

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT ON
SENATE SUBSTITUTE FOR
HOUSE SUBSTITUTE FOR HOUSE BILL NO. 2713**

As Agreed to April 1, 2004

Brief*

Senate Substitute for House Sub. for HB 2713 would create Kansas Professional Regulated Sports Act. The substitute bill would establish an Athletic Commission within the Department of Commerce. The five members of the Athletic Commission would be appointed by the Governor, and the Commission would appoint a Boxing Commissioner.

The Athletic Commission would have general charge and supervision of all regulated sports and professional wrestling performances held in the state. In addition, rules and regulations would include a requirement that the promoter is to purchase indemnity coverage and a surety bond in amounts determined by the Commission. The Commission would be responsible for issuing and, if necessary, revoking licenses to referees, judges, physicians, managers, contestants, timekeepers, seconds, promoters, and matchmakers for professional boxing, sparring, wrestling, kickboxing, and full-contact karate contests. The Commission may refuse to issue a license for future regulated sports contest or may revoke or suspend a license previously issued if prohibited conduct occurs. At least five percent of the gross receipts of regulated sports, so that combined with all other revenues of the Commission, would cover the cost of administering and enforcing the provisions of the Act. The Commission would be required to recommend a taxing and fee structure for all regulated sports to the 2005 Legislature. Beginning July 1, 2007, 20 percent of all fees would be transferred to the State General Fund from the Athletic Fee Fund account. The Senate Committee added the amendment to KSA 2003 Supp. 79-3606(a) so the new gross receipts tax imposed by the Athletic Commission would not eliminate state and local sales taxation. That statute provides a sales tax exemption for transactions subject to other taxes, except

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where double taxation is specifically authorized (as in the case of cigarettes, certain cereal malt beverages, the rental car excise tax, and the drycleaning excise tax).

The Boxing Commissioner would be paid a salary set by the Governor and would be subject to a background check. The Boxing Commissioner may require a contestant on medical suspension to undergo any medical test necessary to prove such contestant is medically fit to lift the suspension. A mandatory medical suspension of any contestant who loses consciousness or who has been injured as a result of blows received to the head or body during a professional contest is 180 days.

The bill also provides for complaint and hearing processes, multiple licensing, and injunction power for the Athletic Commission. Finally, the bill identifies, but does not regulate, amateur events.

Conference Committee Action

In the Conference Committee, the House conferees agreed to the Senate amendments to the bill.

Background

Proponents for the bill included Representatives Burroughs; Representative Sharp; Damon Reed, Professional Boxer/Promoter; George Clark, Boxing Promoter, Fire Fighter; Sumya Anani, World Champion Boxer; Billy Rork, Attorney and Fight Judge; and representatives of the Association of Boxing Commissions, World Wrestling Entertainment, Nevada Boxing Commission, Ringside Inc., and Howes Entertainment.

H.R. Cook, General Manager of the Kansas ExpoCentre, was an opponent to the original bill.

The House Committee of the Whole amended the bill by adding professional mixed martial arts to the list of regulated sports. Also, the Commission would now have the authority to refuse to issue a license for future regulated sports contests or may revoke or suspend a license previously issued if prohibited conduct occurs.

A technical amendment added by the Senate Committee would insure that the receipts from regulated sports contests would continue to be subject to state and local sales taxation (in addition to the new gross receipts tax imposed by the Athletic Commission).

The fiscal note indicates that the lowest initial startup costs for the Athletic Commission would be \$58,408 in FY 2005, which would have to come from either the State General Fund or the Economic Development Initiatives Fund, according to the Department of Commerce. Of these costs, \$52,408 would be for salaries and wages attached to the Boxing Commissioner and \$6,000 would be for operating costs. The Department makes no estimates regarding revenue to the Athletic Fee Fund.