

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 1340 (2nd Edition)

SHORT TITLE: Reestablish Boxing Commission.

SPONSOR(S): Representative Faison

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:	See technical section				
EXPENDITURES:	\$83,954	\$83,954	\$83,954	\$83,954	\$83,954
POSITIONS (cumulative):	1.0	1.0	1.0	1.0	1.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Crime Control and Public Safety					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

As title indicates, reenacts provisions of repealed Article 68 of GS Chapter 143 as a new Article 68A, except reestablishes Commission within the Department of Commerce, Division of Tourism, Film, and Sports Development, and provides that seven-member Commission will include two members appointed by the Speaker, two by the President Pro Tem., two by the Governor, and one by the Lt. Governor (was, six voting members, two members appointed by the Secretary of Crime Control and Public Safety, one by the Tribal Council of the Eastern Band of the Cherokee, and one each by the Governor, Speaker, and President Pro Tem.); and deletes prohibition against ultimate warrior matches. Amends GS 90-18.3(b) (physician physical examination may be conducted by nurse practitioners and physician assistants) to exempt rules adopted by the NC Boxing Commission requiring physical examinations. Makes conforming change to GS 18B-502(a).

House committee substitute makes the following changes to 1st edition. Reestablishes Boxing Commission within the Department of Crime Control and Public Safety (was, Department of Commerce, Division of Tourism, Film, and Sports Development). Makes conforming changes. Provides that Commission consists of five voting and two nonvoting advisory members (was, seven members, without nonvoting members). Directs nonvoting advisory members to advise

Commission on matters concerning health and physical condition of boxers and health issues related to conduct of exhibitions and boxing matches and authorizes nonvoting members to propose rules, for approval by Commission, to safeguard physical welfare of participants engaged in boxing. Provides that President Pro Tem. and Speaker will each appoint one nonvoting member, each appointment to be from nominations by the North Carolina Medical Society of two licensed physicians. Provides that voting members will include three appointed by Governor, one appointed by General Assembly as recommended by President Pro Tem., and one appointed by General Assembly as recommended by Speaker. Amends proposed terms of voting members and establishes terms for nonvoting members. Restores prohibition against ultimate warrior matches deleted by 1st edition.

Source: Bill Digest H.B. 13402 (04/21/0200).

ASSUMPTIONS AND METHODOLOGY: HB 1340 proposes to reestablish the Boxing Commission with the same the number of commissioners, types of events allowed, and types/amounts of fees that were established under the former Boxing Commission. The bill directs the Secretary to hire an Executive Director and to provide staff assistance to the Director. The costs to re-establish the Boxing Commission as directed in the bill would be those associated with the seven new commission members and the compensation for the Executive Director. Because HB 1340 makes no other changes, it is assumed that the annual number of events and the fees generated would remain unchanged from the current levels. According to data provided by the NC Boxing Authority staff, the travel and per diem costs for seven Commission members to attend four meetings annually was \$2,600 in FY 2003-04. The salary and compensation cost for the current Executive Director of the NC Boxing Authority is \$81,354 annually. Thus the total costs to re-establish the seven-member commission and to compensate an Executive Director are estimated at \$83,954 in the first year.

The 2004 Budget Bill, S.L. 2004-124, included a provision that eliminated the Boxing Commission, including its general fund appropriation, and transferred the regulation of boxing to the Division of Alcohol Law Enforcement (ALE). The bill directed the Department of Crime Control and Public Safety (CCPS) to use available salary reserve funds to reclassify the two Boxing Commission staff positions and transfer them to ALE. The former two-member Boxing Commission staff was transferred to the NC Boxing Authority established within ALE in FY 2004-05. In FY 2003-04, the annual operating budget for the NC Boxing Commission was approximately \$174,449 in expenditures offset by \$40,000 in budgeted receipts. As a result of S.L. 2004-124, the CCPS general fund appropriation was reduced by \$134,449, requiring the Department to re-allocate existing funds and salary reserve within its budget to support the cost of regulating boxing. HB 1340, however, does not specify if funds are to be provided to support the full administrative costs of boxing regulation. Because there are no references to other administrative costs, it is assumed for the purpose of this fiscal note, that the only cost associated with this bill is the amount needed to compensate the Executive Director and support the Commissioners' actual expenses to attend four annual meetings.

SOURCES OF DATA: NC Boxing Authority staff at the Department of Crime Control and Public Safety, Division of Alcohol Law Enforcement.

TECHNICAL CONSIDERATIONS: As currently drafted, HB 1340 is not clear in its intent regarding funds to fully support all costs associated with boxing regulation. If no additional funds are to be provided other than the \$83,954 estimated above, should it be assumed that the Department must transfer funds from ALE or other divisions to the Commission for the full cost of boxing regulation?

S.L. 2004-124 eliminated all general fund appropriation for the Boxing Commission and directed the Department to use available funds to reclassify and transfer two positions to ALE to regulate boxing. Currently, there are two positions in the NC Boxing Authority with total budgeted personal services cost of \$131,454 and another \$43,000 budgeted for contracts, supplies, equipment, and other operating costs. In FY 2003-04, \$29,216 in boxing receipts was realized. Outside of the one position established, should the remaining position, the funds, and other ALE resources provided to the existing NC Boxing Authority be transferred to the Commission or are there to be new recurring funds appropriated to fully support all staff and operating costs associated with the regulation of boxing in the state? Neither the former NC Boxing Commission nor the current NC Boxing Authority ever realized more than \$50,000 in receipts. So anticipated receipts would not be adequate to make up the remainder of the cost of boxing regulation.

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DATE: June 13, 2005

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