



Colorado
Legislative
Council
Staff

SB17-148

REVISED
FISCAL NOTE

(replaces fiscal note dated March 2, 2017)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0299

Date: March 14, 2017

Prime Sponsor(s): Sen. Priola

Bill Status: House Business

Rep. Garnett

Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: SUNSET CONTINUE OFFICE OF BOXING

Fiscal Impact Summary	FY 2017-2018		FY 2018-2019	
This bill changes and continues a program that would otherwise end July 1, 2017, so the fiscal note shows new and continuing fiscal impacts.	New		New	Continuation
State Revenue	\$10,000		\$212,000	
Cash Funds	10,000		10,000	202,000
State Expenditures	\$10,000		\$212,000	
Cash Funds	10,000		10,000	202,000
TABOR Impact	\$10,000		\$10,000	\$202,000
FTE Position Change				1.1 FTE
Appropriation Required: \$10,000 – Department of Regulatory Agencies (FY 2017-18).				
Future Year Impacts: Ongoing state revenue and expenditure increases.				

Summary of Legislation

The **reengrossed** bill continues the Office of Boxing and the Colorado State Boxing Commission, currently scheduled to repeal on July 1, 2017, through September 1, 2026, and renames these agencies the Office of Combative Sports and the Colorado Combative Sports Commission respectively. The regulation of martial arts events is added to the authority of these agencies.

The bill also implements the recommendations contained in the Department of Regulatory Agencies' (DORA) sunset report. These recommendations:

- transfer certain duties and powers related to licensing and enforcement from the director of the Office of Combative Sports to the director of the Division of Professions and Occupations within DORA;
- require the Colorado Combative Sports Commission to promulgate rules for procedures related to the denial or suspension of a license for medical or administrative reasons;
- update the grounds for discipline;
- modify commission members' terms from three to four years; and
- make technical changes and procedural updates.

Background

History of Colorado combative sports regulation. Colorado began regulating boxing in 1927, though the regulatory program lapsed between 1977 and 2000. In 1996, the federal Professional Boxing Safety Act required any state that failed to create its own boxing commission to bring out-of-state regulators to oversee boxing events in the state. In 2000, the Colorado Professional Boxing Safety Act, containing the Office of Boxing and the Colorado State Boxing Commission, was established to regulate the traditional sport of boxing, as well as kickboxing and mixed martial arts.

Commission membership. The Colorado State Boxing Commission, renamed the Colorado Combative Sports Commission under the bill, consists of five voting and two nonvoting members. Of the five voting members, three are appointed by the Governor, one by the President of the Senate, and one by the Speaker of the House. The two nonvoting advisory members must be licensed physicians; one appointed by the President, and one by the Speaker. Commission members currently serve three-year terms.

Current licensing types and fees. There are currently four license types that require an annual fee paid to the Division of Professions and Occupations in DORA. The number of licensees varies depending on the number of permitted boxing events in a year. The current licensing fee and the average number of licensees per type is shown in Table 1.

Table 1. Combative Sports License Types, Fees, and Licensees		
License Type	Current Fee	Average Licensees per Year
Participant	\$50	500
Second	50	600
Official	100	4
Promoter	250	5

Promoters also pay a \$600 per-event permit fee, and an event surcharge of 8 percent of total ticket sales, or \$1 per ticket, whichever is more.

Fiscal Impact of Programs Set to Expire

This bill continues the Office of Combative Sports and the Colorado Combative Sports Commission in the Division of Professions and Occupations in DORA that are set to repeal effective July 1, 2017. Under current law, state agencies are appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. There is no need for an appropriation of the \$202,000 base funding in FY 2017-18, since the program's authorization has not yet expired, and ongoing funding for the program is included in DORA's base budget request. The state revenue and expenditures for FY 2018-19 reflect the program's anticipated continuation of fee revenue and expenditures. Based on the current Office of Boxing budget, revenue and expenditures are expected to be \$202,000 in FY 2018-19, including an allocation of 1.1 FTE, from the Division of Professions and Occupations Cash Fund.

State Revenue

Beginning in FY 2017-18, the bill is expected to increase state cash fund revenue from registration fees by \$10,000 per year to the Division of Professions and Occupations Cash Fund in DORA. As discussed in the Background section, fee revenue is generated from four license types that each require an annual fee paid to the Division of Professions and Occupations. The number of registration fees paid varies depending on the number of permitted events in a year, and the fiscal note assumes that similar fee amounts to Table 1 will be assessed to participants in advance of permitted martial arts events. Actual fee calculations will be set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of licensees. The fiscal note assumes two martial arts events will occur per year, which will raise fees by approximately \$5,000 per event. This amount is based on the current annual average of 40 combative sports events which require expenditures of approximately \$200,000 per year, or \$5,000 per event.

TABOR Impact

This bill increases state cash fund revenue from registration fees, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

State Expenditures

Beginning in FY 2017-18, the bill is expected to increase state cash fund expenditures in DORA by \$10,000 per year from the Division of Professions and Occupations Cash Fund. Based on the commission's average of 40 permitted events per year, the fiscal note assumes that there will be 2 additional permitted martial arts events per year, which will raise costs by approximately \$5,000 per event, or \$10,000 total per fiscal year. This amount is based on the current annual average of 40 combative sports events which require expenditures of approximately \$200,000 per year, or \$5,000 per event. If the number of martial arts events are significantly greater than this assumption, DORA will request additional resources during the annual budget process.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

Consistent with this fiscal note, the bill includes a cash fund appropriation of \$10,000 to the Department of Regulatory Agencies from the Division of Professions and Occupations Cash Fund in FY 2017-18.

State and Local Government Contacts

Law Regulatory Agencies

Research Note Available

An LCS Research Note for SB17-148 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.