

By the Committee on Fiscal Resource and Senator McKay

314-1907-00

1                                   A bill to be entitled  
2           An act relating to the Olympic Games; providing  
3           definitions; stating that the purpose of the  
4           act is to provide assurances and commitments  
5           necessary for the United States Olympic  
6           Committee and the International Olympic  
7           Committee to select a host city for the Olympic  
8           Games; providing legislative findings; creating  
9           the Olympic Games Guaranty Account within the  
10          Economic Development Trust Fund for purposes of  
11          insuring against financial losses resulting  
12          from the games; requiring an operational entity  
13          to obtain security of a specified amount;  
14          requiring that the local organizing committee  
15          provide security of a specified amount;  
16          providing for funding the Olympic Games  
17          Guaranty Account; providing for funds to remain  
18          in the account and be invested by the State  
19          Board of Administration; providing for  
20          termination of the account if the candidate  
21          city is not selected to host the Olympic Games;  
22          providing for transfer of funds to the General  
23          Revenue Fund; requiring the local organizing  
24          committee to provide financial statements to  
25          the state; requiring the operational entity to  
26          review applications from local organizing  
27          committees; providing application requirements;  
28          providing requirements for review; authorizing  
29          the operational entity to enter into certain  
30          joinder agreements with the United States  
31          Olympic Committee or the International Olympic

1           Committee; authorizing additional state  
2           agencies to assist in planning for the games  
3           and enter into contracts and agreements;  
4           providing that the act does not obligate the  
5           state to pay for or fund any building or  
6           facility; providing an effective date.  
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8 Be It Enacted by the Legislature of the State of Florida:

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10           Section 1. Definitions.--As used in this act, the  
11 term:

12           (1) "Candidate city" means a municipality in this  
13 state which has qualified for consideration by the United  
14 States Olympic Committee as the United States candidate city  
15 to host the XXXth Olympic Games in 2012.

16           (2) "Games" means the XXXth Olympic Games to be held  
17 in 2012.

18           (3) "Games support contract" means a joinder  
19 undertaking, a joinder agreement, or similar contract executed  
20 by the state, a candidate city, or a local organizing  
21 committee in connection with the selection of the candidate  
22 city to host the games.

23           (4) "International Olympic Committee" or "IOC" means  
24 the international governing body responsible for organizing  
25 and conducting the Olympic Games.

26           (5) "Joinder agreement" means an agreement entered  
27 into by:

28           (a) The state and the USOC or the IOC setting out  
29 representations and assurances by the state in connection with  
30 the selection of the candidate city to host the games; or  
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1           (b) A candidate city and the USOC or the IOC setting  
2 out representations and assurances by the candidate city in  
3 connection with the selection of the city to host the games.

4           (6) "Joinder undertaking" means an agreement entered  
5 into by:

6           (a) The state and the USOC or the IOC that the state  
7 will execute a joinder agreement if the candidate city is  
8 selected to host the games; or

9           (b) A candidate city and the USOC or the IOC that the  
10 city will execute a joinder agreement if the city is selected  
11 to host the games.

12           (7) "Local organizing committee" means a nonprofit  
13 corporation or its successor in interest which:

14           (a) Has been authorized by the candidate city to  
15 pursue an application to the USOC and bid on the city's behalf  
16 to host the games; and

17           (b) Has executed an agreement with the USOC regarding  
18 the candidate city's bid to host the games.

19           (8) "United States Olympic Committee" or "USOC" means  
20 the official national Olympic Committee of the United States  
21 of America, which has been authorized by law to govern all  
22 matters related to national participation in the Olympic  
23 Games.

24           Section 2. Purpose.--The purpose of this act is to  
25 provide the necessary assurances and commitments required by  
26 the USOC and the IOC in selecting a host city for the games.

27           Section 3. Legislative findings.--The selection of a  
28 candidate city in this state to host the 2012 Olympic Games  
29 will confer significant benefits to the state as a whole and  
30 to the communities where the games are held, including:

31           (1) Invaluable public visibility throughout the world;

- 1           (2) Increased tourism and economic growth;  
2           (3) Significant job creation;  
3           (4) Significant additional state and local revenue  
4 from the tax on admissions to Olympic events and other state  
5 and local taxes on Olympics-related transactions;  
6           (5) The development of state-of-the-art sports  
7 facilities and venues that Floridians will enjoy long after  
8 the games are concluded;  
9           (6) Enhanced opportunities for Florida athletes to  
10 train and compete in amateur athletics at the international  
11 level;  
12           (7) An enduring legacy of good will throughout the  
13 world; and  
14           (8) The opportunity to secure federal infrastructure  
15 funding for key community projects.  
16           Section 4. Guarantee of state obligations; Olympic  
17 Games Guaranty Account.--  
18           (1) There is created, within the Economic Development  
19 Trust Fund established pursuant to section 288.095, Florida  
20 Statutes, the Olympic Games Guaranty Account. The Olympic  
21 Games Guaranty Account shall be used for the sole purpose of  
22 fulfilling the state's obligations under the games support  
23 contracts to indemnify and insure against any net financial  
24 deficit resulting from the conduct of the games. The  
25 operational entity shall administer this account.  
26           (2) With funds from the Olympic Games Guaranty  
27 Account, the operational entity shall obtain adequate  
28 security, acceptable to the USOC and the IOC, to demonstrate  
29 the state's ability to fulfill its obligations under the games  
30 support contracts to indemnify and insure up to \$125 million  
31 of any net financial deficit resulting from the conduct of the

