

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 992
House Committee Substitute Favorable 7/9/97

Short Title: NC Boxing Commission.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE LAWS RELATED TO THE NORTH CAROLINA
3 BOXING COMMISSION AND TO INCREASE THE GROSS RECEIPTS TAX ON
4 BOXING, KICKBOXING, AND TOUGHMAN EVENTS.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 143-651 reads as rewritten:

7 "**§ 143-651. Definitions.**

8 ~~As used in this Article:~~ The following definitions apply in this Article:

- 9 (1) ~~'Amateur' means a Amateur.~~ – A person who is not receiving or
10 competing for and has never received or competed for any purse or
11 other article or thing of value for participating in a match.
12 (2) ~~'Announcer' means any Announcer.~~ – Any person who engages in the act
13 of announcing a boxing match.
14 (3) ~~'Boxer' means any Boxer.~~ – Any person who engages as a participant in a
15 boxing match.
16 (4) ~~'Boxing match' means a Boxing match.~~ – A match where the participants
17 engage in the use of full contact boxing techniques (using the fist only),
18 and where the object of a match is to win by decision, knockout (KO),

1 or ~~technical knockout (TKO), and shall include kickboxing matches as~~
2 ~~defined in this section.~~ technical knockout (TKO).

3 (5) ~~'Commission' means the Commission. – The North Carolina State Boxing~~
4 ~~Commission.~~

5 (6) ~~'Contest' means a Contest. – A boxing match in which the participants~~
6 ~~strive earnestly to win.~~

7 (7) ~~'Contestant' means any Contestant. – Any person who engages as a~~
8 ~~participant in a boxing match.~~

9 (8) ~~'Exhibition' means a Exhibition. – A boxing match where the participants~~
10 ~~display their boxing skills and technique without necessarily striving to~~
11 ~~win.~~

12 (9) ~~'Judge' means a Judge. – A person who has a vote in determining the~~
13 ~~winner of any match or contest.~~

14 (10) ~~'Kickboxer' means any Kickboxer. – Any person who engages as a~~
15 ~~participant in a kickboxing match.~~

16 (11) ~~'Kickboxing match' means a Kickboxing match. – A match in which the~~
17 ~~participants engage in full contact martial arts fighting techniques using~~
18 ~~the hands and the feet, and where the object of the match is to win by~~
19 ~~decision, knockout (KO), or technical knockout (TKO).~~

20 (12) ~~'Licensee' means any Licensee. – Any person, club, corporation,~~
21 ~~organization, or association to whom a license has been issued pursuant~~
22 ~~to the provisions of this Article.~~

23 (13) ~~'Manager' means any person, including an officer of a corporate~~
24 ~~manager and a managing partner of a partnership manager, Manager. –~~
25 ~~Any person who controls or administers the boxing affairs of any~~
26 ~~contestant, and who:~~

27 a. By contract, agreement, or other arrangement with any person
28 undertakes or has undertaken to represent in any way the interest
29 of the contestant in any professional boxing contest in which the
30 boxer is to participate as a contestant, and is entitled under that
31 contract, agreement, or arrangement to receive monetary or other
32 compensation for his services, without regard to the sources of
33 the ~~compensation, except that the compensation.~~ The term
34 'manager' shall not be construed to mean any attorney licensed to
35 practice in this State whose participation in the activities is
36 restricted solely to ~~his~~ representing the interests of a professional
37 boxer as ~~his client,~~ a client.

38 b. Directs or controls the professional boxing activities of any
39 ~~professional boxer,~~ or boxer.

40 c. Receives or is entitled to receive a percentage of the gross purse
41 or gross income of any professional boxing contest.

42 (14) ~~'Match' means any Match. – Any boxing or kickboxing contest or~~
43 ~~exhibition, and includes any event, engagement, sparring or practice~~

1 session, show or program where the public is admitted and in which
2 there is intended to be physical contact, whether an exhibition or
3 contest. This definition does not include training or practice sessions
4 when no admission is charged.

