

# HOUSE BILL ANALYSIS

## HB 1827

**Brief Description:** Regulating boxing, kickboxing, martial arts, and wrestling.

---

**Sponsors:** Representatives Honeyford, Cole and Clements; by request of the Department of Licensing

Hearing: February 26, 1997

### **BACKGROUND:**

The Department of Licensing regulates boxing contests, wrestling shows or exhibitions, and sparring matches. A simultaneous closed circuit telecast, whether originating in the state or elsewhere, of a live, current or spontaneous boxing, sparring or wrestling match or performance where a charge is made, is also regulated by the department. The department issues an annual license to a promoter, manager, referee, boxer, wrestler, and a second. The boxing contest referee must be designated by the department from a list of licensed referees. A referee for a wrestling exhibition or show must be provided by the promoter and licensed by the department. Varsity boxing, wrestling or sparring, or amateur events promoted on a not-for-profit or charitable basis, are not regulated.

### BOND & MEDICAL INSURANCE

As a condition of receiving a license, a boxing promoter is required to obtain medical insurance to cover injuries of participants at boxing events and file a \$10,000 bond with the department. A promoter of a wrestling or closed circuit telecast is required to file a bond of \$1,000 in cities of less than one hundred fifty-thousand inhabitants and a bond of \$2,500 in cities of more than one hundred fifty thousand, as a condition of receiving a license. The bonds must be approved by the Attorney General.

### WRITTEN REPORT/COMPLIMENTARY TICKETS/TAXES

At the end of a boxing contest, wrestling show or exhibition, and sparring match a promoter must file a verified written report with the department 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 report, a promoter is required to pay the department a tax equal to five percent of gross receipts of ticket sales. The number of complimentary tickets must be limited to two percent of the total tickets sold per event location. Complimentary tickets exceeding two percent of

the tickets sold are taxed.

A promoter of a simultaneous telecast of a live, current, or spontaneous boxing or sparring match must, within 72 hours after an event, furnish the department with a verified written report on the number of tickets issued or sold, and the gross receipts from the sale of tickets. A promoter must also pay the department a tax equal to five percent of the gross receipts for admission to an event.

#### PHYSICIAN IN ATTENDANCE

A contestant in a boxing or sparring event must be examined by a department-appointed physician within eight hours before the contest. Participants in a wrestling exhibition or show may be examined by a department-appointed physician prior to the exhibition or show. A physician must be present throughout a boxing contest, sparring match, or exhibition. A physician may be present throughout a wrestling exhibition or show. A physician's fees are paid by the promoter.

#### VIOLATIONS/PROHIBITED ACTS

It is a violation for a contestant or a person licensed under the statute to participate in a sham or fake boxing contest, match, or exhibition. A person found in violation will be prevented, for a minimum of three months, from participating in any contest for a first offense. For a second offense, a person found in violation will be banned from participating in any contest. The director may subpoena and examine under oath any person the director considers necessary to decide the total gross tax receipts and the amount of tax due.

It is a misdemeanor for a person to participate in a boxing contest, sparring match, or wrestling show or exhibition without a license. A person in violation of the licensing requirements of the statute may be enjoined by the Attorney General, each prosecuting attorney, the department, or any citizen of any county.

It is unlawful for a promoter or his or her agents and employees to destroy ticket stubs or tickets, whether sold or unsold for three months after the date of an exhibition or show. It is unlawful for a wrestler to deliberately cut or mutilate himself or herself while participating in a wrestling exhibition.

#### **SUMMARY OF BILL:**

#### DEFINITIONS

New definitions are added, and the department's authority to regulate boxing, kickboxing, martial arts, and wrestling is revised. Kickboxing and martial arts are included in the

definition of professional boxing. Martial arts mean a type of boxing, including sumo, judo, karate, kung fu, tae kwon do, or other forms of full contact martial arts or self defense conducted on a full-contact basis. The definition of amateur– is added and means a person who engages in an athletic event as a past time. Tough man/rough man contests or competitions– means an event that uses unlicensed, untrained participants, or licensed participants who engage in unsanctioned activities.

### LICENSES

The department is authorized to suspend or deny a license to hold or promote boxing, kickboxing, martial arts, or wrestling events or closed circuit telecasts in the interest of ensuring the safety and welfare of the sports’ participants. The department is authorized to set license fees by rule for wrestling participants, matchmakers, physicians, inspectors, judges, timekeepers, and announcers. A license may not be issued if a person has an unpaid administrative penalty.

The department may establish and assess fines for violations.

### BOND & MEDICAL INSURANCE

A promoter must file a bond with the department in an amount to be determined by the department. However, the bond amount may not be less than \$10,000. The requirement that the bond must be approved by the Attorney General is removed.

Boxing promoters must obtain medical insurance in an amount to be determined by the department; however, the amount may not be less than \$50,000 for each event. A promoter must provide proof of insurance to the department within seventy-two hours before each event. If a promoter chooses, he or she may file proof of medical insurance coverage with the department for the entire term of the licensing period. The department may cancel a boxing event if the promoter does not provide proof of medical insurance within the time frames required.

### COMPLIMENTARY TICKETS

A complimentary ticket may not have a face value of less than the least expensive ticket available for sale to the public. It must include charges and fees, such as dinner, gratuity, parking, surcharges, or other charges or fees that are charged to the customer in order to view the event. The number of untaxed complimentary tickets is limited to five percent of the total tickets sold per event location. Complimentary tickets may not exceed three hundred tickets. All complimentary tickets exceeding 300 are taxed. The minimum tax for a live event is \$25.

### PHYSICIAN IN ATTENDANCE

A contestant for boxing events must be examined within twenty-four hours before a contest by a physician appointed by the department and the physician must be present throughout the event. The department may have a participant in a wrestling event examined by a physician appointed by the department prior to the event. A physician may be present throughout a wrestling event.

## UNPROFESSIONAL CONDUCT

Any person may file a complaint with the department charging any person licensed under the statute or any applicant, with unprofessional conduct. Unprofessional conduct means a conviction of a gross misdemeanor, felony or the commission of an act involving moral turpitude, dishonesty, or corruption.

A superior court may issue an injunction to a person practicing without a license. A person practicing without a license may also be subject to criminal prosecution.

A person or business that violates an injunction issued under the statute maybe required to pay a penalty of not more than \$25,000.

The director may issue cease and desist orders to persons in violation of the statute.

**RULES AUTHORITY:** The bill does not contain provisions addressing the rule-making powers of an agency.

**FISCAL NOTE:** Not requested.

**EFFECTIVE DATE:** Ninety days after adjournment of session in which bill is passed.