

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Ohio Athletic Commission**

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**ATTACHMENT:**

Budget Spreadsheet By Line Item

# Ohio Athletic Commission

- Funding of \$247,624 in each fiscal year, a reduction of 1.0% from FY 2009 spending
- Popularity of mixed martial arts events has increased Commission revenues

## OVERVIEW

### Agency Overview

The Ohio Athletic Commission (ATH) regulates boxing, wrestling, kickboxing, karate, and tough-man contests – the striking sports – in an effort to protect the safety of the participants and the interests of the public. ATH carries out its mission by setting standards for licensure of individuals, granting permits, and conducting sanctioned events. Ohio has been particularly active in regulating amateur mixed martial arts events. ATH's governing authority consists of five voting members appointed by the Governor, including two members knowledgeable in boxing, at least one member knowledgeable and experienced in high school athletics, one member knowledgeable and experienced in professional athletics, and at least one member knowledgeable and experienced in collegiate athletics. One member must be a doctor of medicine or osteopathy. Members receive a per diem in an amount fixed pursuant to state law as well as reimbursement for actual and necessary expenses incurred as part of their duties. The day-to-day operations of the Commission are managed by an executive director, a full-time executive secretary, and a part-time account clerk. The Commission receives no GRF funding; instead, its operations are entirely supported by fee revenue.

### Appropriation Overview

The budget provides funding of \$247,624 in each fiscal year, amounts that are 1.0% lower than FY 2009 spending of \$250,179. The amount appropriated annually equals the Commission's actual spending in FY 2008.

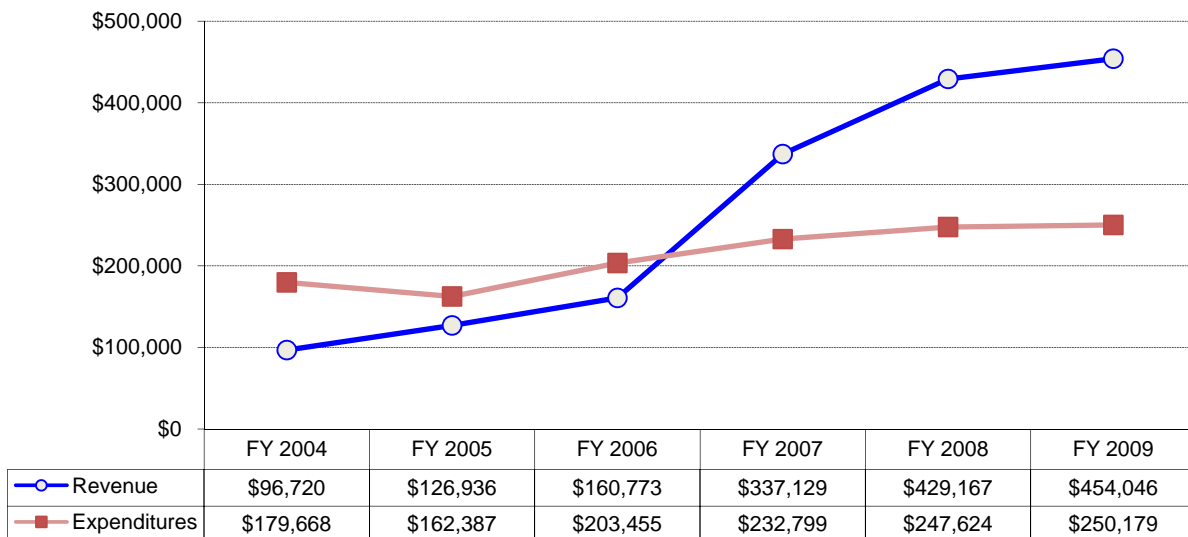
### Fee Revenues and Fund 4K90

The Commission issues several different types of license. The table below shows the current fee amounts charged. All of the Commission's licenses renew annually, except for the athlete agent license, which renews biennially. The federal boxing identification card is renewed every four years while the new national mixed martial arts identification card must be renewed every five years.

Table 1. License Fees	
License	Fee Amount
Athlete Agent	\$500
Wrestling Promoter	\$200
Boxing, Mixed Martial Arts, Tough Person Promoter	\$100
Competitor (Boxer, Mixed Martial Arts, Tough Person) License	\$20
Nonofficials (Manager, Matchmaker, Second, Trainer)	\$20
Officials (Judge, Referee, Timekeeper)	\$20
Federal Boxing Identification Card	\$20
National Mixed Martial Arts Identification Card	\$20

These fees are deposited in the Occupational Licensing and Regulatory Fund (Fund 4K90). In addition to ATH, 27 occupational licensing and regulatory boards and commissions use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Each board or commission is expected to be self-sufficient by generating enough revenues to cover expenses. The chart below shows revenues and expenditures since FY 2004. Note that, since FY 2007, ATH's revenues have exceeded expenses. This can be attributed to (1) the 5% event tax applied to gross ticket sales on major mixed martial arts events, such as the Ultimate Fighting Championship (UFC) and (2) an increasing number of mixed martial arts competitors and nonofficials that are being licensed. The Commission continues to work toward making the UFC event an annual occurrence in Ohio.