5 (15) ~~'Matchmaker' means a Matchmaker.~~ – A person through whom matches
6 are arranged for participants and who otherwise assists participants in
7 procuring engagement dates for boxing.

8 (16) ~~'Natural person' means an Natural person.~~ – An individual.

9 (17) ~~'Participant' means any Participant.~~ – Any person who engages in a match
10 or exhibition and performs as a boxer.

11 (18) ~~'Person' means an Person.~~ – An individual, group of individuals, business,
12 corporation, limited liability company, partnership, or any other
13 individual or collective entity.

14 (19) ~~'Physician' means an Physician.~~ – An individual licensed to practice
15 medicine in this State.

16 (20) ~~'Professional' means any person who has received or competed for any
17 purse or other article or thing of value for participating in a boxing
18 match.~~ Professional. – Any person who is licensed as a professional
19 boxer under the federal Professional Boxing Safety Act of 1996.

20 (21) ~~'Promoter' means any person, including an officer of a corporate promoter and
21 a managing partner of a partnership promoter,~~ Promoter. – Any person who
22 produces, arranges, stages, holds, or gives any match in North Carolina
23 involving a professional participant.

24 (22) ~~'Referee' means the Referee.~~ – The official who shall enter and remain in
25 the ring for the duration of a match and shall enforce the rules and
26 maintain order in the ring.

27 (23) ~~'Ring official' means any Ring official.~~ – Any person who performs an
28 official function for the duration of a match.

29 (23a) Sanctioned amateur. – A person who competes in a sanctioned amateur
30 match.

31 (23b) Sanctioned amateur match. – Any boxing or kickboxing match
32 regulated by an amateur sports organization that has been recognized
33 and approved by the North Carolina Boxing Commission.

34 (24) ~~'Second' means any Second.~~ – Any person who will work or be present in
35 the corner of a participant for the duration of a match.

36 (25) ~~'Timekeeper' means any Timekeeper.~~ – Any person who will operate the
37 clock or watch for the duration of a match for the purpose of keeping
38 the official time of the match.

39 (25a) Toughman contestant. – Any person who competes in a toughman
40 event.

41 (25b) Toughman event. – An elimination program of matches in which (i) the
42 contestants are not professional boxers, (ii) the finalist receives a purse
43 or other article of value, (iii) the participants engage in the use of full

1 contact boxing techniques, and (iv) the object of each match is to win by
2 decision, knockout (KO), or technical knockout (TKO).

- 3 (26) ~~'Ultimate warrior match' means a~~ Ultimate warrior match. – A match
4 where the participants use any combination of boxing, kicking,
5 wrestling, hitting, punching, or other combative, contact techniques and
6 which combination of techniques is not specifically authorized by and
7 conducted pursuant to this Article."

8 Section 2. G.S. 143-652 reads as rewritten:

9 **"§ 143-652. State Boxing Commission.**

10 (a) Creation. – The North Carolina State Boxing Commission is created within the
11 Department of the Secretary of State to regulate in North Carolina live boxing and
12 kickboxing matches, whether professional or professional, amateur, sanctioned amateur, or
13 toughman events, in North Carolina, in which admission is charged for viewing, or the
14 contestants compete for a purse or prize of value greater than twenty-five dollars
15 (\$25.00). The Commission shall consist of ~~five~~ six voting members and two nonvoting
16 advisory members. All the members shall be residents of North Carolina. ~~Carolina and~~
17 shall meet requirements for membership under the Professional Boxing Safety Act of
18 1996. The members shall be appointed as follows:

