



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # SB0363

Title: Generally revise boxing laws

Primary Sponsor: Caferro, Mary

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
State Special Revenue	\$4,990	\$0	\$0	\$0
Revenue:				
State Special Revenue	(\$3,518)	(\$3,518)	(\$3,518)	(\$3,518)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This legislation adds or changes some requirements of licensure. In addition, the legislation specifies that application fees for licensure will be set in statute, lowering the fees currently set by administrative rule, and adds a requirement that 40% of the gross receipts tax collected by the Department of Labor & Industry must be deposited in a state special revenue fund to be used by the department to promote amateur boxing in Montana.

FISCAL ANALYSIS

Assumptions:

Department of Labor & Industry (DoLI)

1. The department would promulgate rules to implement this legislation. This program does not have rule making expenses in base expenditures. It is estimated there would be a twelve page notice and three page adoption for a total of 15 pages with publication costs to the Secretary of State of \$750.
2. There will be a rule hearing for public comment on the proposed changes. The hearing is estimated to take two hours and a hearings officer and court reporter will be present. Total cost would be \$440.
3. It is estimated the program will use 40 hours of legal time in preparing and reviewing the rule notice, responding to comments, and preparing the adoption notice. Legal review costs would be \$3,800.
4. Total rule making costs are estimated to be \$4,990.

5. Currently, the fees for licensure for the Athletic Program are set by rule and are set commensurate with cost. The fee for a promoter is set currently at \$500, a club boxing promoter at \$250, and all other licenses, such as boxers, judges, managers/trainers, etc., are set at \$45 per license. Fees can be raised or lowered based on program costs following a public notice, hearing, comment period, and adoption as required by MAPA. SB 363 proposes setting fees at a statutory amount, retaining the current fee for promoters, but lowering all other fees ranging from \$100 to \$10. In FY 2012, two fights were scheduled and the program had revenue of \$5,322 and expenditures of \$823. Expenditures consisted of paying for lodging and travel costs for department staff to attend matches as required; no personal services were charged to this program due to lack of revenue or matches in the prior two fiscal years (revenue in FY 2010 was \$45 and revenue in FY 2011 was \$90). In FY 2013, there have been five matches as of February and the program has received revenue of \$7,400 and has incurred expenses, including personal services, of \$8,221.
6. Revenue received thus far in FY 2013 totaling \$7,400 has been a combination of licensing fees (\$4,330) and gate fee revenue of 5% of ticket sales (\$3,069.75). Under the proposed legislation, license fees would decrease to \$2,040, and the 5% gate fee would be \$1,841.85 following the proposed 40% set aside for boxing promotion.
7. This legislation will set licensing fees for the Athletics Program, however administrative costs, such as duplicate license fees, license verification fees, etc., will continue to be governed by 37-1-134, MCA.
8. If the department no longer has control over adjusting license fees so that fees are commensurate with costs, the program will be negative in cash based on the current trend of FY 2013.
9. It is very difficult to predict or project revenue for this program when it is based on how many boxing matches might occur in a given year. The table reflects the estimated adjustment to revenue based on the expenses for rulemaking anticipated in FY 2014 and the estimated reduction of revenue based on FY 2013 current revenues converted to statutory fee amounts as proposed.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$4,990	\$0	\$0	\$0
TOTAL Expenditures	<u>\$4,990</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$4,990	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$4,990</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
State Special Revenue (02)	(\$3,518)	(\$3,518)	(\$3,518)	(\$3,518)
TOTAL Revenues	<u>(\$3,518)</u>	<u>(\$3,518)</u>	<u>(\$3,518)</u>	<u>(\$3,518)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$8,508)	(\$3,518)	(\$3,518)	(\$3,518)

Sponsor's Initials

Date

Budget Director's Initials

Date