

MAINE STATE LEGISLATURE

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R. of S.

L.D. 1990

DATE: 3-19-02

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MINORITY
BUSINESS AND ECONOMIC DEVELOPMENT

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1487, L.D. 1990, Bill, "An Act to Regulate Professional Boxing"

Amend the bill by striking out the title and substituting the following:

'An Act to Regulate Professional Boxing, Kick Boxing and Wrestling'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. 5 MRSA §12004-A, sub-§47 is enacted to read:

47. Maine Athletic Legislative 32 MRSA §13524
Committee Per Diem'

Further amend the bill in section 3 by inserting after that part designated "§13523." the following:

§13524. Maine Athletic Committee

The Commissioner of Professional and Financial Regulation or a designee of the commissioner shall appoint 3 members with expertise in amateur and professional athletic events to the Maine Athletic Committee, established in Title 5, section 12004-A, subsection 47 and referred to in this chapter as the "athletic committee." The athletic committee shall advise and assist the commissioner in inspecting and regulating amateur and professional boxing and kick-boxing events and professional wrestling events. Members of the committee must be certified by a national organization that regulates amateur boxing. Members

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2 serving on the athletic committee are entitled to a legislative
3 per diem.

4 **§13525. Athletic Committee Fund**

6 There is created the Athletic Committee Fund for the receipt
7 of deposits made pursuant to this chapter. Funds in the fund do
8 not lapse but must be carried forward to be used for the
9 activities authorized under this chapter.

10 **§13526. Taxes**

12 The promoter or promoters of a boxing or kick-boxing contest
14 or exhibition or a professional wrestling match, show or
16 exhibition held under this chapter shall pay to the Treasurer of
18 State, for credit to the Athletic Committee Fund created under
20 section 13525, a tax of 5% of the gross receipts from the contest
or exhibition. This section applies to all boxing, kick-boxing
and wrestling contests or exhibitions that are shown over closed
circuit television.

22 On the day the contest or exhibition is held, the promoter
24 or promoters either shall tender the tax to the member of the
26 athletic committee in attendance or provide a surety bond
28 acceptable to the athletic committee in the amount of \$10,000
30 payable to the Treasurer of State and conditioned for payment of
32 the tax and any penalties imposed under this section. In its
34 discretion, the athletic committee may require that the bond be
36 posted at a time prior to a contest or exhibition that the
38 athletic committee determines adequate. This tax must be paid to
the Treasurer of State within 15 days of the date on which the
contest or exhibition is held in the event a bond is provided.
Upon failure to pay the tax to the Treasurer of State, the
promoter or promoters are liable to pay a penalty of 25% of the
amount of the tax due. The penalty and the tax due must be
recovered by a civil action upon the bond brought in the name of
the athletic committee and the penalty and the tax due must be
paid to the Treasurer of State to be credited to the Athletic
Committee Fund.

40 **§13527. Prohibited competitions, exhibitions and events**

42 A professional or amateur "toughman," "badman" or "ultimate
44 fighting" match that includes a contest or exhibition where
46 participants compete by using a combination of fighting skills,
48 including, but not limited to, boxing, wrestling, kicking and
martial arts skills, may not be held in this State. This section
does not prohibit kick boxing as regulated by this chapter.

50 A person participating in or promoting a professional or
52 amateur "toughman," "badman" or "ultimate fighting" match is
guilty of a Class E crime.'

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2 Further amend the bill by inserting after section 3 the
following:

4
6 **Sec. 4. Members of the Maine Athletic Committee.** Persons
serving as commissioners of the Maine Athletic Commission under
8 the Maine Revised Statutes, Title 5, section 12004-A, subsection
44 at the time of the effective date of this Act are entitled to
10 serve on the Maine Athletic Committee established pursuant to
Title 32, section 13524.

12 **Sec. 5. Appropriations and allocations.** The following
appropriations and allocations are made.

14
16 **PROFESSIONAL AND FINANCIAL REGULATION,
DEPARTMENT OF**

18 **Licensing and Enforcement**

20 Initiative: Provides for a deappropriation and deallocation of
funds due to the repeal of the Maine Athletic Commission.

