

SENATE BILL REPORT

SB 5583

As of February 6, 2007

Title: An act relating to boxing, mixed martial arts, and wrestling events.

Brief Description: Changing provisions concerning boxing, mixed martial arts, and wrestling events.

Sponsors: Senators Clements and Kohl-Welles; by request of Department of Licensing.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/05/07.

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Staff: Sherry McNamara (786-7402)

Background: The Department of Licensing (DOL) regulates boxing, martial arts, and wrestling events in order to protect the health and welfare of the participants. Federal law requires DOL to have compact agreements with tribes to regulate events held on tribal lands. During the past two years, 91 percent of all boxing events were held on tribal land. Currently, the Department has no compacts with any tribes.

The current fee structure paid to the Department by the promoter for an event is based on a 5 percent tax on gross ticket sales and on the face value of complimentary tickets. At the end of any event, a promoter must file a report with DOL, showing the number of tickets sold, the price charged for each ticket, and the gross proceeds of ticket sales. At the time of filing, a promoter is required to pay DOL a tax equal to 5 percent of gross receipts of ticket sales. The number of complimentary tickets must be limited to 10 percent of the total tickets sold per event location not to exceed 1,000 tickets. Complimentary tickets exceeding 10 percent of the tickets sold are not taxed.

A promoter who charges and receives an admission fee for exhibiting a simultaneous telecast of a live, current, or spontaneous boxing, or sparring match, or wrestling exhibition or show must also furnish DOL with a report of the number of tickets issued or sold and the gross receipts from the sale of tickets. A promoter must also pay DOL a tax equal to 5 percent of the gross receipts for admission to an event.

The current law requires the promoter to submit an advance notice to DOL of each licensee who is a potential participant seven days prior to an event. No changes are allowed to the advance notice.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Department may require that an event physician be present at a wrestling event. The promoter must pay the event physician present at a wrestling event. A boxing, kickboxing, or martial art's event may not be held unless an event physician licensed by DOL is present throughout the event. DOL may have a participant examined by an event physician prior to the event. A participant in an event whose condition is not approved by the event physician will not be permitted to participate in the event.

Summary of Bill: New definitions are added and current definitions are revised.

Promoters must pay a flat fee for each event he or she holds. The flat fee will be set at a level that is consistent with the average tax collected in the past for each event. An additional fee is added for broadcasting, television, and motion picture events. A promoter must pay to DOL a percentage of the total gross receipts from the sale, lease, or other exploitation of such events. Typically, the promoter receives additional site fee money from the agents who broadcast these types of events.

Promoters for any boxing, kickboxing, or mixed martial art's event are required to submit a statement to DOL with the name of each potential participant ten days prior to an event. Changes are allowed up to 72 hours prior to an event. A promoter may make a participant change if the participant is already licensed up to 48 hours prior to an event.

Promoters for any wrestling event must file a statement with each licensee who is a potential participant to DOL seven days prior to the event. Participant changes may be allowed up to 48 hours prior to the event, if the new participant is licensed.

If the promoter fails to provide proof of medical insurance to DOL 72 hours prior to a kickboxing and martial art's event, the event can be cancelled by DOL.

Three new professional license types are created: chief inspector, assistant chief inspector and corner inspector. The Department may also contract with appointed officials to administer the provisions of this chapter. The promoter is required to pay the department for the official's pay and travel expenses and in turn the Department will pay the officials.

Additional restrictions are added for consuming intoxicating beverages during or after an event. Paramedic units are also required to have transport and resuscitation capabilities.

Appropriation: None.

Fiscal Note: Requested on January 24, 2007.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on January 1, 2008.

Staff Summary of Public Testimony: PRO: Federal law requires the Department of Licensing to negotiate compact agreements with the tribes for boxing, kickboxing, and mixed martial art events that are held on tribal lands. There are six tribes that hold these events; however, there are no compact agreements with the tribes at this time. Attempted negotiations with the tribes and the Department failed because the current law requires a tax on the events. The Department's bill will hopefully eliminate this obstacle by creating an event fee rather than the current tax structure. Tribes would prefer to contract with the state to do the

regulation. One tribe may not hold enough events during a year to pay for all the regulation, expertise, and staff needed to operate a boxing event.

CON: The 1 percent tax on broadcasting an event is still a tax and is a concern to the promoters. The other concern is with licensing participants the day of the event. Most states will license a participant on the same day as the event. It is extremely difficult to replace a fighter on short notice; it would be great to have the ability to pull in a participant the day of the event.

Persons Testifying: PRO: Ralph Osgood, Department of Licensing; Trudie Touchette, Department of Licensing; Chris Masse, Miller Nash for Kalispel Tribe; Bill Hunt, Event Matchmaker.

CON: Brian Halquist, Brian Halquist Promoter.