

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6006-02
Bill No.: SB 859
Subject: Entertainment, Sports and Amusement; Licenses - Professional
Type: Original
Date: March 27, 2012

Bill Summary: This proposal authorizes the Division of Professional Registration to regulate mixed martial arts and creates rules for amateur contests.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Athletic Fund	\$71,826	(\$2,184)	\$72,366
Professional Registration Fees Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$71,826	(\$2,184)	\$72,366

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume, according to a database listing the number of AMMA (American Mixed Martial Arts) events obtained from information located on the MixedMartialArts.com website, there are approximately 120 events every year. Inspector per diem is derived by taking 120 events x \$150 per diem totaling \$18,000 for two inspectors totaling \$36,000. Travel expenses of \$2,664 (FY 2013, FY 2014 & FY 2015), i.e. 120 total days of travel, 60 average round trip miles, \$0.37 mileage reimbursement rate. FY 2013 also includes expenses for design, program and implementation of the licensure program of \$540 (30 hours for design @ \$18 per hour).

The revenue for FY 2013 and FY 2015 is derived by taking total biennial licensure fees \$74,550 plus revenue generated by events ((permit fees (120 x 25 = \$3,000) plus (5% of Event Revenue {\$6,000 x 120 = \$720,000} = \$36,000) minus 7% Sales Tax {\$36,000 minus .07 = \$2,250} = \$36,480 event revenue)) or \$74,550 plus \$3,000 plus \$36,480 = \$111,030 total revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
ATHLETIC FUND			
<u>Revenue</u> - Licensure fees, event revenue & Sales Tax	\$111,030	\$36,480	\$111,030
<u>Costs</u> - Transfer to Professional Registration	<u>(\$39,204)</u>	<u>(\$36,664)</u>	<u>(\$38,664)</u>
ESTIMATED NET EFFECT ON ATHLETIC FUND	<u>\$71,826</u>	<u>(\$2,184)</u>	<u>\$72,366</u>
PROFESSIONAL REGISTRATION FEES FUND			
<u>Revenue</u> - Transfer from Athletic Fund	\$39,204	\$38,664	\$38,664
<u>Cost</u> - Per diem Equipment & Expense	<u>(\$36,000)</u> <u>(\$3,204)</u>	<u>(\$36,000)</u> <u>(\$2,664)</u>	<u>(\$36,000)</u> <u>(\$2,664)</u>
ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FEES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

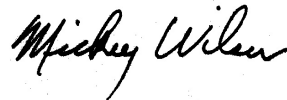
FISCAL DESCRIPTION

The proposed legislation authorizes the Division of Professional Registration to regulate mixed martial arts and creates rules for amateur contests.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions &
Professional Registration



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Director
March 27, 2012