

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB1228

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Miller, J.H.

3. Committee: General Laws

4. Title: Boxing and wrestling events; provisions for sanctioning organizations.

5. Summary: Enhances the conflict of interest provisions for sanctioning organizations required for approval by the Director of the Department of Professional and Occupational Regulation and limits the requirements for such approval to those matters set forth in § 54.1-829.1 and not the entire law governing boxing and wrestling matches.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8.

7a. Expenditure Impact: None.

7b. Revenue Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Fund</i> |
|--------------------|----------------|-----------------------------|
| 2016 | \$0 | n/a |
| 2017 | (\$16,800) | Special Revenue (Fund 0200) |
| 2018 | (\$16,800) | Special Revenue (Fund 0200) |
| 2019 | (\$16,800) | Special Revenue (Fund 0200) |
| 2020 | (\$16,800) | Special Revenue (Fund 0200) |
| 2021 | (\$16,800) | Special Revenue (Fund 0200) |
| 2022 | (\$16,800) | Special Revenue (Fund 0200) |

8. Fiscal Implications: This bill eliminates the requirement for sanctioning organizations to pay a gate fee for amateur-only events conducted by the sanctioning organizations. This will decrease the amount of revenue collected by the Department of Professional and Occupational Regulation (DPOR) for the Professional Boxing, Wrestling and Martial Arts program. Based on the first three months of activity since the amateur program implementation date of October 1, 2015, DPOR forecasts that there will be approximately 24 amateur events annually. The “gate fee” is 5.0 percent of each event’s total gross proceeds and in 2015 sanctioning organizations paid an average gate fee of approximately \$700 per event. Total reduction in revenue is expected to be (\$16,800) annually.

The bill will also require DPOR to promulgate regulations according to the Administrative Process Act and the Callahan Act. In order to collect sufficient revenue to cover the program’s expenses the regulations will need to include an alternative fee structure for the

sanctioning organizations, replacing the gate fees currently authorized in statute and regulation.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation.

10. Technical Amendment Necessary: No.

11. Other Comments: None.