



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0401

Title: Generally revise pro boxing laws

Primary Sponsor: Caferro, Mary

Status: As Amended

- 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 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$4,915			
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 401, as amended, modifies the statutes of the Athletics Program making changes to enforcement of rules, clarifying the use of department representatives at professional boxing events, jurisdiction, and physical testing requirements, repeals the tax on gate fees and reporting, allows venue owners and promoters to determine the necessity for security personnel or volunteers, and gives authority for rule making regarding fees for an event license.

Assumptions:

- As amended, this bill allows the department to appoint a representative, who may be a volunteer, to attend and supervise a boxing event, who will have authority to enforce the department rules and act on behalf of the department at an event. This will reduce the amount of money spent on personal services and travel to attend and supervise boxing events, but the exact reduction is unknown as boxing events are sporadic and unpredictable in their frequency.
- Revenue for the program over the past five years (2010 through 2014) has averaged \$3,601. Amendments to the bill allow the department to accept private donations for the costs of administering the boxing program. Income from donations cannot be predicted at this time.
- There would be costs to promulgate rules for this legislation. Total cost is estimated at \$4,915. Assumptions 4, 5, and 6, detail these costs.

4. It is estimated there would be a ten page rule notice and three page adoption notice. Cost to Secretary of State would be \$650 (\$50 per page x 13 pages). A mailing would be sent to interested parties (estimated at 25 persons), directing them to the program website for information regarding the rule notice and public hearing. Cost is \$25.00 (\$1 x 25 for post card, labeling, printing and mailing).
5. The program would hold a public hearing for comments attended by a hearings officer and court reporter to record comments and provide a transcript, \$440 (hearing officer two hours x \$95 per hour + court reporter and transcript \$250).
6. DLI Legal Services would provide assistance in drafting the rules, reviewing comments and preparing the adoption notice, at a minimum, it is estimated costs would be \$3,800 (40 hour legal time x \$95 per hour).
7. The department must set fees for an event and an event may not be held without a license. The fee must be adequate to cover the expenses of the department that are reasonably attributable to the licensing and regulation of the event. The department has overhead that needs to be paid but may not be able to be directly attributable to an event, examples are email and phone services, server hosting for the division database that serves the program, rent of office space, etc. Currently, indirect costs such as these are billed based on time distribution of personal services, and that pro rata share can vary from month to month.
8. The amendment in the bill regarding rulemaking for fees (New Section 5), allows for flexibility. It is unknown how this flexibility will affect the revenue of the program. Revenue may become less predictable in the future.
9. The program currently is running a negative fund balance of (\$17,233).

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services				
Operating Expenses	\$4,915			
TOTAL Expenditures	\$4,915	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$4,915			
TOTAL Funding of Exp.	\$4,915	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$4,915)	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date