Ohio Athletic Commission

Senate Finance and Financial Institutions Committee

Sean Fouts, Budget Analyst

Legislative Service Commission

April 22, 2003

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LSC Redbook

for the

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Compare Document: Permanent and Temporary Law, As Introduced to As Passed by the House

LSC Budget Spreadsheet, Executive to House Passed Comparison

April 22, 2003

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

Ohio Athletic Commission

- Fee increases estimated to bring in an additional $14,720 in annual revenue
- FY 2002 4K9 Fund deficit of $49,186

OVERVIEW

The Ohio Athletic Commission was created by Am. Sub. SB 240 of the 121st General Assembly. The purpose of the Commission, which replaced the State Boxing Commission, is to regulate boxing, wrestling, kickboxing, karate, and tough man contests in the state in an effort to protect the safety of the participants and the interests of the public. The agency carries out its mission by setting standards for licensure of individuals, granting permits, and conducting events sanctioned by the Commission.

During the FY 1998-1999 biennium, the Commission was moved from the General Revenue Fund to the Occupational Licensing and Regulatory Fund (Fund 4K9). Revenues from licensing fees generated by the 22 occupational licensing boards are deposited into this fund and any revenues in excess of expenditures are held in this fund for future use by the Commission. The goal is for each board in the 4K9 Fund to be financially self-sufficient. In FY 2002, the Ohio Athletic Commission had a deficit of $49,186 in the 4K9 Fund.

According to figures provided by the Commission, approximately 700 licenses were issued in FY 2002. The Commission renews its licenses annually. Revenues and expenditures for FY 2002 were $95,157 and $144,343 respectively. Thus, the Commission had a deficit of $49,186.

In March 2001, the Athletic Commission began implementing the provisions of H.B. 107 of the 123rd General Assembly. This act required the Commission to license and regulate athlete agents. The act created the Athlete Agents Registration Fund in which athlete agent registration and renewal fees are deposited. The Governor's recommended budget eliminates this fund and places athlete agents within the Occupational Licensing Board Fund. The Commission has currently registered under 50 athlete agents. The Legislative Service Commission estimates that there are between 170 to 210 athlete agents operating in Ohio.

The Governor's recommended budget also increases fees for various licenses associated with boxing and professional wrestling. The estimated increase in annual revenue from these fee increases would be $14,720.

ANALYSIS OF EXECUTIVE PROPOSAL

Ohio Athletic Commission

Purpose: Regulates boxing, wrestling, kickboxing, karate, and tough man contests in the state.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4K9	175-609	Athletic Commission-Operating	$188,250	$200,205
Total funding: Ohio Athletic Commission			**$188,250**	**$200,205**

Ohio Athletic Commission

Program Description: In accordance with Chapter 3773. of the Revised Code, the Ohio Athletic Commission regulates prizefights, boxing, professional wrestling, and athlete agents within the state in an effort to protect the safety of the fight participants and the interests of the public.

Funding Source: Fund 4K9 (License fees)

Line Items: 175-609, Athletic Commission-Operating

Implication of the Executive Recommendation: The executive recommendation will allow this agency to maintain its current level of service. The Executive has recommended an appropriation of $188,250 in FY 2004, an increase of 5.0% over FY 2003 estimated spending, and $200,205 in FY 2005, a 6.4% increase over FY 2004.

ADDITIONAL FACTS AND FIGURES

Ohio Athletic Commission Staffing Levels						
					Estimated	
Program Series/Division	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Board Members	5	5	5	5	5	5
Administrative Staff	1	1	1	1	1	1
Investigators	0	0	0	0	0	0
Totals	**6**	**6**	**6**	**6**	**6**	**6**

The Board also employs one part-time secretary.

Number of Licensees and Current License Fees

License Type	FY 2002
Athlete Agent	26
Judge	65
Referee	25
Timekeeper	16
Manager	21
Trainer	68
Matchmaker	4
Second	132
Promoter	38
Boxer	317
Federal ID	335

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Commission's activities and spending decisions during the next biennium.

Permanent Law

Increases Fees for Certain Licenses (R.C. section 3773.43)

The provision increases fees for various licenses issued by the Athletic Commission. It also allows the Athletic Commission to establish fees 50% higher than the fees required in statute, with the approval of the Controlling Board. Current law allows the Commission to establish fees 25% higher than the fees required in statute, with the approval of the Controlling Board. The chart below shows the fees increased by this provision and the expected generated revenue, based on the number of such licenses issued last year. All revenues are deposited in the Occupational Licensing and Regulatory Fund (Fund 4K9).