- 19 (1) One voting member shall be appointed by the Governor for an initial
20 term of two years.
- 21 (2) One voting member shall be appointed by the General Assembly upon
22 the recommendation of the President Pro Tempore of the Senate for an
23 initial term of one year, in accordance with G.S. 120-121.
- 24 (3) One voting member shall be appointed by the General Assembly upon
25 the recommendation of the Speaker of the House of Representatives for
26 an initial term of one year.
- 27 (4) Two voting members shall be appointed by the Secretary of State. One
28 shall serve for an initial term of three years, and the other shall serve for
29 an initial term of two years.
- 30 (5) One member shall be appointed by the Tribal Council of the Eastern
31 Band of the Cherokee for an initial term of three years.
- 32 ~~(5)(6)~~ (6) One nonvoting advisory member shall be appointed by the General
33 Assembly upon the recommendation of the Speaker of the House of
34 Representatives for an initial term of one year, in accordance with G.S.
35 120-121, from nominations made by the North Carolina Medical
36 Society, which shall nominate two licensed physicians for the position.
- 37 ~~(6)(7)~~ (7) One nonvoting advisory member shall be appointed by the General
38 Assembly upon the recommendation of the President Pro Tempore of
39 the Senate for an initial term of one year, in accordance with G.S. 120-
40 121, from nominations made by the North Carolina Medical Society,
41 which shall nominate two licensed physicians for the position.

42 The member appointed pursuant to subdivision (5) of subsection (a) of this section
43 may serve on the Commission only if an agreement exists and remains in effect between

1 the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing
2 the Commission to regulate professional boxing matches within the Cherokee Indian
3 Reservation as provided by the Professional Boxing Safety Act of 1996.

4 The two nonvoting advisory members appointed pursuant to subdivisions (6) and
5 (7) of subsection (a) of this section shall advise the Commission on matters concerning
6 the health and physical condition of boxers and health issues relating to the conduct of
7 exhibitions and boxing matches. They may prepare and submit to the Commission for its
8 consideration and approval any rules that in their judgment will safeguard the physical
9 welfare of all participants engaged in boxing.

10 Terms for all members of the Commission except for the initial appointments shall be
11 for three years.

12 The Secretary of State shall designate which member of the Commission is to serve as
13 chair. A member of the Commission may be removed from office by the Secretary of
14 State for cause. Each member before entering upon the duties of a member shall take and
15 subscribe an oath to perform the duties of the office faithfully, impartially, and justly to
16 the best of the member's ability. A record of these oaths shall be filed in the Department
17 of the Secretary of State.

18 (b) Vacancies. – Members shall serve until their successors are appointed and have
19 been qualified. Any vacancy in the membership of the Commission shall be filled in the
20 same manner as the original appointment. Vacancies for members appointed by the
21 General Assembly shall be filled in accordance with G.S. 120-122. A vacancy in the
22 membership of the Commission other than by expiration of term shall be filled for the
23 unexpired term only.

24 (c) Meetings. – Meetings of the Commission shall be called by the ~~chair~~ Executive
25 Director, chair, or by any two members of the Commission, and meetings shall be held at
26 least quarterly. Any three voting members of the Commission shall constitute a quorum
27 at any meeting. Action may be taken and motions and resolutions adopted by the
28 Commission at any meeting by the affirmative vote of a majority of the members of the
29 Commission present at a meeting at which a quorum exists. Any or all members may
30 participate in a regular or special meeting by, or conduct the meeting through the use of,
31 any means of communication by which all members participating may simultaneously
32 hear each other during the meeting. A member participating in the meeting by this means
33 is deemed to be present in person at the meeting.

34 (d) Rule-Making Authority of the Commission. – The Commission shall have the
35 exclusive authority to approve and issue rules for the regulation of the conduct,
36 promotion, and performances of live ~~boxing~~ boxing, kickboxing, sanctioned amateur,
37 amateur, and toughman matches and exhibitions in this State. The rules shall be issued
38 pursuant to the provisions of Chapter 150B of the General Statutes and may include,
39 without limitation, the following subjects:

- 40 (1) Requirements for issuance of licenses and permits required by this
41 Article.
42 (2) Regulation of ticket sales.

