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**FISCAL IMPACT STATEMENT**

**LS 6430**

**BILL NUMBER:** SB 160

**NOTE PREPARED:** Apr 2, 2009

**BILL AMENDED:** Apr 2, 2009

**SUBJECT:** Regulation of Boxing, Sparring, and Unarmed Combat.

**FIRST AUTHOR:** Sen. Kruse

**FIRST SPONSOR:** Rep. DeLaney

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) *State Athletic Commission-* The bill changes the State Boxing Commission (SBC) to the State Athletic Commission (SAC). The bill requires the Indiana Gaming Commission (IGC) to oversee the SAC. (Current provisions require the Professional Licensing Agency (PLA) to oversee the SBC.)

*Unarmed Combat Regulation-* The bill requires the SAC to regulate unarmed combat matches and exhibitions. The bill allows the SAC to adopt rules to regulate the conduct of mixed martial arts, martial arts, and professional wrestling. The bill allows the SAC to adopt emergency rules.

*Athletic Commission Fund-* The bill creates the Athletic Commission Fund (ACF) for fees and penalties. The bill requires that balances over \$100,000 in the ACF at the end of a fiscal year revert to the state General Fund.

*Licensing Promoters and Sanctioning Bodies-* The bill provides for licensing for promoters and sanctioning bodies for amateur mixed martial arts matches and exhibitions.

*Appropriation and Conforming Changes-* The bill makes various other conforming changes. The bill appropriates money to the ACF.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *State Athletic Commission-* All rules and property of the SBC would be shifted to the newly created SAC. The following table illustrates recent costs of the SBC.

**Average Annual Costs of the SBC.**

Commission Meetings	\$2,000
Regulatory Presence at Boxing Events	\$52,500
<b>TOTAL</b>	<b>\$54,500</b>

There have been 63 boxing events during the last three state fiscal years. SBC meetings include per diem costs only, as none of the current members require overnight stays for meetings. PLA would have a reduction in workload as a result of this provision. A team of PLA personnel handle the administrative responsibility of the SBC. In addition, the team is accompanied by a boxing program director. This team is also assigned to four other professional boards. Boxing comprises about 3.5% of the total licenses processed by this team. Based on this percentage, the removal of the SBC from PLA staff responsibility would present a salary savings of \$6,100. Non-salary cost savings are indeterminable.

Gaming Commission- IGC would assume the administrative responsibilities of the SAC. SAC would assume all personal property from the SBC. The IGC would be charged to adopt rules to license sanctioning bodies and promoters of MMA amateur contests.

(Revised) *Athletic Commission Fund*- The ACF would receive an appropriation from the state General Fund in an amount sufficient to administer the proposed SAC. The bill adds civil penalties of up to \$1,000 per violation of statute. These penalties would be deposited into the ACF as would fees for licenses. The impact from this provision would depend on the amount of fees and penalties collected and the amount of appropriation determined by the General Assembly. If the ACF balance exceeds \$100,000 at the close of a state fiscal year, the excess amount would revert to the state General Fund. The IGC would administer the ACF.

*Background Information*- As of January 26, 2009, the IGC had 10 vacant positions worth \$411,995. Five of the positions have been vacant for three or fewer months, three from three to six months, and two positions for at least six months. The IGC annually receives an appropriation of Riverboat Wagering Tax revenue to defray the costs of administering the riverboat gambling law. In FY 2008, this distribution totaled about \$3.8 M. The extent to which these resources could be utilized to defray costs of overseeing the SAC is unknown. Other revenue streams received by the IGC are also dedicated to specific purposes such as enforcement and administration of charity gaming, gaming enforcement, and gaming investigations.

**Explanation of State Revenues:** (Revised) *Unarmed Combat Regulation*- Under the regulatory authority granted by the bill, the SAC would be allowed to establish fees that would cover the administrative costs to oversee the regulation of boxing, sparring, and unarmed combat. The impact of this provision to state revenues would depend on the rule-making action of the SAC with respect to fees. Currently, fees for boxing licensure are placed into the state General Fund. Under the bill, fees for licensure would be deposited into the newly created ACF.

Given that additional persons could be licensed and matches of unarmed combat regulated, there is the potential that additional fee revenue would be generated by this proposal.

Background Information- Current fees for boxing are listed in the following table.

<b>Boxing Fees</b>	
<b>Fee Type</b>	<b>Fee Amount</b>
Gross Receipts Tax	5% of Gate
Issuance/Renewal Boxer, Judge, Timekeeper, Trainer, Seconds, and Physicians	\$10
Matchmaker & Manager	\$25
Promoter	\$100
Referee	\$50

The following table includes recent fee revenue history.

<b>Boxing Commission Revenue History</b>	
<b>Year</b>	<b>Amount</b>
FY 2006	\$22,914
FY 2007	\$15,555
FY 2008	\$11,909

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** PLA, IGC, SBC.

**Local Agencies Affected:**

**Information Sources:** Wade Lowhorn, PLA, *State of Indiana List of Appropriations Made by the 2007 Indiana General Assembly for the Biennium July 1, 2007, to June 30, 2009*; *Indiana Handbook of Taxes, Revenues, and Appropriations.*, Legislative Services Agency.

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