts and things necessary, convenient or desirable to carry out the powers expressly granted or necessarily implied in this chapter;

(24) invest or reinvest, subject to its contracts with noteholders and bondholders, any money or funds held by the corporation in any obligations or other securities or investments in which banks or trust companies in the state may legally invest funds held in reserves or sinking funds or any funds not required for immediate disbursement, and in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the state or the United States;

(25) [Repealed, § 21, ch 106 SLA 1980.]

(26) [Repealed, § 21, ch 106 SLA 1980.]

(27) [Repealed, § 21, ch 106 SLA 1980.]

(28) purchase a mortgage loan made to refinance an existing mortgage loan, without regard to whether the corporation holds the existing mortgage loan, as long as the interest rate and fees charged to the borrower are sufficient to fully reimburse the corporation for all costs incurred by the corporation in purchasing the mortgage loan and as long as the borrower will be in compliance with AS 18.56.096(a)(6) after purchase of the mortgage loan by the corporation. (§ 1 ch 107 SLA 1971; am § 3 ch 81 SLA 1972; am §§ 6, 7 ch 167 SLA 1978; am § 14 ch 72 SLA 1979; am § 21 ch 106 SLA 1980; am § 51 ch 115 SLA 1981; am § 1 ch 41 SLA 1987)

Effect of amendments. — The 1987 amendment added paragraph (28).

Sec. 18.56.095. Mortgage insurance. (a) There is a special fund of the state to be known as the "state mortgage insurance fund" (called the "mortgage insurance fund") which shall be completely segregated and set apart from all other funds of the state, and which is a trust fund for the uses and purposes of this section and into and from which money shall be paid as provided in this section. The mortgage insurance fund shall be held by the commissioner of revenue, subject to the power of the commissioner of commerce and economic development to enter into and perform agreements with respect to the use of money in the mortgage insurance fund and to pledge, assign or grant interests in the mortgage insurance fund as provided in this section. The commissioner of commerce and economic development may enter into agreements with the corporation with respect to the exercise of any power or approval relating to the mortgage insurance fund under this section, including, without limitation, agreements as to the use of money in the mortgage insurance fund, agreements with respect to the terms and conditions upon which payments from the mortgage insurance fund shall be made to the corporation with respect to mortgage loans insured under this section, and agreements regarding the

**S B**

**3**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 3

SPONSOR Rodey

BILL TITLE Legislature's meetings

DATE REFERRED 1-9-89

HEARING SCHEDULED 1-25-89

FISCAL NOTE PREPARED

SPONSOR CONTACTED ✓ Katie 3793

INTERESTED PARTIES CONTACTED

(see SJR 1)

OTHER

Patrick M. Rodey  
Senator

# Alaska State Legislature



## Senate

3111 C. St., Suite 510  
Anchorage, Alaska 99503  
(907) 561-7618

During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3793

DATE: January 23, 1989

TO : Senator Pat Pourchot, Chairman  
Senate State Affairs Committee

FROM: Senator Patrick Rodey, Sponsor

RE : Senate Bill 3 - An Act relating to meetings held by the legislature  
or a committee of the legislature

Senate Bill 3 is similar in some respects to last session's proposed open meetings constitutional amendment. However, I have taken a fundamentally different approach by introducing statutory changes rather than a proposed constitutional amendment. Because of this, more specifics are required due to the fact that implementing legislation requires that some decisions be made which were merely authorized by constitutional amendment. The legislation provides that:

- \* Private, substantive discussion and debate is prohibited;
- \* Caucuses may meet in private only to consider matters of procedure, strategy, and organization;
- \* Interested parties may commence an action for mandamus, injunctive or declaratory relief for the purpose of stopping or preventing a violation of this law;
- \* Courts may not prescribe rules or procedures for the conduct of legislative business, or invalidate constitutionally enacted legislation because of a violation of this law;
- \* Courts may impose a civil fine up to \$500 for wilful violation of this law; and
- \* Violation of this law is also a violation of the legislative ethics code.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

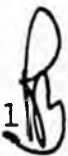
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

July 14, 1988

SUBJECT: Open meetings  
(Work Order No. 6-0022)

TO: Senator Pat Rodey

FROM: Richard A. Bradley  
Legislative Counsel 

You have requested that a bill be prepared incorporating the elements of SCS CSHJR 44(SA) (Fifteenth Legislature) into law, rather than as a constitutional amendment.

