

Boxing, Mixed Martial Arts, and Wrestling Bill Senate File 585

Last Action:
**Senate Appropriations
Committee**
March 24, 2021

An Act relating to the regulation of boxing, mixed martial arts, and wrestling, making penalties applicable, and making an appropriation.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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EXECUTIVE SUMMARY

BOXING, MIXED MARTIAL ARTS, AND WRESTLING BILL

FUNDING SUMMARY

FY 2022: Senate File 585 appropriates fees collected by the Athletics Commissioner in the Athletics Commissioner Revolving Fund to the Iowa Department of Workforce Development for use by the Commissioner to pay the actual expenses and costs necessary to administer Iowa Code [90A](#). The Bill does not change any fees associated with boxing, mixed martial arts, or wrestling, which are set by administrative rule.

FISCAL IMPACT: Revenue from fees, taxes, licenses, and permits collected by the IWD totaled \$96,000 in FY 2018, \$72,000 in FY 2019, \$39,000 in FY 2020, and are estimated at \$76,000 in FY 2021. Tax revenue averaged \$47,000 annually from calendar year (CY) 2018 to CY 2020. Under SF 585, beginning in FY 2022, all fee revenue will be deposited into the Athletic Commissioner Revolving Fund and the revenue from the 5.0% tax will be deposited into the General Fund.

Page 3, Line 16

SIGNIFICANT CODE CHANGES

Amends definitions of events, competitions, and promoter for the regulation of boxing, mixed martial arts, and wrestling matches that include any form of competition in which a blow is usually struck, or a maneuver is usually executed which may reasonably be expected to inflict injury.

Page 1, Line 1

Allows the Commissioner to suspend, deny, revoke, annul, or withdraw a license, registration, or authority to participate in any contest under the Commissioner's jurisdiction.

Page 2, Line 12

Requires all promoters to submit a report within twenty days of an event outlining proceeds, receipts, ticket sales, and other matters of interest to the Athletics Commissioner.

Page 2, Line 19

Creates the Athletic Commissioner Revolving Fund and eliminates a grant program administered by the Commissioner which awards grants to organizations that promote amateur boxing matches in the State of Iowa. The Bill also eliminates an advisory committee of three members composed of the Golden Gloves Association of America to advise the Commissioner.

Page 3, Line 16

1 1 Section 1. Section 90A.1, subsections 6 and 7, Code 2021,
 1 2 are amended to read as follows:
 1 3 6. "Professional ~~boxing or wrestling match~~" means a boxing
 1 4 or wrestling public contest or exhibition open to the public
 1 5 in this state for which the contestants are paid or awarded a
 1 6 prize for their participation.
 1 7 7. a. "Promoter" means a person or business that does at
 1 8 least one of the following:
 1 9 ~~a.~~ (1) Organizes, holds, advertises, or otherwise conducts
 1 10 a professional boxing or wrestling match under this chapter.
 1 11 ~~b.~~ (2) Charges admission for the viewing of a professional
 1 12 boxing or wrestling match received through a closed-circuit,
 1 13 pay-per-view, or similarly distributed signal.
 1 14 ~~c.~~ (3) Organizes, holds, advertises, or otherwise conducts
 1 15 a mixed martial arts match.
 1 16 (4) Organizes, holds, advertises, or otherwise conducts any
 1 17 form of competition in which a blow is usually struck, or a
 1 18 maneuver is usually executed, which may reasonably be expected
 1 19 to inflict injury.
 1 20 b. "Promoter" does not include the organizer of a private
 1 21 youth martial arts tournament, private test for martial arts
 1 22 belts, developmental contests within private gyms, amateur
 1 23 wrestling, jiu jitsu, or amateur boxing.

1 24 Sec. 2. Section 90A.2, subsection 1, Code 2021, is amended
 1 25 to read as follows:
 1 26 1. A person shall not act as a promoter ~~of a professional~~
 1 27 ~~boxing or wrestling match or a mixed martial arts match~~
 1 28 without first obtaining a license from the commissioner.
 1 29 This subsection shall not apply to a person distributing a
 1 30 closed-circuit, pay-per-view, or similarly distributed signal
 1 31 to a person acting as a promoter or to a person viewing the
 1 32 signal in a private residence.

1 33 Sec. 3. Section 90A.3, subsection 4, Code 2021, is amended
 1 34 to read as follows:
 1 35 4. This section does not apply to ~~professional wrestlers or~~
 2 1 contestants in boxing elimination tournaments.

2 2 Sec. 4. Section 90A.5, subsection 1, paragraphs e, f, and g,

CODE: Amends the definitions of professional boxing or wrestling match and promoter.

DETAIL: Specifies that a promoter includes a person or business that organizes, holds, or advertises a competition where a blow is usually struck, or a maneuver is usually executed which may reasonably be expected to inflict injury. Specifies that a promoter does not include the organizer of certain youth events.

CODE: Conforming change related to licensing of promoters.

CODE: Removes professional wrestlers reference from the provisions related to professional boxer registration.