- 1 (3) Physical requirements for contestants, including classification by weight
- 2 and skill.
- 3 (4) Supervision of matches and exhibitions by licensed physicians and
- 4 referees.
- 5 (5) Insurance and bonding requirements.
- 6 (6) Compensation of participants and licensees.
- 7 (7) Contracts and financial arrangements.
- 8 (8) Prohibition of dishonest, unethical, and injurious practices.
- 9 (9) Facilities.
- 10 (10) Approval of sanctioning amateur sports organizations.
- 11 (11) Procedures and requirements for compliance with the Professional
- 12 Boxing Safety Act of 1996.

13 (e) Compensation. – None of the members of the Commission shall receive
14 compensation for serving on the Commission. However, members of the Commission
15 may be reimbursed for their expenses in accordance with the provisions of Chapter 138
16 of the General Statutes.

17 (f) Staff Assistance. – The Secretary of State shall hire a person to serve as
18 Executive Director of the Commission and shall provide staff assistance to the
19 Commission. ~~Executive Director.~~ The Executive Director may train and contract with
20 independent contractors for the purpose of regulating and monitoring events, issuing
21 licenses, collecting fees, and enforcing rules of the Commission. The Executive Director
22 may initiate criminal background checks on persons requesting to work as independent
23 contractors for the Commission or persons applying to be licensed by the Commission."

24 Section 3. G.S. 143-653 reads as rewritten:

25 "**§ 143-653. Ultimate warrior matches prohibited.**

26 Ultimate warrior matches, whether the participants are professionals or amateurs, are
27 prohibited. No person shall promote, conduct, or engage in ultimate warrior matches.
28 This section shall not preclude ~~boxing and kickboxing as regulated in this Article or~~
29 ~~professional wrestling."~~

30 Section 4. G.S. 143-654 reads as rewritten:

31 "**§ 143-654. Licensing and permitting.**

32 (a) License and Permit Required. – It is unlawful for any person to act in this State
33 as an announcer, contestant, judge, manager, matchmaker, promoter, referee, timekeeper,
34 or second unless the person is licensed to do so under this Article. It is unlawful for a
35 promoter to present a match in this State unless the promoter has a permit issued under
36 this Article to do so. The Commission has the exclusive authority to issue, deny, suspend,
37 or revoke any license or permit provided for in this Article.

38 (b) License. – ~~A license issued under this Article must be renewed annually on or before~~
39 ~~January 1.~~ All licenses issued under this Article shall be valid only during the calendar
40 year in which they are issued, except contestant licenses shall be valid for one year from
41 the date of issuance. A license for an announcer, contestant, judge, matchmaker, referee,
42 timekeeper, or second shall be issued only to a natural person. A natural person shall not
43 transfer or assign a license or change it into another name. A license for a manager or

1 promoter may be issued to a corporation or partnership; provided, however, that all
2 officers or partners shall submit an application for individual licensure, and only those
3 officers or partners who are licensed shall be entitled to negotiate or sign contracts. The
4 addition of a new officer or partner during the license period shall necessitate the filing of
5 an application for individual licensure by the new officer or partner.

6 An applicant for a license shall file with the Commission the appropriate
7 nonrefundable fee and any forms, documents, medical examinations, or exhibits the
8 Commission may require in order to properly administer this Article. The information
9 requested shall include the date of birth and social security number of each applicant as
10 well as any other personal data necessary to positively identify the applicant and may
11 include the requirement of verification of any documents the Commission deems
12 appropriate. A person may not participate under a fictitious or assumed name in any
13 match unless the person has first registered the name with the Commission.