The enclosed bill responds to the request.

It seemed better to deal specially with the legislative matters in a separate section, still within AS 44.62, rather than trying to amend existing AS 44.62.310.

But let me observe that it would be even better to deal with the legislative matters in this area specially, say with a new section in AS 24 (the legislature) rather than trying to deal with separate issues within the existing framework of AS 44.62.310 - 44.62.312. The logic of this suggestion is that I would delete from AS 44.62.310 - 44.62.312 all those matters dealing only with legislative matters.

The reason for this, in my view, is that the legislature is different from any municipal governing body in the state. Because of the constitution, I doubt the ability of the courts to declare void an enactment of the legislature where the requirements of art. II of the Alaska Constitution have been met, even assuming that some committee of the legislature egregiously violated open meeting requirements. As I suggest below, I believe that AS 44.62.310(f) is unconstitutional as applied to acts of the legislature. On the other hand, the ability of the courts to declare void the adoption of a municipal ordinance or the regulation of an executive

Senator Pat Rodey  
Page 2  
July 14, 1988

agency for a similar violation is undoubted.

I have not, however, followed the logic of this suggestion because I am aware that this area is highly charged politically and I do not wish to add to your problems, even if the result seemed substantially an improvement, without your approval. Some matters may be noted. The difference between a constitutional amendment and implementing legislation requires that some decisions be made that were merely authorized in HJR 44. Thus, the bill states that the fine may not exceed \$500; in my review of the laws of other states, I noted that several states set the penalty at \$500, some set it lower; no one sets it higher (that I found). The amount could, nonetheless, be higher or lower and you will wish to consider the amount.

And while HJR 44 would authorize the legislature to establish "other sanctions", I have not provided any. But, for your information, some of those ideas may be noted.

Several states authorize an injunctive or mandamus order so long as the court order does not "prescribe rules or procedures for the conduct of legislative business." As you may recall, the litigation that generated this legislation had a request by the plaintiffs that the court specify the amount of debate that should occur on the bill; they asked that the court order "substantial, de novo, independent and public reconsideration of those substantive matters previously discussed in private." Abood v. League of Women Voters of Alaska, 743 P.2d 333, 334 (Alaska 1987).

California provides for misdemeanor penalties. Sec. 9030, Cal. Gov't Code.

Oregon authorizes the assessment of attorney fees at trial and on appeal from the body violating these provisions.

It would also be possible, I believe, to make a violation of the open meeting requirements a violation of legislative ethics,  
AS 24.60.

Iowa provides explicitly that a member who votes against the violating meeting may not be fined. Ch. 21, Iowa Code, sec. 21.6(3).

Senator Pat Rodey  
Page 3  
July 14, 1988

Some states establish short fuses for litigation; in Idaho, the case must be brought within six months of the offending action and in Louisiana it must be brought within 60 days.

Finally, as I have suggested, in my view AS 44.62.310(f) is void as applied to the legislature; the section provides that action taken in violation of AS 44.62.310 is "void."

As applied to the actions of municipal government or of executive agencies, the provision is appropriate and there are many cases, including a few in Alaska, clearly voiding municipal or executive action for a violation. But the question whether an act of the legislature has taken effect is determined under the provisions of article II of the Alaska Constitution and I am quite uncomfortable with a suggestion that the legislature can, by legislation, authorize the voiding of an act that under the Alaska Constitution has been validly enacted.

It is interesting that the recent Abood decision does not address the question; I have wondered whether the court concluded that it was without the authority to void an act and for that reason concluded that the matter was nonjusticiable.

Thus I suggest that this matter be clarified and that sec. 44.62.310(f) be limited in its application to municipal and executive action.

If I may be of further assistance, please advise.

