

**Representative David Ure** proposes the following substitute bill:

**RESOLUTION ON UTAH ATHLETIC**

**FOUNDATION**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: David Ure**

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

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

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

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the Salt Lake Olympic Organizing Committee, except to the extent that a specific requirement of S.J.R. 17 is expressly superseded by a subsequent joint resolution of the Legislature; and

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



26 NOW, THEREFORE, BE IT RESOLVED that contingent upon the approval of the  
27 amended articles and bylaws of the foundation as provided in this joint resolution, the Legislature  
28 authorizes the Utah Athletic Foundation to adopt an investment policy relating to all funds it may  
29 receive for the operation and maintenance of the Olympic venues it manages, which policy shall  
30 provide:

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

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

37 BE IT FURTHER RESOLVED that contingent upon the approval of the amended articles  
38 and bylaws of the foundation as provided in this joint resolution, the Legislature authorizes the  
39 Utah Athletic Foundation to amend its articles and bylaws to:

40 (1) provide for a board of directors of up to 19 members in accordance with the following  
41 standards:

42 (a) board members may not hold public elective office;

43 (b) board membership shall include at least;

44 (i) one member residing in and representing the interests of Salt Lake County;

45 (ii) one member residing in and representing the interests of Summit County;

46 (iii) one member residing in and representing the interests of Wasatch County; and

47 (iv) two members representing the interests of athletes using the facilities owned,  
48 managed, or maintained by the Utah Athletic Foundation;

49 (c) upon the expiration of the current term of a board member or resignation or removal  
50 of a board member, the then existing board of directors shall nominate at least three individuals  
51 for the open position on the board, which may include the current board member if eligible for  
52 reappointment, and submit those names to the Governor, who may, subject to the advice and  
53 consent of the Senate, appoint one of the nominees submitted to him or reject all of the nominees  
54 and request a new list of at least three nominees for the open position; and

55 (d) if the Governor, with the advice and consent of the Senate, has not appointed one of  
56 the nominees within 30 days from the date the list nominees is submitted to the Governor, the list

57 of nominees shall be considered to have been rejected and the board of directors of the foundation  
58 shall submit a new list of three nominees to the Governor;

59 (3) provide that original members of the board of directors may, under the provisions of  
60 Subsection (1), be reappointed to one additional three-year term upon the expiration of their  
61 current terms, but may not thereafter be reappointed to the board;

62 (4) 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; and

65 (5) require that the Utah Athletic Foundation obtain independent performance audits at  
66 least once every five years by an independent auditor in accordance with generally accepted  
67 auditing standards, which audits shall be open and public;

68 BE IT FURTHER RESOLVED that as a condition precedent to the approval granted in this  
69 resolution for the change in the Utah Athletic Foundation investment policy and its articles and  
70 bylaws, the amended articles and bylaws of the foundation shall be submitted to and approved by  
71 the Governor and the President of the Senate.

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

77 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Utah Athletic  
78 Foundation.