

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Athletic Commission

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LBO Redbook

Ohio Athletic Commission

Quick look...

- The Ohio Athletic Commission (ATH) regulates boxing, mixed martial arts, professional wrestling, kickboxing, karate, and tough person contests, overseeing almost 1,700 active licenses in FY 2022.
- A five-member board governs the Commission. Day-to-day operations are managed by two full-time employees and one part-time employee.
- The Commission is fully supported by fees and receives no GRF funding.
- The executive budget recommendations total \$699,000 over the biennium: \$354,000 in FY 2024 and \$345,000 in FY 2025.
 - Uses of the budget are: 81.9% for personal services expenses and purchased personal services, 17.3% for supplies and maintenance, and 0.9% for equipment.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
4K90 ALI 175609, Operating Expenses					
\$278,715	\$245,178	\$325,328	\$307,780	\$354,000	\$345,000
% change	-12.0%	32.7%	-5.4%	15.0%	-2.5%

Agency overview

The Ohio Athletic Commission (ATH) regulates boxing, mixed martial arts, professional wrestling, kickboxing, karate, and tough person contests in an effort to protect the safety of the participants and the interests of the public. ATH sets standards for licensure of individuals, granting permits, and conducting sanctioned events. Ohio has been particularly active in regulating amateur mixed martial arts (MMA) events. Overall, ATH regulated almost 1,700 active licenses in FY 2022.

ATH's governing authority consists of five voting members appointed by the Governor. One member must be a doctor of medicine or osteopathy and two members must be knowledgeable in boxing and mixed martial arts. Members receive a per-diem amount fixed by law as well as reimbursement for actual and necessary expenses incurred as part of their duties. There are also two nonvoting members appointed by the General Assembly. Day-to-day operations are managed by an executive director, a full-time administrative assistant, and a part-time administrative assistant. The Commission receives no GRF funding; instead, its operations are entirely supported by fee revenue.

Analysis of FY 2024-FY 2025 budget proposal

The executive recommended budget provides funding of \$354,000 in FY 2024 and \$345,000 in FY 2025 for Ohio Athletic Commission operations under Fund 4K90 line item 175609, Operating Expenses. This funding is supported by fees collected from athletes, sporting officials, promoters, agents, and others in the field of boxing, wrestling, and mixed martial arts (MMA). The bulk of the funding recommended – just over \$570,000 (81.8%) for the biennium – will go toward payroll for the Executive Director and two administrative assistants. Of the remainder, approximately \$120,000 will go to supplies and maintenance, and \$6,000 will be used for equipment, while a very small amount, less than \$1,000, will be used for purchased personal services.

Operating statistics

Fee structure

The Commission issues several different types of licenses, permits, and identification cards. 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 Commission collects two national registrations – the Federal Boxing ID Card and the National Mixed Martial Arts ID Card. The former is valid for four years and the latter is valid for five years. These fees are deposited in the Occupational Licensing and Regulatory Fund (Fund 4K90).

Name of License or Permit	Fee Amount
Athlete Agent Registration (Two Years)	\$500
Boxing, Mixed Martial Arts, Tough Person Promoter License	\$150
Boxing, Mixed Martial Arts, Tough Person Event Permit	\$100
Nonofficials (Manager, Matchmaker, Second, Trainer) License	\$40
Competitor (Boxer, Mixed Marital Arts) License	\$40
Competitor (Tough Person) Application	\$30
Federal Identification Card for Boxers (Four Years)	\$20
National Identification Card for Mixed Martial Arts Fighters (Five Years)	\$20
Officials (Judge, Referee, Timekeeper) License	\$40
Professional Wrestling Match or Exhibition Permit	\$100
Replacement Cards	\$10
Professional Wrestling Promoter License	\$200

Revenues

Table 2 shows the Commission's operating revenues and expenditures between FY 2017 and FY 2022. Typically, the bulk of revenue collected comes from the permits, registrations, and licenses listed above. Ohio was one of the first states to regulate amateur MMA, attracting promoters from other states to host events in Ohio. Over time, Ohio lost this advantage as more

states adopted similar regulations. The Commission strives to host as many events as possible in Ohio by keeping fees relatively low. As a consequence, in certain fiscal years operating costs can be greater than fee income, as Table 2 illustrates. However, there is also a 5% event tax applied to gross ticket sales from major competitions. The proceeds from this tax can boost revenue considerably, as was the case in FY 2017 when the Commission collected approximately \$130,000 from an Ultimate Fighting Championship (UFC)-sponsored event hosted in Cleveland in September 2016. The Commission also saw an appreciable gain from the event tax in FY 2022, when it took in approximately \$208,000 from that source. Event tax receipts will likely be higher in FY 2023 as a result of a major professional wrestling event to be held in April of 2023.

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	\$353,169	\$160,412	\$157,301	\$137,955	\$73,310	\$337,715
Expenses	\$272,887	\$297,222	\$275,469	\$278,715	\$245,178	\$325,328
Net	\$80,282	-\$136,810	-\$118,168	-\$140,760	-\$171,868	\$12,387

Table 3 provides a closer look at Commission receipts for FY 2022. It shows the number of licenses, permits, and identification cards issued by the Commission, as well as the receipts from the 5% event tax during the fiscal year.

Revenue Source	Number Paying the Fee	Receipts
Athlete Agent Registration (Two Years)	97	\$48,500
Boxing, Mixed Martial Arts, Tough Person Promoter License	20	\$3,000
Boxing, Mixed Martial Arts, Tough Person Event Permit	60	\$6,000
Nonofficials (Manager, Matchmaker, Second, Trainer) License	576	\$23,040
Competitor (Boxer, Mixed Marital Arts) License	430	\$17,200
Competitor (Tough Person) Application	14	\$420
Federal Identification Card for Boxers (Four Years)	67	\$1,340
National Identification Card for Mixed Martial Arts Fighters (Five Years)	170	\$3,400
Officials (Judge, Referee, Timekeeper) License	37	\$1,480
Professional Wrestling Match or Exhibition Permit	158	\$15,800
Replacement Cards	1	\$10
Professional Wrestling Promoter License	36	\$7,200
Event Assessment – 5% of ticket sales	N/A	\$208,066
Fines and miscellaneous revenue	N/A	\$2,259
Total	1,666	\$337,715