RAB:mi  
wkmi2/071

Enclosure

SB 3, RELATING TO MEETINGS HELD BY THE LEGISLATURE OR A COMMITTEE  
OF THE LEGISLATURE

TO TESTIFY:

SENATOR RODEY, BILL SPONSOR (KATIE)

SEE SJR 1 (IT PROBABLY MAKES SENSE TO DISCUSS SJR 1 AND SB 3  
SIMULTANEOUSLY. MANY OF THE PROVISIONS ARE THE SAME, THE  
BASIC DIFFERENCE BEING THAT SJR 1 AMENDS THE STATE  
CONSTITUTION AND SB 3 AMENDS STATUTE. SJR 1 IS PREFERABLE  
BECAUSE IT CAN BE JUDICIALLY ENFORCED, WHEREAS SB 3 CANNOT  
BE.)

FYI:

OTHER DIFFERENCES FROM SJR 1:  
SB 3 SPECIFICALLY ALLOWS DISCUSSION OF STRATEGY,  
ORGANIZATION, PROCEDURE IN PRIVATE CAUCUS (PAGE 1, LINES  
24-25)

SB 3 ELABORATES ON PENALTIES (WHICH COULD BE PART OF  
STATUTORY IMPLEMENTATION THAT FOLLOWS PASSAGE OF  
CONSTITUTIONAL AMENDMENT) -- CIVIL FINE MAXIMUM \$500 (PAGE  
2, LINE 5), INJUNCTION TO STOP ACTION (PAGE 1, LINE 26),  
VIOLATION OF ETHICS CODE (PAGE 2, LINE 8)

See also SJR 1 - applies only to quorums  
of a house or committee. No mention of  
caucuses.

1 IN THE SENATE

BY RODEY AND KERTTULA

2

SENATE BILL NO. 3

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 meetings held by the legislature

7

or a committee of the legislature."

8

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

9

\* Section 1. PURPOSE. The purpose of this Act is to ensure that the  
public is not excluded during the substantive deliberative and decision-  
making stages of the budgetary and lawmaking process.

12

\* Sec. 2. AS 24.60 is amended by adding a new section to read:

*Legislative standards of Conduct* *Explicit*  
Sec. 24.60.065. OPEN MEETINGS VIOLATION. A violation of AS 44.-  
62.311(a) or (b) is also a violation of this chapter.

14

Sec. 3. (AS 44.62) is amended by adding a new section to read:

*Administrative Procedures Act*

Sec. 44.62.311. MEETINGS OF THE LEGISLATURE AND ITS COMMITTEES.

17

(a) Unless the legislature or a committee of the legislature is  
meeting in executive session authorized under AS 44.62.310(b), the  
discussions and debates of each house of the legislature and its  
committees shall be open to the public.

21

(b) Except as provided in (a) of this section, private substan-  
tive discussion and debate on legislation under its jurisdiction by a  
quorum of a house of the legislature or a committee is prohibited.

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(c) Caucuses of the legislature may meet in private to consider  
matters of procedure, organization, or strategy.

26

(d) An interested person may commence an action for mandamus,  
injunction, or declaratory relief for the purpose of stopping or  
preventing a violation or threatened violation of (a) of (b) of this  
section, or to determine the applicability of this section to an

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Existing AS 44.62.312: "Intent of law  
that actions of legislative body (etc.)  
be taken openly & that their  
deliberations be conducted openly."

1 action or threatened future action of the legislature.

2 (e) A court may not prescribe rules or procedures for the con-  
duct of legislative business or invalidate legislation enacted by the  
4 legislature because of a violation of this section or AS 44.62.310.

(f) A court may impose a civil fine not in excess of \$500 upon a  
member of the legislature for a wilful violation of this section or  
AS 44.62.310.

(g) A violation of (a) or (b) of this section is also a viola-  
9 tion of AS 24.60.

