

DISCLOSURE OF OLYMPIC-RELATED TRANSACTIONS

1999 GENERAL SESSION

STATE OF UTAH

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AN ACT RELATING TO PUBLIC SPORTS ENTITIES; PROVIDING THAT ALL COMMITTEE MEETINGS BE OPEN TO THE PUBLIC, WITH SPECIFIED EXCEPTIONS; AND REQUIRING THAT PROCEDURES BE ESTABLISHED TO PROVIDE PUBLIC ACCESS TO RECORDS.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

63A-7-107, as last amended by Chapter 194, Laws of Utah 1996

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 63A-7-107 is amended to read:

63A-7-107. Restrictions on public sports entities -- Requirements.

(1) (a) As a condition to receiving or using any state money to organize, book, schedule, provide, operate, or conduct any public sports event, or to using any public sports facility, each public sports entity shall:

(i) prior to using any public money, establish internal financial controls, procedures, and plans relating to the use of public money, including personnel hiring policies and contracting

procedures that are reviewed and approved by the authority;

(ii) submit to the authority for review and approval and to the Division of Finance for review, a detailed budget relating to the use of public money, containing budgeted and projected revenues and expenditures, including budgeted salaries funded in whole or in part with public money by position and any other information considered necessary or appropriate by the authority;

(iii) prior to using any public money, submit to the authority and the Division of Finance for review and approval all agreements, together with all amendments to them, relating to the use of state money or the use of any public sports facility unless the authority board reasonably determines that:

(A) the size of the project, the scope of the public sports event, or the amount of state money used is of a minimal or insignificant nature, or that compliance with the requirements of Subsection (1)(a)(iii) is unduly burdensome to either the state or the public sports entity; and

(B) the exemption is in the public interest;

(iv) submit to the authority for review and approval and to the Division of Finance for review a detailed plan, together with appropriate supporting materials, under which funds, budgeted or unbudgeted, are:

(A) identified and earmarked for return and are returned to the Olympics Special Revenue Fund and to each of the state's political subdivisions that provided sales tax revenues under Subsection 59-12-103(4) on a regular basis as required by the authority; and

(B) identified and earmarked for payment into and paid into an endowment fund for the payment of the operation and maintenance costs of public sports facilities;

(v) submit to an annual audit of the state auditor of its use of any public money pursuant to the guidelines provided for in Section 67-3-1, or cause an annual audit to be made by an independent auditor approved by the state auditor; and

(vi) submit to audits of the legislative auditor general of its use of any public money pursuant to Section 36-12-15.

(b) Notwithstanding any other provision of this chapter, the authority may exempt a public sports entity from any of the requirements of Subsection (1)(a) or Section 63A-7-105 if the authority reasonably determines that the matter being exempted does not relate to the use of state money or

the use of any public sports facility. When the matter relates to the use of state money or the use of any public sports facility, then an exemption may be granted only when the authority reasonably determines that:

(i) the size of the project, the scope of the public sports event, the amount of state money used is of a minimal or insignificant nature, or that compliance with the requirements of Subsection (1)(a) or Section 63A-7-105 is unduly burdensome to either the state or the public sports entity; and

(ii) that the exemption is in the public interest.

(2) As a condition to receiving or using any state money to organize, book, schedule, provide, operate, or conduct the Olympic Winter Games or to using any public sports facility to organize, book, schedule, provide, operate, or conduct the Olympic Winter Games, each public sports entity, shall:

(a) establish and follow a procedure under which its officers, its key employees, and the members of its governing and advisory bodies:

(i) have no undisclosed economic interest in the Olympic bidding process or the construction, maintenance, operation, engineering, site selection, or management of any public sports facility; and

(ii) consider the nomination and selection of its members from identifiable constituent groups, including amateur athletic associations and cities and counties where Olympic venues are proposed to be located;

(b) establish and follow a procedure under which meetings of its full board of trustees, as well as meetings of its management committee and, with the exception of its board of ethics, audit committee, and compensation committee, any other standing committee of the public sports entity, are regularly held, open to the public, and for which notices and agendas are publicly posted in advance and minutes and other records are kept, except that the procedure may permit the management committee, standing committee, or the board of trustees to hold a closed meeting upon the affirmative vote of 2/3 of the trustees, management committee, or standing committee members present at an open meeting for any of the following purposes:

(i) discussion of the character, professional competence, or physical or mental health of an individual;

- (ii) strategy sessions with respect to:
 - (A) collective bargaining;
 - (B) litigation;
 - (C) bidding for the Olympic Winter Games and other events when an open discussion would put the public sports entity at a competitive disadvantage with respect to the other bidders;
 - (D) the negotiation, but not approval, of contracts and agreements when an open discussion would prevent the public sports entity from entering into the contract or agreement on the best possible terms; or
 - (E) the purchase of real property;
- (iii) discussion regarding deployment of security personnel or devices; and
- (iv) investigative proceedings regarding allegations of criminal or other misconduct;
- (c) establish and follow a procedure under which the entity's overall budget and other information, as described in Subsection (1), is reviewed, adopted, and discussed in open meetings required to be held under the guidelines described in Subsection (2)(b);
- (d) establish and follow procurement procedure pursuant to which no bid may be awarded to a relative of a member or officer of the governing, advisory, or other bodies affiliated with the entity unless the relationship is disclosed to the entity's governing board; [and]
- (e) establish and follow a procedure under which budgets, expenditures, and selection of sites related to public sports facilities, and public statements and representations related thereto be approved by a majority of the governing or policymaking body of the entity[-]; and
- (f) establish and follow procedures under which the public is granted access to its records. As a part of those procedures, the public sports entity shall establish an internal appellate process. Records available pursuant to the procedures established by a public sports entity in accordance with the requirements of this Subsection (2)(f), are only those records created or received by, or that otherwise come into the possession of the public sports entity as of May 3, 1999, the effective date of H.B. 285, 1999 General Session. On or before July 1, 1999, the Salt Lake Olympic Organizing Committee for the Olympic Winter Games of 2002 shall report regarding the public access procedures it has established pursuant to this Subsection (2)(f) to the Legislative Management

Committee and to the Olympic Coordination Committee created pursuant to Section 63A-10-109.

(3) Any public sports entity, any of its officers, its employees, or any member of its governing or advisory bodies that knowingly violates Subsection (2)(a)(i), knowingly fails to disclose any economic interest referred to in Subsection (2)(a)(i), or solely because of the affiliation the officer, employee, or member has with the public sports entity, knowingly receives any economic benefit, is guilty of a class A misdemeanor and subject to a civil penalty of the greater of \$10,000 or the amount of any such economic benefit.

(4) A public sports entity and any commission, board, or committee of a public sports entity, is not a commission, board, or committee of a municipality.