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**Commerce & Labor Committee**

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**HB 1961**

**Brief Description:** Concerning professional athletics regulated by the Department of Licensing.

**Sponsors:** Representatives Conway, Hudgins and Lovick.

**Brief Summary of Bill**

- The amount paid by a promoter of a boxing, kickboxing, or mixed martial arts event is changed from a gross receipts tax to an event fee to be determined by the Department of Licensing by rule.
- Additional oversight of events is specified, including more inspectors, greater authority to test participants for alcohol, and a requirement for paramedic units with transport and resuscitation capabilities.
- Participant changes are allowed under certain conditions.

**Hearing Date:** 2/9/07

**Staff:** Joan Elgee (786-7106).

**Background:**

The Department of Licensing (DOL) regulates boxing, martial arts, kickboxing, and wrestling events. Boxers, promoters, inspectors, physicians, and others involved with the events must obtain a license from the DOL. Certain amateur events are exempt.

Federal law requires boxing events, including events on tribal lands, to be supervised by a regulatory entity. Under the federal law, the DOL must have an agreement with a tribe to regulate a tribe's boxing events. (A tribe may also have its own regulatory entity.) Currently, no tribe has an agreement with the DOL. According to the DOL, in the 2003-05 biennium over 90 percent of boxing events were held on tribal land.

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*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.*

Taxes/Fees. At the end of an event, a promoter must file a report with the DOL and pay a tax of five percent of gross receipts. The promoter also pays a five percent gross receipts tax on gross receipts from simulcasts.

In addition, a promoter pays fees and travel expenses to inspectors and medical personnel.

Participants. Seven days before an event, a promoter must submit to the DOL the names of all potential participants. Changes are allowed only for wrestling events.

Medical. Boxing promoters must provide proof of medical insurance to the DOL 72 hours prior to an event. A physician licensed by the DOL must be present throughout a boxing, kickboxing, or martial arts event. Within 24 hours before these events, a physician must conduct a prefight physical. A physician must stop an event when, in the physician's opinion, it would be dangerous to a participant to continue. The DOL may require a physician at a wrestling event.

Participants may be subject to random urinalysis or chemical tests within 24 hours before or after an event.

A promoter must have an ambulance or paramedic unit at an event.

Inspectors. The DOL may employ and appoint an official inspector to assure compliance with laws and rules.

### **Summary of Bill:**

A number of changes are made to the laws regulating boxing, kickboxing, mixed martial arts, and wrestling events.

Taxes/Fees. The term "tax" is changed to "fee." For boxing, kickboxing, and mixed martial arts events, the five percent tax on gross receipts is changed to an event fee to be determined by the Department of Licensing (DOL) by rule. In addition, a promoter must pay a fee for the sale, lease, or other exploitation of broadcasting, television, and motion picture rights for an event. This later fee is set at three percent of total gross receipts less than \$1 million and one percent of receipts over \$1 million up to \$3 million. The simulcast fee and the wrestling event fee continue to be five percent of gross receipts.

The promoter pays the fees and travel expenses of the inspectors and medical personnel through the DOL.

Participants. The seven day period to submit the names of potential participants is changed to 10 days. All licensing documents must be received within 72 hours of an event. Participant changes, if a new participant is licensed, may be allowed up to 48 hours before an event.

Medical. Promoters of kickboxing and mixed martial arts events, in addition to boxing promoters, must provide proof of medical insurance. The prefight physical must be within a time specified in rule. A physician may stop any bout and need not stop an entire event.

Breathalyzer tests may be administered during an event. Participants may not consume alcohol until the postfight physical has been completed.

The emergency unit required on event locations must be a paramedic unit with transport and resuscitation capabilities.

Inspectors. New inspector positions are created: chief inspector, assistant chief inspector, and corner inspector. The DOL may contract with officials.

Other provisions: Changes are made in terminology and organization of the provisions. Some provisions that refer to boxing only are made explicitly applicable to kickboxing and mixed martial arts. Some provisions covered in other laws are deleted.

**Rules Authority:** The DOL would be required to adopt rules determining event fees and the time-frame for prefight physicals. Other rule changes may be needed to implement the provisions.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note is available.

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