In SJR 1

SJR 1 says  
court may  
impose fine  
but doesn't  
specify amount

COMPARISON OF OPEN MEETING LAWS AND PROPOSALS

	Uniform Rule 22	AS 44.62.310	SJR 1	SB 3
<u>Premise</u>	All meetings of a legislative body are open to ...the general public.	Same as Rule 22	Private and substantive discussions and debates on legislation under its jurisdiction by a quorum of a house of the legislature or a committee is prohibited.	Same as SJR 1
<u>Ex-ception</u>	Same as AS 44.62.310	To discuss matters that may (1) adversely impact state finances if immediately known (2) prejudice a person's reputation (3) be required by law to be kept confidential	Same as AS 44.62.310	Same as AS 44.62.310
<u>Penalties</u>	Bill involved is returned to house of origin without further action. (Rule 54)	Actions taken in violation of law are void.	Court may impose civil fine as specified in law; may not invalidate legislation.	Court may impose civil fine (maximum \$500); may not invalidate legislation; injunction to stop action may be sought; is violation of ethics code.
<u>Other</u>			Prohibition applies only to quorum of body or committee.	Same as SJR 1.  Specifies that caucuses may meet in private to consider procedure, strategy, organization.
			Requires vote of public to enact.	



Official Business

# Alaska State Legislature

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

## MEMORANDUM

TO: Senate State Affairs Committee Members  
FROM: Senator Pat Pourchot, Chairman  
RE: January 25 Committee Hearing  
DATE: January 24, 1989

On Wednesday, January 25 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SJR 1, Proposing an amendment to the Constitution of the State of Alaska relating to open meetings.

SJR 1 would place before the voters at the next general election a Constitutional amendment regarding open meetings. If the amendment were to pass, all private and substantive discussions and debates on legislation under its jurisdiction by a quorum of a house of the legislature or a committee would be prohibited. The exception to this would be executive sessions as authorized by statute. If the amendment were violated, the court could impose civil fines and other sanctions authorized by statute, but could not invalidate legislation.

In 1986 the League of Women Voters sued after a series of closed meetings by the legislature. The Supreme Court ruled that although the legislature had violated existing statute and its own Uniform Rules governing open meetings, the court could not enforce compliance because the statute and rule fall within the legislature's rule making authority. Adoption of a constitutional amendment would provide a basis for judicial enforcement.

A fiscal note, indicating a cost of \$2,200 to put the amendment on the ballot, is attached. Also attached is a summary sheet comparing SJR 1 to existing law and to SB 3.

SB 3, Relating to meetings held by the legislature or a committee of the legislature.

SB 3 proposes statutory amendments, rather than a Constitutional amendment, regarding open meetings. Other than this basic

Committee Memo  
January 24, 1989

difference, many of its provisions are similar to those of SJR 1 (see attached chart).

SB 127, Relating to the private manufacture of and the definition of an alcoholic beverage.

SB 127 would exempt privately produced alcoholic beverages ("homebrew") from most statutes governing alcohol, mainly those related to licensing. Homebrewing would still be prohibited in both "damp" and "dry" local option areas; municipalities would continue to have the authority to regulate homebrewing; sale to and possession or consumption by a person under age 21 would still be prohibited.

The current definition of alcoholic beverage was rewritten in 1986 to encompass privately produced alcoholic beverages to eliminate a perceived loophole in the local option statutes. Although it is within the ABC Board's authority to issue a license for homebrewing, the Board has declined to do so.

The Great Northern Brewers Club has requested the statute changes contained in SB 127 in time for this year's annual Fur Rendezvous wine and beer judging competition. The competition has been temporarily cancelled awaiting statutory clarification.

As introduced, SB 127 included a change in the definition of alcoholic beverage to exclude from state regulation beverages that contain less than one-half percent of alcohol by volume. This section has been dropped from the committee substitute due to concerns that it would allow the manufacture and possession of beverages such as "near beer" in local option areas.

