

1 **RESOLUTION ON UTAH ATHLETIC**
2 **FOUNDATION**

3 2002 GENERAL SESSION
4 STATE OF UTAH

5 **Sponsor: David Ure**

6 **A joint resolution of the Legislature authorizing the Utah Athletic Foundation to alter its**
7 **investment restrictions for money received by the foundation for maintaining and managing**
8 **its venues and authorizing amendments to the foundation's articles and bylaws relating to**
9 **the structure and governance of the board of directors and the scope and purpose of the**
10 **foundation.**

11 *Be it resolved by the Legislature of the state of Utah:*

12 WHEREAS, S.J.R. 17, 1994 General Session, governs the sale of the Utah Winter Sports
13 Park and payment of at least \$40,000,000 to the Utah Athletic Foundation by the Salt Lake
14 Olympic Organizing Committee as a Legacy Fund for the operation and maintenance of the
15 Olympic venues operated by the Utah Athletic Foundation;

16 WHEREAS, S.J.R. 17, 1994 General Session, and subsequent joint resolutions of the
17 Legislature govern various aspects of the structure and governance of the board of directors and
18 the scope and purpose of the Utah Athletic Foundation and require the foundation to adopt an
19 investment policy substantially similar to the investment policy adopted by the Salt Lake Olympic
20 Organizing Committee, except to the extent that a specific requirement of S.J.R. 17 is expressly
21 superseded by a subsequent joint resolution of the Legislature; and

22 WHEREAS, the Legislature now desires to expressly supersede the provisions of S.J.R.
23 17, 1994 General Session, and any subsequent joint resolutions of the Legislature with respect to
24 the structure and governance of the board of directors of, the scope and purpose of, and the
25 investment policy required to be adopted by the Utah Athletic Foundation:

26 NOW, THEREFORE, BE IT RESOLVED that the Legislature authorizes the Utah Athletic
27 Foundation to adopt an investment policy relating to all funds it may receive for the operation and



28 maintenance of the Olympic venues it manages, which policy shall provide:

29 (1) for the investment of not less than 30% of the fund in fixed income securities and not
30 more than 70% of the fund in equity securities; and

31 (2) that individual securities and managers of securities which are selected shall be of the
32 type appropriate for a trust or endowment fund and selections shall be made with the exercise of
33 that degree of judgement and care, under the circumstances then prevailing, which persons of
34 prudence, discretion, and intelligence exercise in the management of their own affairs.

35 BE IT FURTHER RESOLVED that the Legislature authorizes the Utah Athletic
36 Foundation to amend its articles and bylaws to:

37 (1) provide for a board of directors of up to 19 members appointed as follows:

38 (a) three members, each of which shall be appointed by the then existing board of directors
39 from a list of three individuals nominated by the Governor;

40 (b) two members, each of which shall be appointed by the then existing board of directors
41 from a list of three individuals nominated by the President of the Senate;

42 (c) two members, each of which shall be appointed by the then existing board of directors
43 from a list of three individuals nominated by the Speaker of the House of Representatives;

44 (d) one member, appointed by the then existing board of directors from a list of three
45 individuals nominated by the county executive of Salt Lake County;

46 (e) one member, appointed by the then existing board of directors from a list of three
47 individuals nominated by the county executive of Summit County;

48 (f) one member, appointed by the then existing board of directors from a list of three
49 individuals nominated by the county executive of Wasatch County; and

50 (g) nine at large members appointed by the then existing board of directors, two of which
51 shall represent the interests of athletes using the facilities managed by the Utah Athletic
52 Foundation;

53 (2) allow a chair and vice chair of the board of directors to be elected by the then existing
54 board of directors;

55 (3) categorize the current members of the board of directors under the various appointing
56 and nominating entities listed in Subsections (1)(a) through (g) so that upon the expiration of the
57 current term of each member, that member, or a replacement for that member, may be nominated
58 and appointed or reappointed in accordance with the provisions of Subsections (1)(a) through (g);