22	General Fund	2001-02	2002-03
24	All Other	\$0	<u>(\$10,900)</u>
	Total	\$0	(\$10,900)

26	Other Special Revenue Funds	2001-02	2002-03
28	All Other	\$0	<u>(\$2,734)</u>
	Total	\$0	(\$2,734)

30
32 **Administration - Professional
and Financial Regulation**

34 Initiative: Allocates funds for the per diem and
36 administrative costs associated with the establishment of the
Maine Athletic Committee.

38	Other Special Revenue Funds	2001-02	2002-03
	Personal Services	\$0	\$1,000
40	All Other	<u>0</u>	<u>6,150</u>
	Total	\$0	\$7,150

42
44 **PROFESSIONAL AND FINANCIAL
REGULATION, DEPARTMENT OF
DEPARTMENT TOTALS**

46		2001-02	2002-03
	GENERAL FUND	\$0	(\$10,900)
48	OTHER SPECIAL REVENUE FUNDS	\$0	<u>\$4,416</u>
	DEPARTMENT TOTALS - ALL FUNDS	\$0	(\$6,484)'

50

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2 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
consecutively.

4
6 Further amend the bill by inserting at the end before the
summary the following:

8
10 **FISCAL NOTE**

12 **2002-03**

14 **APPROPRIATIONS/ALLOCATIONS**

16	General Fund	(\$10,900)
	Other Funds	4,416

18 **REVENUES**

20	Other Funds	(\$2,630)
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22 This bill repeals the Maine Athletic Commission within the
Office of Licensing and Registration, Department of Professional
24 and Financial Regulation and establishes the Maine Athletic
Committee within the Office of the Commissioner of Professional
26 and Financial Regulation as a 3-member committee to advise and
assist the commissioner in inspecting and regulating amateur and
28 professional boxing, kick boxing and professional wrestling
events.

30
32 This bill includes a General Fund deappropriation of \$10,900
in fiscal year 2002-03 for the Licensing and Enforcement program
within the Department of Professional and Financial Regulation
34 due to the Maine Athletic Commission being repealed.

36 This bill includes net Other Special Revenue funds
allocations to the Department of Professional and Financial
38 Regulation totaling \$4,416 in fiscal year 2002-03. This amount
is comprised of an Other Special Revenue funds deallocation of
40 \$2,734 in fiscal year 2002-03 to the Licensing and Enforcement
program as a result of the Maine Athletic Commission being
42 repealed and an Other Special Revenue funds allocation of \$7,150
in fiscal year 2002-03 for the Administration - Professional and
44 Financial Regulation program within the Department of
Professional and Financial Regulation for the per diem and
46 administrative expenses of the committee.

48 The department also anticipates an additional cost of
\$23,200 annually for the Office of Licensing and Registration to
50 provide additional administrative support to the committee. This
cost is not reflected as an expense of the committee but as a

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transfer of funds from the commissioner's office to the Office of Licensing and Registration.

Repealing the Maine Athletic Commission will reduce dedicated revenue from license fee and gate tax collections by \$7,030 in fiscal year 2002-03. Imposing a 5% gate tax on all boxing or kick-boxing contests or exhibitions and all professional wrestling matches, shows or exhibitions held in the State to support the activities of the Maine Athletic Committee will increase dedicated revenue by \$4,400 in fiscal year 2002-03. The net dedicated revenue change is a reduction of \$2,630.

If the \$4,400 of dedicated revenue anticipated to be collected each year is not sufficient to cover the estimated \$30,050 needed, it may be necessary for the commissioner to increase the amount that the Bureau of Insurance, the Bureau of Financial Institutions, the Office of Licensing and Registration, the Office of Consumer Credit Regulation and the Office of Securities are assessed to cover the cost of operating the commissioner's office. The additional amount that each individual bureau or office is assessed can not be determined at this time.'

SUMMARY

This amendment is a minority report and requires the Commissioner of Professional and Financial Regulation to appoint members of the Maine Athletic Committee to advise and assist the commissioner on the inspection and regulation of amateur and professional boxing and kick-boxing events and professional wrestling events. Commissioners of the former Maine Athletic Commission are entitled to serve on the athletic committee. The amendment also imposes a 5% gate tax on all boxing or kick-boxing contests or exhibitions and all professional wrestling matches, shows or exhibitions held in the State to support the activities of the athletic committee. The amendment also reenacts the prohibition on "ultimate fighting" and "toughman" competitions that is repealed in the bill.

The amendment also adds an appropriations and allocations section and a fiscal note to the bill.