**Chart 1: Revenue and Expenditures, FY 2004-FY 2009**



## ANALYSIS OF ENACTED BUDGET

ATH's operations are funded by a single line item appropriation out of the Occupational Licensing and Regulatory Fund (Fund 4K90). The table below shows the funding for the Commission for the FY 2010-FY 2011 biennium.

Appropriations for the Ohio Athletic Commission				
Fund	ALI and Name		FY 2010	FY 2011
<b>General Services Fund Group</b>				
4K90	175609	Operating Expenses	\$247,624	\$247,624

This line item supports all of the Commission's operating expenses. The funding for FY 2010 and FY 2011, \$247,624 in each fiscal year, is 1.0% lower than FY 2009 spending of \$250,179 and 3.2% less than the \$255,850 appropriated annually in the FY 2008-FY 2009 biennium. In fact, the amount appropriated annually in H.B. 1 equals the actual spending for FY 2008.

### Licenses

Table 2 shows the number of active licenses issued by the Commission as of the end of FY 2007, FY 2008, and FY 2009. The total number of active licenses increased dramatically between these years, due primarily to the increasing popularity of mixed martial arts, which has driven an increase in competitor and nonofficial license activity. Further, the Association of Boxing Commissions, an organization comprised of state and tribal boxing commissions that provides regulatory guidelines for boxing and mixed martial arts competitions, instituted national identification cards for mixed martial arts fighters in September 2008.

Table 2. Active Licenses and Identification Cards, FY 2007-FY 2009			
License Type	FY 2007	FY 2008	FY 2009
Competitor (Boxer, Mixed Martial Arts, Tough Person) License	1,501	1,879	2,176
Nonofficials (Manager, Matchmaker, Second, Trainer)	1,023	1,539	1,846
National Mixed Martial Arts Identification Card	N/A	N/A	1,063
Officials (Judge, Referee, Timekeeper)	189	166	150
Federal Boxing Identification Card	90	167	148
Boxing, Mixed Martial Arts, Tough Person Promoter	40	43	60
Athlete Agent	27	59	63
Wrestling Promoter	12	17	14
<b>TOTAL</b>	<b>2,882</b>	<b>3,870</b>	<b>5,520</b>

## **Surety Bonding Requirements**

Included in the budget are statutory changes to sections 3773.35 and 3773.43 of the Revised Code concerning the promoter's license. The first is an increase in the surety bond required for an applicant for a license to conduct a public or private competition involving boxing or martial arts. This amount is increased from at least \$5,000 to at least \$20,000. In a related change, the option to provide a cash bond, certified check, or a bank draft instead of a surety bond for a promoter's license is removed. The bill also dispenses with a requirement that an applicant for a promoter's license verify the application under oath. Finally, a requirement that wrestling promoters obtain surety bonding is also eliminated.

The change in the surety bonding requirements will have no practical effect on the Commission since it brings the statute into line with the Commission's current practice of requiring a \$20,000 surety bond from boxing and mixed martial arts promoters. Similarly, eliminating the surety bonding requirement for wrestlers will have no direct effect since that requirement has never been enforced, although it could mean that more promoters would host wrestling events. If so, this could lead to more licenses being issued. It might also result in additional revenue generated from wrestling events.

## **Medical Examination Standards**

H.B. 1 modifies section 3773.45 of the Revised Code to require the Ohio Athletic Commission to adopt rules for examining contestants before and after competitions, in place of statutory standards previously required by law.

## **Disciplinary Procedures**

Also included in the budget are provisions that (1) authorize the Ohio Athletic Commission to revoke, suspend, or refuse to renew a license for the violation of associating or consorting with any person who has been convicted of a crime that involves a sport the Commission regulates or who has been convicted of or pleaded guilty to theft, bribery of an official, corruption of a sport, or association with a person having such a conviction, rather than any crime as previously required under law and (2) authorize the Commission to impose fines, with the amount to be determined by Commission rule, against licensees for violations, rather than a maximum of \$100, as was the case under prior law. The latter provision could result in an increase in revenue to the GRF if the Commission were to adopt rules that authorize higher fine amounts. In addition, there may be fewer licenses revoked, suspended, or not renewed given the narrower scope of individuals to which such disciplinary measures would apply.

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**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<b>Line Item Detail by Agency</b>			<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010 Appropriations</b>	<b>% Change FY09 - FY10</b>	<b>FY 2011 Appropriations</b>	<b>% Change FY10 - FY11</b>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>ATH Ohio Athletic Commission</b>								
4K90	175609	Operating Expenses	\$ 247,624	\$ 250,179	\$ 247,624	-1.02%	\$ 247,624	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 247,624</b>	<b>\$ 250,179</b>	<b>\$ 247,624</b>	<b>-1.02%</b>	<b>\$ 247,624</b>	<b>0.00%</b>
<b>Ohio Athletic Commission Total</b>			<b>\$ 247,624</b>	<b>\$ 250,179</b>	<b>\$ 247,624</b>	<b>-1.02%</b>	<b>\$ 247,624</b>	<b>0.00%</b>