Patrick M. Rodey  
Senator

# Alaska State Legislature

3111 C. St., Suite 510  
Anchorage, Alaska 99503  
(907) 561-7618



During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3793

DATE: January 23, 1989

TO : Senator Pat Pourchot, Chairman  
Senate State Affairs Committee

FROM: Senator Patrick Rodey, Sponsor

RE : Senate Bill 3 - An Act relating to meetings held by the legislature  
or a committee of the legislature

Senate Bill 3 is similar in some respects to last session's proposed open meetings constitutional amendment. However, I have taken a fundamentally different approach by introducing statutory changes rather than a proposed constitutional amendment. Because of this, more specifics are required due to the fact that implementing legislation requires that some decisions be made which were merely authorized by constitutional amendment. The legislation provides that:

- \* Private, substantive discussion and debate is prohibited;
- \* Caucuses may meet in private only to consider matters of procedure, strategy, and organization;
- \* Interested parties may commence an action for mandamus, injunctive or declaratory relief for the purpose of stopping or preventing a violation of this law;
- \* Courts may not prescribe rules or procedures for the conduct of legislative business, or invalidate constitutionally enacted legislation because of a violation of this law;
- \* Courts may impose a civil fine up to \$500 for wilful violation of this law; and
- \* Violation of this law is also a violation of the legislative ethics code.

**S B**

**5**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 5

SPONSOR Kerttula

BILL TITLE Longevity bonus - Annuity program

DATE REFERRED 1.9.89

HEARING SCHEDULED 1.22.90 1:30 p.m. (Teleconference)

FISCAL NOTE PREPARED Ray: Sioux Plummer - 2200 (1.11.90) D of Ad.  
Kelly - D of Rev 2323 cliff Groh -  
Cliff Groh - Dept. of Revenue

SPONSOR CONTACTED - 1.11.90 Kathy

INTERESTED PARTIES CONTACTED JIM FOX - Dept of Admw - will testify

Clif Groh - 2323

Ervin Jones - available to testify - Dept of Rev

- OAC: 3250 Fran Toland, L.M.
- ✓ Vera; Prest Gazaway - 277-2073
- Peggy Burgio - 278-2402 - L.M.
- Dept. of Admin - 2200 Sioux Plummer

Public Assistance - John Tabor?

- ✓ Bob Pavitt - AARP 586-2066 - will attend

• Rose Palmquist - ~~586~~ 316-0110

• ✓ Liz Lawson - Senior Voice - L.M.

Mike Race - 586-4439 - Pioneers of Alaska

✓ Mary Halloran - GMB - L.M.

Mary Topolski - 272-8291

- ✓ Florence Orr - 279-3001 - will attend

OTHER Jay Lively - HESS - 3030 - somebody will be available

• Sylvia Short - 562-4992

Div of Pioneer Benefits - Barbara Betheny

Ally  
L. M. 3/26/90

will testify  
7/9

Susie 3600  
Kathleen Shasbaugh - Dept. of Law  
wants to be notified as soon  
as we know when SB 5 is  
to be brought up again.  
Jeanne

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 5

SPONSOR Kerttula

BILL TITLE Annuity program - Longevity bonus - permanent fund dividend

DATE REFERRED 1-9-89

HEARING SCHEDULED 1-30-89

FISCAL NOTE PREPARED ~~XXXXXXXXXXXX~~ Reg. of Paula 1-23-89

SPONSOR CONTACTED Paula 3771

Teleconference  
Anch + Pion Thomas  
Jnu  
Mat-Su  
Valdez  
Fbx  
Seward  
AFTER 224-5522  
Herman Lear  
BRIDGE NUMBER  
562-2867  
224-5965

Jeanne

Adrian, Edna (276-2886)

May want to testify.

Gazaway, Vera & Prent (277-2073)

Either she or Marilyn Scott - representing Central Alaska Retired Teachers Assoc. (Marilyn has been notified)

Kirpatrick, Mildred (272-3954)

Will testify if feeling better.