14 (c) Surety Bond. – An applicant for a promoter's license must submit, in addition
15 to any other forms, documents, or ~~exhibits,~~ exhibits requested by the Commission, a
16 surety bond payable to the Commission for the benefit of any person injured or damaged
17 by (i) the promoter's failure to comply with any provision of this Article or any rules
18 adopted by the Commission or (ii) the promoter's failure to fulfill the obligations of any
19 contract between or among licensees related to the holding of a boxing event. The surety
20 bond shall be issued in an amount to be no less than five thousand dollars (\$5,000). The
21 amount of the surety bond shall be negotiable upon the sole discretion of the
22 Commission. All surety bonds shall be upon forms approved by the Secretary of State
23 and supplied by the Commission.

24 (d) Permit. – A permit issued to a promoter under this Article is valid for a single
25 match. An applicant for a permit shall file with the Commission the appropriate
26 nonrefundable fee and any forms or documents the Commission may require."

27 Section 5. G.S. 143-655 reads as rewritten:

28 "**§ 143-655. Fees; State Boxing Commission Revenue Account.**

29 (a) License Fees. – The Commission shall collect the following license fees:

30	Announcer	\$50.00
31	Contestant	\$25.00
32	Judge	\$50.00
33	Manager	\$100.00
34	Matchmaker	\$200.00
35	Promoter	\$300.00
36	Referee	\$50.00
37	Timekeeper	\$50.00
38	Second	\$25.00.

39 The annual license renewal fees shall ~~not exceed~~ be the same as the initial license fees.

40 (b) Permit Fees. – The Commission ~~may establish a fee schedule for permits~~
41 ~~issued under this Article. The fees may vary depending on the seating capacity of the~~
42 ~~facility to be used to present a match. The fee may not exceed the following amounts:~~
43 shall collect the following permit fees:

1	Seating Capacity Fee Amount
2	Less than 2,000 \$100.00
3	2,000 – 5,000 \$200.00
4	Over 5,000 \$300.00.

5 (c) State Boxing Commission Revenue Account. – There is created the State
6 Boxing Commission Revenue Account within the Department of the Secretary of State.
7 Monies collected pursuant to the provisions of this Article shall be credited to the
8 Account and applied to the administration of the Article."

9 Section 6. G.S. 143-656 reads as rewritten:

10 **"§ 143-656. Contracts and financial arrangements.**

11 Any contract between ~~a boxer and any other licensee~~ licensees and ~~any contract involving~~
12 related to a boxing match or exhibition held or to be held in this State must meet the
13 requirements of administrative rules as set forth by the Commission. Any contract which
14 does not satisfy the requirements of the administrative rules shall be void and
15 unenforceable. All contracts shall be in writing."

16 Section 7. G.S. 143-657 is repealed.

17 Section 8. Article 68 of Chapter 143 of the General Statutes is amended by
18 adding the following new section:

19 **"§ 143-657.1. Sanctioned amateur matches.**

20 In addition to the other applicable provisions of this Article, a sanctioned amateur
21 match shall be conducted pursuant to the rules of the sports organization sanctioning the
22 boxing match or exhibition."

23 Section 9. G.S. 143-658 reads as rewritten:

24 **"§ 143-658. Violations.**

25 (a) Civil Penalties. – The ~~Commission~~ Executive Director may issue an order
26 against a licensee or other person who willfully violates any provision of this Article,
27 imposing a civil penalty of up to five thousand dollars (\$5,000) for a single violation or
28 of up to twenty-five thousand dollars (\$25,000) for multiple violations in a single
29 proceeding or a series of related proceedings. No order under this subsection may be
30 entered without giving the licensee or other person 15 days' prior notice and an
31 opportunity for a contested case hearing conducted pursuant to Article 3 of Chapter 150B
32 of the General Statutes.

33 (b) Criminal Penalties. – A willful violation of any provision of this Article shall
34 constitute a Class 2 misdemeanor. The Secretary of State may refer any available
35 evidence concerning violations of this Article to the proper district attorney, who may,
36 with or without such a reference, institute the appropriate criminal proceedings.

37 The attorneys employed by the Secretary of State shall be available to prosecute or
38 assist in the prosecution of criminal cases when requested to do so by a district attorney
39 and the Secretary of State approves.