1 games. Such security may be provided by state funds committed  
2 to the Olympic Games Guaranty Account, or by insurance  
3 coverage, letters of credit, or other acceptable security  
4 instruments purchased or secured by such funds, or by any  
5 combination of these options. The liability of the state under  
6 all games support contracts entered into pursuant to this act  
7 may not exceed \$125 million in the aggregate.

8 (3) By July 1, 2001, the local organizing committee  
9 shall provide adequate security, acceptable to the operational  
10 entity, to demonstrate the local organizing committee's  
11 ability to indemnify and insure the first \$25 million of any  
12 net financial deficit resulting from the conduct of the games  
13 for which the state would be liable under the games support  
14 contracts. Such security may be provided through the  
15 establishment of an internal guaranty fund, insurance  
16 coverage, letters of credit, or other acceptable security  
17 instruments, or by any combination of these options. Any such  
18 security must identify the state as an additional insured. If  
19 adequate proof of security is not provided as part of the bid  
20 and maintained throughout the course of the games, the Olympic  
21 Games Guaranty Account shall be terminated.

22 (4) The operational entity may not permit the security  
23 provided by the state pursuant to this act to be accessed to  
24 cover any net financial deficit indemnified by the state under  
25 the games support contracts until the security provided by the  
26 local organizing committee pursuant to this act is fully  
27 expended and exhausted.

28 (5) Funding for the Olympic Games Guaranty Account may  
29 be derived from any combination of the following:

30 (a) Sums earmarked from the Working Capital Fund, with  
31 the funds transferred to the Olympic Games Guaranty Account if

1 the candidate city is selected by the USOC as the United  
2 States candidate city to host the games, or at an earlier time  
3 determined by the Legislature;

4 (b) Sums lawfully appropriated; and

5 (c) The increases in proceeds deposited into the  
6 General Revenue Fund, from the taxes levied under section  
7 212.04, Florida Statutes, on admissions to Olympic events, and  
8 other taxes levied under chapter 212, Florida Statutes, which  
9 are determined by the Revenue Estimating Conference to be  
10 attributable to the games and related events.

11 (6) Additional state funds may not be deposited into  
12 the Olympic Games Guaranty Account after the operational  
13 entity determines that the account has achieved, or is  
14 reasonably expected to accrue, a sufficient balance to provide  
15 adequate security, acceptable to the USOC and the IOC, to  
16 demonstrate the state's ability to fulfill its obligations  
17 under the games support contracts to indemnify and insure up  
18 to \$125 million of any net financial deficit resulting from  
19 the conduct of the games.

20 (7) Moneys in the Olympic Games Guaranty Account is  
21 not subject to section 216.301(1)(a), Florida Statutes. Any  
22 funds maintained in the Olympic Games Guaranty Account shall  
23 be assigned to the State Board of Administration for  
24 investment.

25 (8) If the candidate city is selected by the IOC as  
26 the host city for the games, the Olympic Games Guaranty  
27 Account shall be terminated upon the operational entity's  
28 determination that the state's obligations under the games  
29 support contracts to indemnify and insure against any net  
30 financial deficit resulting from the conduct of the games are  
31 concluded. If the candidate city is not selected by the USOC

1 as the United States candidate city to host the games, or if  
2 the candidate city is not selected by the IOC as the host city  
3 for the games, the Olympic Games Guaranty Account shall be  
4 immediately terminated.

5 (9) Upon the termination of the Olympic Games Guaranty  
6 Account, all sums earmarked or transferred to the Olympic  
7 Games Guaranty Account from the Working Capital Fund shall  
8 immediately revert to the Working Capital Fund and shall be  
9 free for other uses, and all sums appropriated to the Olympic  
10 Games Guaranty Account from the General Revenue Fund, and any  
11 investment earnings retained in the Olympic Games Guaranty  
12 Account, shall immediately revert to the General Revenue Fund  
13 and be available for appropriation.

14 (10) The local organizing committee shall provide all  
15 information in its possession which is required by the state  
16 economic entity to enable it to fulfill its duties under this  
17 act, including the annual financial statements and records  
18 required by the USOC or the IOC, and data obtained by the  
19 local organizing committee relating to attendance at the games  
20 and to the economic impact of the games. A local organizing  
21 committee must provide such annual financial statements and  
22 records not later than 120 days after the period covered by  
23 the financial statements and records ends.

24 Section 5. State execution of games support contracts;  
25 assistance of state agencies.--

26 (1) The operational entity shall review an application  
27 from a local organizing committee that the operational entity,  
28 on behalf of the state, commits to enter into a games support  
29 contract that is required by the USOC or the IOC in connection  
30 with the selection of a candidate city in this state to host  
31 the games.