Ohls, Andrew (272-7603)

Will attend hearing; may testify

Anch Sr Commission

Orr, Florence (279-3001)

Will testify - Chair of Local Senior Citizens Commission

Spencer, Tom & Flarine (337-2955)

Will probably attend but not testify

Burgin, Peggy (278-2102)

will probably be in Jnu

Howarth, Phil & Alice (279-3040)

Showers, Lorena (277-2226)

Topolski, Mary & Francis (272-8291)

Dean Gottehring 2201 OOA  
Bob Evans, On's Office 3500  
Mary Halloran, OMB  
Bob Stalder, Div Retirement 4460

yes ✓ Joe Alter 546-6680

yes ✓ ~~Bob~~ Pavitt, AARP 586-2066

no ✓ Connie Sipe, OAC #3250 - can't comment on ALB

✓ Rose will be in Jnu  
Palmquist OPAG 277-0789  
Liz Lawson, Asst Director

NA Rose Olive Druyman, local Retired Teachers 586-1172  
Dept Revenue, Erin Jones  
Maurice Long (Mike will talk to him - traveling now)

✓ Pioneers of Alaska (Igloo) - Statewide Chair

used Jnu Igloo  
Mike Race, 586-4439

✓ Municipal Sr Commissions Anch. Florence Orr

Barney Haggard, Pioneers  
Bob Truman, Pioneers  
Doris Southall

Myra Munson/John Taber, DRSS

✓ Jnu - Joe Alter  
✓ Mat Su - Leo Kaye 376-8810 H

Jano Windsor  
Alton Ashcraft  
Anne Walsh, 456-6737  
Mike Dalton 479-67

✓ Fbx - (vacationing south...)

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration/Pioneers' Benefits  
 Title: An Act amending and making effective an annuity program. BRU: Longevity Bonus  
 Sponsor: Kerttula Components: Grants and Administration  
 Requestor: Pourchot

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	86.4					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0	(305.7)	(1,192.4)	(2,681.8)	(4,880.0)	(7,831.9)
MISCELLANEOUS						
TOTAL OPERATING	86.4	(305.7)	(1,192.4)	(2,681.8)	(4,880.0)	(7,831.9)
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: (Attach a separate page if necessary)

See attached page

Prepared by: David Teal Phone: 465-4400  
 Division: Pioneers' Benefits Date: 19 Jan 90  
 Approved by Commissioner: Frank S. Baxter Date: 1/19/90  
 Agency: Department of Administration

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

## Fiscal Note for SB 5

Projected annual savings under this proposal are tenuous because they depend upon a number of variables that cannot be predicted accurately. These projections were prepared as a joint project of the Legislative Research Agency and the ALB program. A brief discussion of some of the more important assumptions and variables follows.

The Bonus amount for those turning 65 after 1/1/91 is \$250 less the annuity payment for those who turn 65 in the current year. The annuity payment depends upon:

- Permanent Fund Dividends--we used mid-range projections provided by the Permanent Fund Corporation;
- the interest rate at which earnings accrue and the interest rate used to determine an annuity--we used 9 percent as a reasonable estimate in both cases;
- the life expectancy of a 65 year-old--we used figures provided by the Alaska Department of Labor; and
- the frequency of bonus adjustments--we assumed that bonuses would be adjusted at the beginning of each fiscal year and remain fixed throughout the year.

The number of recipients who receive \$250 per month was determined by applying mortality and migration figures--supplied by the Alaska Department of Labor--to the projected number of recipients who will be on the program prior to 1991.

The number of recipients who receive reduced bonuses was determined by applying population, mortality and migration figures to the current number of recipients in order to determine the number of new applicants in each year. Migration and mortality figures were then applied to new applicants in order to determine the number of recipients who will receive reduced bonuses in each year.

### Caveats

Projections exclude the cost of administering an annuity program. The assumption is that this agency's involvement with the annuity portion of the program would be limited to being informed of the amount by which bonus warrants should be reduced. Expected costs of modifying the program in order to pay amounts other than a fixed \$250 are included in the FY 91 contractual line.

Projections exclude the savings that would occur under the "hold harmless" provisions of AS 47.45.122. Those costs would be reflected in this fiscal note only if the legislature appropriates hold harmless funds to this agency for subsequent transfer to the Department of Health and Social Services.

Projections exclude savings that might occur if the number of recipients declines as the program becomes less financially attractive to participants and potential participants.