40 (c) Injunction. – Whenever it appears to the ~~Commission~~ Executive Director that a
41 person has engaged or is about to engage in an act or practice constituting a violation of
42 any provision of this Article or any rule or order hereunder, the ~~Commission~~ Executive
43 Director may in its discretion bring an action in any court of competent jurisdiction to

1 enjoin those acts or practices and to enforce compliance with this Article or any rule or
2 order issued pursuant to this Article.

3 (d) Enforcement. – For purposes of enforcing this Article, the Department of the
4 Secretary of State's law enforcement agents have statewide jurisdiction. These law
5 enforcement agents may assist local law enforcement agencies in their investigations and
6 may initiate and carry out, in coordination with local law enforcement agencies,
7 investigations of violations of this Article. These law enforcement agents have all the
8 powers and authority of law enforcement officers when executing arrest warrants."

9 Section 10. Article 2 of Chapter 105 of the General Statutes is amended by
10 adding a new section to read:

11 "**§ 105-37.2. Amusements – Boxing.**

12 (a) Definitions. – The following definitions apply in this section:

13 (1) Boxing match. – Defined in G.S. 143-651.

14 (2) Kickboxing match. – Defined in G.S. 143-651.

15 (3) Toughman event. – Defined in G.S. 143-651.

16 (b) License Tax. – Every person engaged in the business of giving, offering, or
17 managing any boxing match, kickboxing match, or toughman event for which an
18 admission is charged shall pay an annual license tax of fifty dollars (\$50.00) for each
19 place where a match or event is held.

20 (c) Gross Receipts Tax. – In addition to the tax levied in subsection (b) of this
21 section, the taxpayer shall pay an additional tax on the gross receipts of the business at
22 the rate of twelve percent (12%). If the entertainment for which the taxpayer charges
23 admission includes both an event described in subsection (b) of this section and other
24 entertainment or amusement otherwise taxable under G.S. 105-37.1 or G.S. 105-38, the
25 tax levied in this section applies to the combined entertainment and the taxes levied in
26 G.S. 105-37.1 and G.S. 105-38 do not apply.

27 The gross receipts tax is due on the 10th day of the month following the month in
28 which the gross receipts accrue. Every person liable for the gross receipts tax shall, on or
29 before the due date, prepare and render a return on a form prescribed by the Secretary.
30 The return shall state the total gross receipts derived in the preceding month from taxable
31 entertainments and shall include any other information required by the Secretary. The
32 annual license tax levied in subsection (b) of this section is an advance payment of
33 the gross receipts tax levied in this subsection.

34 (d) Local Tax. – Counties may not levy any license tax on the business taxed
35 under this section. Municipalities may levy a license tax not in excess of one-half the
36 license tax levied in subsection (b) of this section."

37 Section 11. G.S. 105-109.1 reads as rewritten:

38 "**§ 105-109.1. Interest.**

39 The taxes on gross receipts levied in G.S. ~~105-37.1(a)~~ and ~~G.S. 105-37.1(a), 105-~~
40 ~~37.2(c), and 105-38(f)~~, the tax on installment paper dealers levied in G.S. 105-83(b), and
41 the tax on publishers of newsprint publications levied in G.S. 105-102.6, shall bear
42 interest at the rate established under G.S. 105-241.1(i) from the time the taxes were due
43 until the taxes are paid."

1 Section 12. Notwithstanding any other statute to the contrary, the North
2 Carolina Boxing Commission may adopt temporary rules to implement the provisions of
3 Article 68 of Chapter 143 of the General Statutes within six months of the effective date
4 of this act. Any temporary rules shall be adopted in accordance with the provisions of
5 Chapter 150B of the General Statutes.

6 Section 13. Sections 10 and 11 of this act become effective October 1, 1997,
7 and apply to entertainments presented on or after that date. The remainder of this act is
8 effective when it becomes law.