CODE: Conforming change related to emergency suspensions so it

<p>2 3 Code 2021, are amended to read as follows:</p> <p>2 4 e. A match promoter permits a person to <u>participate</u> whose</p> <p>2 5 license, registration, or authority, issued pursuant to this</p> <p>2 6 chapter, is under suspension <u>to participate in a boxing event</u>.</p> <p>2 7 f. A match promoter or <u>professional boxer contestant</u></p> <p>2 8 is under suspension by any other state boxing regulatory</p> <p>2 9 organization.</p> <p>2 10 g. A match promoter or <u>professional boxer contestant</u> is</p> <p>2 11 under suspension in any state.</p> <p>2 12 Sec. 5. Section 90A.6, subsection 1, unnumbered paragraph</p> <p>2 13 1, Code 2021, is amended to read as follows:</p> <p>2 14 The commissioner may suspend, deny, revoke, annul, or</p> <p>2 15 withdraw a license, registration, or authority to participate</p> <p>2 16 in a professional boxing or wrestling match or mixed martial</p> <p>2 17 arts match <u>any contest under the commissioner's jurisdiction</u></p> <p>2 18 if any of the following occur:</p> <p>2 19 Sec. 6. Section 90A.9, Code 2021, is amended to read as</p> <p>2 20 follows:</p> <p>2 21 90A.9 WRITTEN REPORT FILED — TAX DUE — PENALTY.</p> <p>2 22 1. The promoter of a professional boxing or wrestling match</p> <p>2 23 or an event or a mixed martial arts match <u>subject to this</u></p> <p>2 24 <u>chapter</u> shall, within twenty days after the match or event,</p> <p>2 25 furnish to the commissioner a written report stating the number</p> <p>2 26 of tickets sold, the gross amount of admission proceeds of</p> <p>2 27 the match or event, and other matters the commissioner may</p> <p>2 28 prescribe by rule. The value of complimentary tickets in</p> <p>2 29 excess of five percent of the number of tickets sold shall be</p> <p>2 30 included in the gross admission receipts. Within twenty days</p> <p>2 31 of the match or event, the promoter shall pay to the treasurer</p> <p>2 32 of state a tax of five percent of its total gross admission</p> <p>2 33 receipts, after deducting state sales tax, from the sale of</p> <p>2 34 tickets of admission to the match or event.</p> <p>2 35 2. If the promoter fails to make a timely report within</p> <p>3 1 the time prescribed, or if the report is unsatisfactory</p> <p>3 2 to the commissioner, the commissioner may examine or cause</p> <p>3 3 to be examined the books and records of the promoter, and</p> <p>3 4 subpoena and examine under oath witnesses, for the purpose of</p> <p>3 5 determining the total amount of the gross admission receipts</p> <p>3 6 for any <u>match event</u> and the amount of tax due pursuant to the</p> <p>3 7 provisions of this chapter. The commissioner may, as the</p>	<p>applies to all contestants.</p> <p>CODE: Allows the Commissioner to suspend, deny, revoke, annul, or withdraw a license, registration, or authority to participate in any contest under the Commissioner's jurisdiction.</p> <p>CODE: Requires all promoters to submit a report within twenty days of an event outlining proceeds, receipts, ticket sales, and other matters of interest to the Athletics Commissioner.</p>
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3 8 result of such examination, fix and determine the tax, and may
 3 9 also assess the promoter the reasonable cost of conducting the
 3 10 examination. If a promoter defaults in the payment of any
 3 11 tax due or the costs incurred in making such examination, the
 3 12 promoter shall forfeit to the state the sum of five thousand
 3 13 dollars, which may be recovered by the attorney general
 3 14 pursuant to the bond required under section 90A.2, subsection
 3 15 3.

3 16 Sec. 7. Section 90A.10, Code 2021, is amended by striking
 3 17 the section and inserting in lieu thereof the following:
 3 18 90A.10 ATHLETICS COMMISSIONER REVOLVING FUND ———
 3 19 APPROPRIATION.
 3 20 An athletics commissioner revolving fund is created in
 3 21 the state treasury under the control of the department and
 3 22 shall consist of moneys collected by the commissioner as
 3 23 fees. Moneys in the fund are appropriated to the department
 3 24 of workforce development to be used by the commissioner to pay
 3 25 the actual costs and expenses necessary to perform the duties
 3 26 of the commissioner as described in this chapter. All fees
 3 27 collected by the commissioner pursuant to this chapter shall be
 3 28 remitted to the treasurer of state to be deposited in the fund.
 3 29 All salaries and expenses properly chargeable to the fund shall
 3 30 be paid from the fund. Section 8.33 does not apply to any
 3 31 moneys in the fund. Notwithstanding section 12C.7, subsection
 3 32 2, interest or earnings on moneys deposited in the fund shall
 3 33 be credited to the fund.

CODE: Eliminates a grant program administered by the Athletics Commissioner and creates the Athletics Commissioner Revolving Fund.

DETAIL: The Bill eliminates a grant program administered by the Commissioner which awards grants to organizations that promote amateur boxing matches in the State. The Bill also eliminates an advisory committee of three members composed of the Golden Gloves Association of America to advise the Commissioner.

Creates the Athletics Commissioner Revolving Fund for all fees collected by the Commissioner and appropriates fees to the Iowa Department of Workforce Development (IWD) to be used by the Commissioner to pay the actual costs, salaries, and expenses necessary to administer this chapter. Moneys in the Fund are not subject to reversion.

FISCAL IMPACT: Revenue from fees, taxes, licenses, and permits collected by the IWD totaled \$96,000 in FY 2018, \$72,000 in FY 2019, \$39,000 in FY 2020, and are estimated at \$76,000 in FY 2021. Tax revenue averaged \$47,000 annually from calendar year (CY) 2018 to CY 2020. Under SF 585, beginning in FY 2022, all fee revenue will be deposited into the Athletic Commissioner Revolving Fund and the revenue from the 5.0% tax will be deposited into the General Fund.