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: An Act amending and making effective an Annuity Program BRU: Retirement and Benefits  
 Sponsor: Kerttula Components: State Annuity System Management  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
PERSONAL SERVICES	0	340.9	340.9	340.9	340.9	340.9
TRAVEL	0	50.0	10.0	10.0	10.0	10.0
CONTRACTUAL	0	1,475.8	328.8	328.8	328.8	328.8
SUPPLIES	0	92.5	90.5	90.5	90.5	90.5
EQUIPMENT	0	134.9	0	0	0	0
LAND & 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	2,094.1	770.2	770.2	770.2	770.2
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	2,094.1	(96.1)	(222.0)	(222.0)	(222.0)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	866.3	992.2	992.2	992.2
TOTAL	0	2,094.1	770.2	770.2	770.2	770.2

POSITIONS:

FULL-TIME	0	8	8	8	8	8
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached for a detailed analysis

Prepared By: *Bob Statnaker* Sally Smith Phone: 465-4470  
 Division: Retirement and Benefits Date: 1-19-90  
 Approved by Commissioner: *Frank S. Baxter* Frank S. Baxter Date: 1-22-90  
 Agency: Department of Administration

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

Senate Bill 5  
Fiscal Note Analysis  
Prepared by Division of Retirement & Benefits  
Department of Administration  
January 19, 1990

Analysis: The cost of the annuity program is anticipated to be carried entirely by the participants. A first year general fund appropriation would be paid back over 10 years from administrative fees charged to participant accounts.

Eight full-time positions will be needed to administer this program on a continuing basis. Even though the estimated \$1,000.0 is for the design of a highly automated computer system, eliminating the need for a large staff, this bill requires extensive manual effort to interface with the system. Personnel will handle counseling, address and beneficiary changes, account maintenance, and cash contributions.

Travel in FY 91 is needed to explain the program and answer questions at several locations throughout the state. In subsequent years, the director's office will travel to the field office.

There are annual contractual needs for the operation of the annuity program as well as \$1,000.0 in FY 90 to contract for building an automated system. These ongoing contractual needs are explained below. The system will be highly automated to reduce the need for a larger staff. The system will be maintained by an Analyst/Programmer IV.

On-going office supply needs will include microfilming supplies, computer paper stock, annual statements of account and 1099's. There will also be an FY 91 need for office equipment and the purchase of a microfilmer and reader for file maintenance.

The total estimated administrative cost to the division by fiscal year is as follows:

		<u>FY 91</u>	<u>FY 92</u>
<u>PERSONAL SERVICES</u>			
1 Retirement Specialist III	\$ 52.0		
1 Retirement Specialist I/II	45.8		
1 Retirement Tech. I/II	37.3		
1 Accountant II	45.8		
1 Accounting Technician I	37.3		
2 Accounting Clerk III	67.4		
1 Analyst/Programmer IV	<u>55.3</u>		
Total Personal Services cost..		\$340.9	\$340.9

TRAVEL

FY91 - 20 trips to various locations throughout the state for public meetings to explain the program.

FY92 and after - trips to various locations throughout the state for counseling.

Total Travel cost.....		50.0	10.0
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CONTRACTUAL

DP support	\$ 50.0		
CPU costs	140.0		
Computer Tapes	20.0		
Disk space costs	<u>40.0</u>		
Total DP resource		250.0	250.0

	FY 91	FY 92
Information Blitz, TV, and Radio	140.0	
Postage: Information and Warrants	25.0	25.0
Audits	10.0	10.0
Actuarial Consulting	10.0	3.0
Centrex charges (8 lines), long distance WATS line	30.8	30.8
Floor space	10.0	10.0
Contract for automated system design	<u>1,000.0</u>	_____

Total Contractual cost..		1,475.8	328.8
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		<u>FY91</u>	<u>FY92</u>
<u>SUPPLIES</u>			
Office supplies, calculators	FY91	FY92	
	\$ 4.0	\$ 2.0	
Microfilming supplies	3.5	3.5	
Paper stock	80.0	80.0	
Statement of Account	<u>5.0</u>	<u>5.0</u>	
<b>Total Supplies cost.....</b>		<b>92.5</b>	<b>90.5</b>

