

SESSION OF 2010

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2616**

As Amended by House Committee on  
Economic Development and Tourism

**Brief\***

HB 2616 would make revisions to the Kansas Professional Regulated Sports Act and to the powers of the state's Athletic Commission.

The bill would authorize the Athletic Commission to impose a civil penalty which would be limited to a maximum of \$1,000 per day per violation. The section would outline procedures for the imposition of the penalty and an appeals process, including appeal to district court if necessary. Penalty funds would be deposited into the Athletic Fee Fund.

The bill would revise certain definitions and create new ones. In the definitions for "professional full-contact karate," "kickboxing," "mixed martial arts," and "professional wrestling," the bill would delete the requirement that the competition would have to take place in an enclosed ring. The terms dealing with karate and mixed martial arts would be revised further by excluding competitions that include weapons, and the contestants would be able to compete for prizes. New definitions would be added for "amateur mixed martial arts," "commissioner," and "grappling arts." "Regulated sports" would be revised to include amateur mixed martial arts, professional wrestling, and grappling arts. "Sparring" would be expanded to include kickboxing, professional and amateur mixed martial arts, grappling arts, or karate.

The general powers of the Athletic Commission would be revised. The Commission would be able to appoint chief

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

inspectors in addition to other personnel specified in statute. The Commission would be able to employ contractual labor, and the Commission would have rule and regulation authority regarding the certification and payment of inspectors. The bill would authorize the Commission to issue licenses to announcers. All issued licenses would expire on the anniversary of the issuance. Current law requires licenses to expire on June 30 of each year.

The bill would revise the name of the assessment placed on gross receipts, calling it a fee instead of a tax. The bill would increase the maximum rate from 5.0 percent to 6.0 percent. The bill would authorize the Commission to impose a fee on the gross revenues received by a promoter and by a media network that televise a regulated sports contest. The fee rate would be limited to a maximum of 6.0 percent.

The bill would exempt the Commission from following the Rules and Regulations Filing Act (KSA 77-415 to 77-438) when establishing temporary rules and regulations. The Commission's temporary rules and regulations would require the approval of the Attorney General and would be filed with the Secretary of State and published in the *Kansas Register*. Two years after the date of the bill's enactment, the Commission's use of temporary rule and regulation making would be reviewed. The Commission would be required to promulgate rules and regulations regarding:

- Drug testing and communicable diseases;
- Full disclosure between promoters, broadcasters, media networks, or distributors;
- Set fee rates; and
- Any other rule necessary for the administration of the televising, broadcasting, or distributing of a regulated sports contest.

The bill would clarify that the Athletic Commission has permissive rule and regulation authority regarding professional wrestling. Under the current statute, if the Commission

chooses to regulate professional wrestling, those rules and regulations are limited to subject areas specified in statute. The bill would permit professional wrestling rules and regulations to include additional subject areas if deemed necessary. In addition, professional wrestling rules and regulations could require a promoter to obtain a license from the Commission prior the performance. Rules and regulations could be promulgated regarding liability insurance, indemnity coverage, and surety bonds.

The bill would delete the requirement that 20.0 percent of the collected revenue be deposited to the State General Fund. All revenues would be credited to the Athletic Fee Fund.

KSA 74-50,189 outlines the circumstances under which the Commission may issue a license to hold a regulated sports contest. Under the bill, the Commission would be able to issue a written assurance that a license will be issued, contingent upon the prior approval by either a city or county to hold the event within the local government's jurisdiction. The bill also would specify the number and duration of rounds for each regulated sport.

The bill would reorganize current law found in subsection (c) of KSA 74-50,193 regarding the grounds for which the Commission may withdraw or withhold a licence. Additional grounds for such an action would be if a license holder provided incorrect, misleading, untrue, or incomplete information. The bill would clarify that if the Commission would impose a civil penalty, it would not be precluded from proceeding with any disciplinary proceeding.

## **Background**

Representative Tom Burroughs, who is also a member of the Kansas Athletic Commission, spoke in favor of the bill. He provided a history on the origins of the Athletic Commission which was created six years ago. He stated that the legislation was needed to address changes in the competitive boxing and

fighting industries. Written testimony from a private citizen explained the growing popularity of mixed martial arts competitions. The State Boxing Commissioner and personnel with the Athletic Commission and the Department of Commerce also provided testimony.

There was no opponent testimony.

The House Committee on Economic Development and Tourism amended the bill using the language proposed by Representative Burroughs. The amendment defined “grappling arts,” authorized the Commission to hire chief inspectors and to use contractual inspectors, and exempted the Commission’s temporary rules and regulations from the procedures set forth in statute. The Committee further amended the bill by requiring the use of the temporary rules to be reviewed.

The bill would take effect upon publication in the *Kansas Register*. The fiscal note was prepared by the Division of the Budget in consultation with the Department of Commerce and the Office of Judicial Administration. According to the Commerce Department, the elimination of the 20.0 percent transfer to the State General Fund would result in the Athletic Fee Fund receiving an additional \$25,000 in revenue each fiscal year. No estimate was provided in the fiscal note with regard to additional revenue that would be attributed to either an increase in the rates or the imposition of new rates on persons or entities. The Office of Judicial Administration indicates that any fiscal effect due to the bill would be negligible.