1           (2) An application made under subsection (1) must be  
2 accompanied by:

3           (a) A general description and summary of the games for  
4 which host city designation is sought by the local organizing  
5 committee;

6           (b) A description of the proposal the local organizing  
7 committee intends to submit to the USOC, including the  
8 proposed venues to be used to conduct the games;

9           (c) Projections of the paid attendance and direct and  
10 indirect economic impact of the games on the state and the  
11 candidate city, including the basis and methodology for such  
12 projections;

13           (d) The anticipated total cost of presenting the games  
14 and the committee's plan for financing this cost;

15           (e) The resources committed by the candidate city and  
16 any other participating municipalities and other government  
17 entities to fulfill the obligations under the games support  
18 contracts; and

19           (f) Any other information reasonably requested by the  
20 operational entity within 60 days after receipt of the  
21 application to assist the operational entity in completing its  
22 evaluation as set forth in subsection (3).

23           (3) Within 30 days after receiving all information set  
24 forth in subsection (2), the operational entity shall approve  
25 or deny an application made under subsection (1). In making  
26 this determination, the operational entity must make findings  
27 regarding:

28           (a) The reasonableness and reliability of the local  
29 organizing committee's revenue and expenditure projections;  
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1           (b) The reasonableness and reliability of the  
2 projections related to the direct and indirect economic impact  
3 of hosting the games;

4           (c) The extent to which the candidate city and other  
5 participating jurisdictions have committed sufficient  
6 resources to fulfill the obligations under the games support  
7 contracts;

8           (d) The extent to which the local organizing committee  
9 has sought to maximize the use of existing venues throughout  
10 the state, within the limitations imposed by the USOC  
11 regarding transportation, accommodations, facility capacity,  
12 and customs and practices;

13           (e) The extent to which the local organizing committee  
14 has demonstrated that it has provided, is capable of  
15 providing, has financial or other commitments to provide for,  
16 or its projected financial revenues are found to be reasonably  
17 calculated to cover, the costs incurred or anticipated in  
18 relation to presentation of the games; and

19           (f) The extent to which the state's obligations and  
20 risks are reasonable in light of the anticipated benefits to  
21 the state and its citizens.

22           (4) The operational entity may agree in a joinder  
23 undertaking entered into with the USOC or the IOC that the  
24 operational entity will:

25           (a) Execute a joinder agreement if the USOC selects a  
26 candidate city in this state to host the games; and

27           (b) Refrain from taking any action after the execution  
28 of the joinder undertaking which would impair its ability to  
29 execute the joinder agreement.

30           (5) The operational entity may agree in a joinder  
31 agreement that the state will fulfill its obligations under a

1 games support contract to indemnify and insure the USOC or the  
2 IOC against any net financial deficit resulting from the  
3 conduct of the games.

4 (6) The operational entity may agree to execute a  
5 games support contract only if:

6 (a) The candidate city has executed a games support  
7 contract with the USOC which contains substantially similar  
8 terms; and

9 (b) The operational entity determines that:

10 1. The findings made pursuant to subsection (3)  
11 continue to be valid;

12 2. The state's obligations and risk pursuant to the  
13 games support contract are reasonable in light of the  
14 anticipated benefits to the state and its citizens; and

15 3. Any financial commitments of the state will be  
16 satisfied exclusively by recourse to the Olympic Games Trust  
17 Account.

18 (7) The operational entity may require a local  
19 organizing committee to list the state as an additional  
20 insured on any policy of insurance purchased by the local  
21 organizing committee and required by the USOC or the IOC to be  
22 in effect in connection with the games.

23 (8) The Department of Transportation, the Department  
24 of Law Enforcement, the Department of Community Affairs,  
25 Enterprise Florida, Inc., the Office of Tourism, Trade, and  
26 Economic Development in the Executive Office of the Governor,  
27 the Florida Tourism Commission, the Florida Sports Foundation,  
28 or the Florida Tourism Industry Marketing Corporation may:

29 (a) Assist a local organizing committee in developing  
30 applications and planning for the games; and

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1           (b) Enter into contracts, agreements, or assurances  
2 related to the presentation of the games.

3           (9) Notwithstanding any other provision of this act,  
4 the operational entity may not obligate the state to pay or  
5 otherwise provide funds to cover the costs of the construction  
6 or purchase of a building or other facility by a candidate  
7 city.

8           Section 6. This act shall take effect upon becoming  
9 law.

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11                           STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
12   COMMITTEE SUBSTITUTE FOR  
13   SB 1806

14 This committee substitute provides the necessary assurances  
15 and commitments required by the USOC and the IOC in selecting  
16 a host city for the XXXth Olympic Games in 2012. It includes  
17 legislative findings about the benefits to Florida of hosting  
18 these games and creates the Olympic Games Guaranty Account  
19 within the Economic Development Trust Fund for the purpose of  
20 fulfilling the state's obligations under a games support  
21 contract to indemnify and insure against any net financial  
22 deficit resulting from the conduct of the games, up to \$125  
23 million.  
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