EQUIPMENT

8 work stations	\$ 36.8	
8 chairs	3.2	
8 PCs	40.0	
1 printer	4.5	
1 Microfilmer and reader	45.0	
2 file cabinets	.6	
8 phones (600/instrument)	<u>4.8</u>	
<b>Total Equipment costs.....</b>	<b>\$ 134.9</b>	<b>_____</b>
<b>TOTAL Operations Cost.....</b>	<b><u>\$2,094.1</u></b>	<b><u>\$ 770.2</u></b>

The total continuing operations costs for FY 92 and after is estimated to be \$770.2. FY 91 funding is anticipated from general fund appropriations. Even though program receipts beginning in FY 91 are anticipated, it is recommended that they be placed in a separate administrative fund to help cover future operational costs. An administrative fee structure could be established to fund the on-going costs of operations and refund the FY 91 costs to the general fund over a 10-year period.

Position Title <b>Retirement and Benefits Specialist III</b>		No. of Positions <b>1</b>	Range/Step <b>18A</b>	Barg. Unit <b>S</b>
Time Status <b>PE/FT</b>	Staff Months <b>12.0</b>	Location <b>Juneau (AWA)</b>		Election District <b>4</b>
<b>Justification</b>				
<p>The Retirement and Benefits Specialist III position would be responsible for the day-to-day administration of the program. Specific duties would include supervising the individuals who are counselling participants and maintaining the accounts, drafting regulations, answering inquiries regarding the options available and consequences of selecting or not selecting the annuity program; assisting with the design of an automated data processing system; writing standard operating procedures for implementation of the program; and writing informational material such as: advertising notices informing individuals of the new program and mass mail-out to all Alaskan households.</p>				
<b>Type of Expenditure</b>		<b>Amount</b>		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	37,356			
Benefits	14,601			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>51,957</b>		
Travel		25,000		
Contractual		2,000		
Commodities		500		
Equipment		9,900		
Other				
<b>Total Cost</b>		<b>89,357</b>		
<b>Funding Source for Total Cost</b>				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	89,357		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

6/681/0301-88/3-4

**Request For  
New Position**

Agency Administration  
 BRJ Retirement and Benefits  
 Component Retirement and Benefits

Page 5 of 11  
 Revised Date \_\_\_\_\_

**FY 91**

Position Title <b>Retirement and Benefits Specialist I/II</b>		No. of Positions <b>1</b>	Range/Step <b>16A</b>	Barg. Unit <b>GGU</b>
Time Status <b>PE/FT</b>	Staff Months <b>12.0</b>	Location <b>Juneau (AWA)</b>		Election District <b>4</b>
<b>Type of Expenditure</b>		<b>Amount</b>		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	<b>32,424</b>			
Benefits	<b>13,383</b>			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>45,807</b>		
<b>Travel</b>				
Contractual		<b>2,000</b>		
Commodities		<b>500</b>		
Equipment		<b>7,900</b>		
Other				
<b>Total Cost</b>		<b>56,207</b>		
<b>Funding Source for Total Cost</b>				
Federal Receipts	<b>1002</b>			
G. F. Match	<b>1003</b>			
General Fund	<b>1004</b>	<b>56,207</b>		
I-A Receipts	<b>1006</b>			
CIP Receipts	<b>1061</b>			
Other				

**Justification**

The Retirement and Benefits Specialist I/II position would have primary responsibility for counselling participants. Specific duties would include counselling individuals regarding the options available and consequences of selecting or not selecting the annuity program; recommending changes in regulations based upon the needs of the program and participants; notifying participants of the balance in their annuity; assisting participants with an emergency hardship withdrawal.

6/6B1/0301-88/5-6

**Request For  
New Position**

Agency Administration  
 BRU Retirement and Benefits  
 Component Retirement and Benefits

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 Revised Date \_\_\_\_\_

**FY 91**