59 (4) provide that original members of the board of directors may be reappointed to one
60 additional three-year term upon the expiration of their current terms, but may not thereafter be
61 reappointed to the board;

62 (5) provide that all board members other than the original members of the board of
63 directors shall be appointed to staggered three-year terms and may not serve more than three terms
64 as board members;

65 (6) require that the Utah Athletic Foundation submit annual reports to the Legislative
66 Management Committee regarding the foundation's operations and budgets;

67 (7) require that the Utah Athletic Foundation be subject to legislative performance audits
68 by the Office of the Legislative Auditor General upon request by the Legislative Management
69 Committee;

70 (8) restrict the corporate purposes of the Utah Athletic Foundation to:

71 (a) own, maintain, and operate the Winter Sports Park for the benefit of amateur athletes;

72 (b) assist in funding operating costs and winter sports development at the speed skating
73 oval located at the Oquirrh Park Fitness Center as contemplated by the Speed Skating Oval
74 Agreement dated August 1, 1993;

75 (c) manage and assist in funding the operating costs and winter sports development at
76 Soldier Hollow, including the assumption of the contract between the Division of State Parks and
77 the Soldier Hollow Legacy Foundation to manage the venues at Soldier Hollow and contracting
78 with the Soldier Hollow Legacy Foundation to fulfill the obligations of the management contract;

79 (d) receive and administer the Legacy Fund and any surplus funds distributed to the
80 foundation by the Salt Lake Olympic Organizing Committee; and

81 (e) promote athlete development and sport programs that use the facilities owned,
82 operated, or managed by the Utah Athletic Foundation;

83 (9) provide for the conditional creation by the Utah Athletic Foundation of a surplus
84 appropriating committee as a nonprofit corporation which shall:

85 (a) be created if the amount of any surplus funds distributed to the Utah Athletic
86 Foundation by the Salt Lake Olympic Organizing Committee exceeds \$15,000,000;

87 (b) have a board of directors consisting of nine members appointed as follows:

88 (i) three members appointed by the board of directors of the Utah Athletic Foundation;

89 (ii) two members appointed by the Utah Sports Commission;

90 (iii) two members, each of which shall be appointed by the five members appointed under
91 Subsections (9)(b)(i) and (ii) from a list of three individuals nominated by the Governor;

92 (iv) one member, appointed by the five members appointed under Subsections (9)(b)(i)
93 and (ii) from a list of three individuals nominated by the President of the Senate; and

94 (v) one member, appointed by the five members appointed under Subsections (9)(b)(i) and
95 (ii) from a list of three individuals nominated by the Speaker of the House of Representatives;

96 (c) have as its sole corporate purpose the administration and distribution of any surplus
97 received by the Utah Athletic Foundation in excess of \$15,000,000 for the promotion and
98 development of sport within the state;

99 (d) require the vote of at least six members of the board of directors for the distribution
100 of any funds controlled by the surplus appropriating committee;

101 (e) be wholly separate and independent of the Utah Athletic Commission; and

102 (f) provide for compensations and reimbursement of expenses, if any, of board members
103 in the same manner as that provided for members of the board of directors of the Utah Athletic
104 Foundation; and

105 (10) require that any surplus funds distributed to the Utah Athletic Foundation by the Salt
106 Lake Olympic Organizing Committee in excess of \$15,000,000 be transferred to the surplus
107 appropriating committee created by the foundation in accordance with Section (9).

108 BE IT FURTHER RESOLVED that only those provisions of S.J.R. 17, 1994 General
109 Session, and subsequent joint resolutions of the Legislature which directly conflict with the
110 provisions of this joint resolution are superceded by this joint resolution and that all other
111 provisions of S.J.R. 17 and subsequent joint resolutions relating to the Utah Athletic Foundation
112 remain in full force and effect.

113 BE IT FURTHER RESOLVED that copies of this resolution be sent to the Utah Athletic
114 Foundation, the Salt Lake Olympic Organizing Committee, the Division of State Parks, and the
115 Soldier Hollow Legacy Foundation.

Legislative Review Note
as of 2-20-02 6:06 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel