

SENATE BILL REPORT

ESB 5667

As Passed Senate, February 1, 2000

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

Brief Description: Increasing the number of untaxed complimentary tickets available for boxing, kickboxing, martial arts, and wrestling.

Sponsors: Senators West and Heavey.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/18/99, 2/23/99 [DP].

Passed Senate, 3/17/99, 47-0; 2/1/00, 45-0.

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Heavey, Rasmussen, T. Sheldon, West and Winsley.

Staff: Susan Jones (786-7784)

Background: Promoters of sporting events such as wrestling, boxing, or martial arts must pay a 5 percent tax on the gross receipts of these events. These taxes are paid to the Department of Licensing and immediately deposited into the state general fund. Complimentary tickets are subject to the 5 percent tax to the extent they exceed the limit for untaxed tickets. Untaxed complimentary tickets are limited to 5 percent of the total tickets sold per event, but not to exceed 300 tickets. Complimentary tickets may be given away to promote events through radio, television, and other promotional giveaways.

The department supervises and controls wrestling, boxing, or martial arts events to ensure the safety and welfare of the participants. For certain events, the department may deny, revoke, or suspend a license to promote, conduct or hold these events for cause.

Summary of Bill: The untaxed complimentary tickets for events such as wrestling, boxing, and martial arts are limited to 10 percent of the total tickets sold per event, but not to exceed 1,000 tickets. The term for cause,— for purposes of denying, revoking or suspending an event license, is modified to specifically include concern for the safety and welfare of the participants.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Wrestling events have become very popular and may be held in arenas. Often, 500 to 700 tickets will be given away for arena events through promotions such as radio. Taxes should not be paid on these complimentary tickets when no money is received. A concern was expressed that these events are subject to a limitation on complimentary tickets while other events such as rock concerts or basketball events are not subject to these limitations.

Testimony Against: This may have potential negative financial impacts to the Department of Licensing program.

Testified: PRO: Phil Watkins, Spokane Public Facilities District, Randy Lewis, City of Tacoma; CON: Mary Jelvik, Department of Licensing.