License	Current Fee	Proposed Fee	Additional Revenue
Boxing promoter	$50 annually	$100 annually	$1,900
Contestant, referee, judge, matchmaker, manager, timekeeper, and trainer	$10 annually	$20 annually	$5,160
Permit to conduct a boxing match	$10 per event	$50 per event	$2,160
Professional wrestling promoter	$100 annually	$200 annually	$1,900
Permit to conduct a professional wrestling match	$50 per event	$100 per event	$3,600
Total			**$14,720**

Eliminates Athlete Agents Registration Fund (R.C. 4743.05 and 4711.22)

This provision eliminates Fund 5R1, the Athlete Agents Registration Fund and redirects all money received from the Athlete Agents law to the Occupational Licensing and Regulatory Fund (Fund 4K9). The net cash available in Fund 5R1, as of June 30, 2002, was $1,770.

Eliminates Requirement that Athletic Commission Maintain an Office in Youngstown (R.C. section 3773.33)

Current law requires the Athletic Commission to maintain an office in Youngstown and to keep all of its permanent records there. This provision eliminates that requirement. The Athletic Commission indicates that it would move its office to Cleveland if this provision becomes law.

Temporary Law

Transfer of Cash Balance From Fund 5R1

This provision requires the Director of Budget and Management to transfer the cash balance in the Athlete Agents Registration Fund (Fund 5R1), to the Occupational Licensing and Regulatory Fund (Fund 4K9).

REQUESTS NOT FUNDED

The Athletic Commission made one formal supplemental request that is funded in the Governor's recommended budget. The request was to provide a full-time office assistant and for continuation funding.

The Athletic Commission also proposed a 5% event tax on professional wrestling in order to fund Commission operations. This request is not included in the Governor's recommended budget.

General Services Fund Group

4K9 175-609 Athletic Commission-Operating

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
$128,011	$134,218	$138,984	$144,343	**$188,250**	**$200,205**
	4.8%	3.6%	3.9%	**30.4%**	**6.4%**

Source: GSF: Revenue received by the occupational licensing boards is deposited into Fund 4K9

Legal Basis: Section 24 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: Funds in this line item are used for general operating expenses, including payroll, supplies, and equipment for the Ohio Athletic Commission.

5R1 175-602 Athlete Agents Registration

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
$0	$0	$12,913	$35,000	**$0**	**$0**
	N/A	N/A	171.0%	**-100.0%**	**N/A**

Source: GSF: Registration and renewal fees collected from athlete agents

Legal Basis: ORC Sections 4771.07, 4771.08 and 4771.22 and Section 24 of Am. Sub. H.B. 94 of the 124th G.A.

Purpose: This appropriation is used to administer and enforce the law concerning athlete agents.

As Introduced	As Passed by the House
Subject: Eliminates Requirement of Youngstown Office	
R.C. ***3773.33***	**R.C.** ***3773.33***
Eliminates a requirement that the Athletic Commission maintain an office in Youngstown and keep all of its permanent records there. Fiscal effect: Potential increase in expenditures associated with moving costs if the Commission moves to Cleveland, as it has indicated.	No change.
Subject: Fee Increases	
R.C. ***3773.43***	**R.C.** ***3773.43***
Increases fees for various licenses and permits issued by the Athletic Commission. Increases boxing promoter fees from $50 annually to $100 annually, professional wrestling promoter fees from $100 annually to $200 annually, and increases various other licensing fees from $10 annually to $20 annually. Increases boxing permit fees from $10 per event to $50 per event, and professional wrestling permit fees from $50 per event to $100 per event. Allows the Commission to establish fees 50% higher than the fees required in statute. Current law allows the Commission to establish fees 25% higher than the fees required by statute. Fiscal effect: Increased revenues of approximately $15,000 annually to the Occupational Licensing and Regulatory Fund (Fund 4K9).	No change.

As Introduced	As Passed by the House
Subject: Eliminates Athlete Agents Registration Fund	
R.C. ***4743.05, 4711.22, Section 19***	**R.C.** ***4743.05, 4711.22, Section 19***
Eliminates the Athlete Agents Registration Fund (Fund 5R1) and redirects all money received from the Athlete Agents law to the Occupational Licensing and Regulatory Fund (Fund 4K9). Requires the Director of Budget and Management to transfer the cash balance in Fund 5R1 to Fund 4K9. Fiscal effect: An approximate $2000 increase to Fund 4K9.	No change.

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	Estimated 2003	As Introduced 2004	House Sub Bill 2004	% Change Est. 2003 to House 2004	As Introduced 2005	House Sub Bill 2005	% Change House 2004 to House 2005
ATH		**Ohio Athletic Commission**							
4K9	175-609	Athletic Commission-Operating	$144,343	$ 188,250	$ 188,250	30.4%	$ 200,205	$ 200,205	6.4%
5R1	175-602	Athlete Agents Registration	$35,000	$ 0	$ 0	-100.0%	$ 0	$ 0	N/A
General Services Fund Group Total			**$ 179,343**	**$ 188,250**	**$ 188,250**	**5.0%**	**$ 200,205**	**$ 200,205**	**6.4%**
Total All Budget Fund Groups			***$ 179,343***	***$ 188,250***	***$ 188,250***	***5.0%***	***$ 200,205***	***$ 200,205***	***6.4%***