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**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 555

**SHORT TITLE:** North Carolina Boxing Commission

**SPONSOR(S):** House Committee Substitute 3rd Edition

<b>FISCAL IMPACT:</b>	<b>Expenditures:</b>	<b>Increase (x)</b>	<b>Decrease ( )</b>
	<b>Revenues:</b>	<b>Increase (x)</b>	<b>Decrease ( )</b>
	<b>No Impact ( )</b>		
	<b>No Estimate Available ( )</b>		

**FUND AFFECTED:** General Fund ( ) Highway Fund ( ) Local Govt. ( )  
Other Funds (X) State Boxing Commission Revenue Fund

**BILL SUMMARY:**

Adds Article 68 to Chapter 143 to establish a State Boxing Commission within Department of Secretary of State. The NC. Boxing Commission consist of five members; one member appointed by Governor, one member each appointed by General Assembly on recommendation of Senate President Pro Tempore and House Speaker; and two members appointed by Secretary of State.

The Commission is given rule-making authority to regulate conduct, promotion, and performance of boxing matches and exhibitions in NC. and closed-circuit telecast of events made in, into, or from the State. The Commission may issue order against a licensee(s) or other person who willfully violate(s) any provision of article, may imposing a civil penalty up to \$5,000 for single violation and up to \$25,000 for multiple violations in a single proceeding or series of related proceedings. An order may not be entered without prior notice and opportunity for contested case hearing under Art. 3, G.S. Chapter 150B. The Secretary of State may assign Department employees who are sworn law enforcement officers to investigate and assist the Commission with administering the article. The proposed act also creates a Medical Advisory Board within Department to advise the Commission on health and physical condition of boxers and health issues concerning conduct of boxing matches and exhibitions; specifies appointment of members and terms.

Establishes a schedule of licenses and fees to be collected. Allows for a six percent gross receipts tax on boxing match or exhibition or close-circuit telecast.

**AMENDMENTS/COMMITTEE SUBSTITUTES - JUNE 15, Introduced 3/27/95**

House committee substitute replaces 1st edition. Adds the definitions "amateur" and "ultimate warrior match" to G.S. 143-651. Amends G.S. 143-652 to add two advisory members to the Commission one appointed by the Speaker and the other by the President Pro Tempore of the Senate. Deletes the provision establishing medical advisory board and replaces

it with provision banning ultimate warrior matches. Requires a kick-boxing match to be conducted under rules of the Professional Karate Association, the International Sport Karate Association, or any other professional organizations approved by the Commission.

**AMENDMENTS/COMMITTEE SUBSTITUTES - JULY 29**, Introduced 3/27/95  
 House committee substitute replaces 2nd edition. Requires that all eleven Commission members be residents of North Carolina.

**AMENDMENTS/COMMITTEE SUBSTITUTE - JULY 6**, Introduced 3/27/95  
 House actions amends the third edition by deleting the following definitions: boxing match, broadcast, cable system operator, and closed circuit telecast. Limits the definition of promoter to those persons who produce, arrange, stage, hold, or give any match within North Carolina involving a professional participant. Clarifies that the State Boxing Commission can regulate only live boxing matches. Removes the collection and payment of a gross receipts tax from the rule making authority of the Commission. Deletes the Commissions authority to require an additional surety bond when the projected liability exceeds \$5,000 from a gross receipts tax.

**EFFECTIVE DATE:** January 1, 1996

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:**  
 Department of Secretary of State

**ESTIMATE  
 FISCAL IMPACT**

	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99	<u>FY</u> 99-00
<b>REVENUES:</b>					
* <b>COMMISSION</b>	\$ 0	14,500	30,600	30,000	32,500
<b>EXPENDITURES:</b>	\$100,000	179,000	179,000	179,000	179,000
<b>NET IMPACT:</b>	(100,000)	(164,500)	(148,400)	(149,000)	(146,500)
<b>POSITIONS:</b>	3	3	3	3	3

\* See attachment for explanation of Commission revenues.

**ASSUMPTIONS AND METHODOLOGY:**

Revenues

Information on revenues from licensing were provided by the Florida State Boxing Commission based on events held at various locations in the State of North Carolina in 1994. The growth in revenue from licensing is expected to be constant. The revenue collections in fiscal year 95-96 are one-half of expected revenue; effective date January 1, 1995. The 10% growth in collections assumes that at least 90% of the officials officiating in North Carolina will be licensed in the first two years. (The individuals obtaining licenses from the

Commission are considered specialist and will officiate in other States as well as North Carolina.)

## Expenditures

Expenditures resulting from this bill would be those associated with operating the State Boxing Commission and the Medical Advisory Board. The estimates of these costs are based on the following assumptions:

- Salary and benefits for a director, a deputy director and an administrative assistant would be \$156,000.
- Office supplies, telephone services, postage and printing would be roughly \$14,000.
- Travel and subsistence for Board and Commission members assuming four two-day meetings per year would be roughly \$9,000.
- Office furniture, computers and other equipment would cost approximately \$10,000 in the first year.
- Costs for 1995-96 would be for six months only.
- Estimates are in 1995 dollars and are not adjusted for inflation.

### **SOURCES OF DATA:**

Florida State Boxing Commission  
North Carolina Secretary of State  
Office of State Budget and Management

### **FISCAL RESEARCH DIVISION**

**733-4910**

**PREPARED BY:** H, Warren Plonk, Evan Rodewald

**APPROVED BY:** Tom Covington

**DATE:** July 10, 1995



**Signed Copy Located in the NCGA Principal Clerk's Offices**