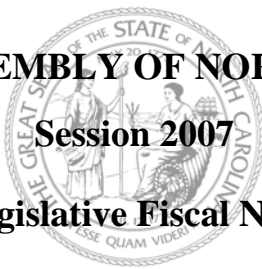


**GENERAL ASSEMBLY OF NORTH CAROLINA**



**Session 2007**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 1786 (Third Edition)

**SHORT TITLE:** Req. Liability Insurance/Toughman Matches.

**SPONSOR(S):** Representatives Bordsen and Love

	<b>FISCAL IMPACT</b>				
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>
<b>GENERAL FUND</b>					
<b>Crime Control and Public Safety</b>	\$363,750	\$374,662	\$385,901	\$397,478	\$409,402
<b>REVENUE</b>	\$277,875	\$277,875	\$277,875	\$277,875	\$277,875
<b>APPROPRIATION</b>	<b>\$85,875</b>	<b>\$86,787</b>	<b>\$108,026</b>	<b>\$119,603</b>	<b>\$131,527</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Crime Control and Public Safety					
<b>EFFECTIVE DATE:</b> The act would be effective when it becomes law and would apply to matches held, and licenses and permits issued, on or after that date. However, no license or permit for mixed martial arts would be issued until the Division has permanent rules in place regulating those events.					

**BILL SUMMARY:** The third edition of H.B. 1786 provides for the following:

- Authorizes mixed martial arts (effective when the bill becomes law, except that no matches would be authorized until rules regulating those events are adopted by the Division).
- Increases from \$5,000 to \$10,000 the amount of the surety bond required from a promoter of an event.
- Increases the license and permit fees authorized under the Article.
- Establishes a new admission fee of \$1.50 per ticket sold to an event to be collected by the Division.
- Requires the Division to adopt rules regulating mixed martial arts as soon as practicable.
- Makes clarifying changes throughout the Article to make clear that the statutes cover all sporting events that are authorized and not just boxing.

**ASSUMPTIONS AND METHODOLOGY:** The Department estimates that it will cost approximately \$363,750 in 2007-08 to implement this bill. However, the bill proposes raising revenues to partially offset costs in two ways: 1) a \$1.50 gate fee charged on each ticket sold – CCPS estimates that this will generate about \$192,000 annually (*128,000 attendees multiplied by the \$1.50 gate fee*); and 2) raise the license and permit fees to generate approximately \$85,875 in revenue (refer to the chart below for a list of fees that would be increased).

TYPE OF LICENSE OR PERMIT *	CURRENT FEE	FEE UNDER PCS
Announcer	\$50.00	\$75.00
Contestant	\$25.00	\$37.50
Judge	\$50.00	\$75.00
Manager	\$100.00	\$150.00
Matchmaker	\$200.00	\$300.00
Promoter	\$300.00	\$450.00
Referee	\$50.00	\$75.00
Timekeeper	\$50.00	\$75.00
Second	\$25.00	\$37.50
Facility with a seating capacity of less than 2,000	\$100.00	\$150.00
Facility with a seating capacity of 2,000-5,000	\$200.00	\$300.00
Facility with a seating capacity of over 5,000	\$300.00	\$450.00

Despite the revenue proposals outlined in the bill, the Department would need \$85,875 in additional appropriations/revenue to cover the costs associated with implementation.

**SOURCES OF DATA:** Department of Correction; Department of Crime Control and Public Safety.

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION: (919) 733-4910**

**PREPARED BY:** Jean Sandaire

**APPROVED BY:** Lynn Muchmore, Director  
Fiscal Research Division

**DATE:** July 31, 2007



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