

HOUSE BILL REPORT

HB 1961

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to professional athletics regulated by the department of licensing.

Brief Description: Concerning professional athletics regulated by the department of licensing.

Sponsors: Representatives Conway, Hudgins and Lovick.

Brief History:

Committee Activity:

Commerce & Labor: 2/9/07, 2/16/07 [DPS].

Brief Summary of Substitute Bill

- Changes the amount paid by a promoter of a boxing, kickboxing, or mixed martial arts event from a gross receipts tax to an event fee to be determined by the Department of Licensing by rule.
- Makes several changes to regulation of events including more inspectors, greater authority to test participants for alcohol, and emergency units with transport and resuscitation capabilities.
- Allows participant changes under certain conditions.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Green, Moeller and Williams.

Staff: Joan Elgee (786-7106).

Background:

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 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.

Taxes/Fees. At the end of an event, a promoter must file a report with the DOL and pay a tax of 5 percent of gross receipts. The promoter also pays a 5 percent 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 preflight 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 Substitute 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 5 percent tax on gross receipts is changed to an event fee to be determined by the Department of Licensing (DOL) by rule. The simulcast fee and the wrestling event fee continue to be 5 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. Kickboxing and mixed martial arts promoters, 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.

Substitute Bill Compared to Original Bill:

The requirement that a promoter pay a fee for exploitation of broadcasting, television, and motion picture rights is deleted. Housekeeping language changes are made by deleting reference to "professional" wrestling and adding "kickboxing" in two places.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Members of the boxing community, including tribes, promoters, and others, were involved in coming up with the language. Everything is working fine but we are trying to head off potential problems. One issue with the current law is the "tax" and the restriction on complimentary tickets. We will work with the state to come up with the "event fee." The Kalispels would rather pay for the state to regulate than do it ourselves.

(Opposed) None.

Persons Testifying: Ralph Osgood and Trudie Touchette, Department of Licensing; and Christine Masse, Kalispel Tribe and Northern Quest Casino.

Persons Signed In To Testify But Not Testifying: None.