

## MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on March 9, 2004 in Room 231-N of the Capitol.

All members were present.

Committee staff present:

Russell Mills, Legislative Research  
Dennis Hodgins, Legislative Research  
Theresa Kiernan, Revisor of Statutes' Office  
John Beverlin, Committee Secretary

Conferees appearing before the committee:

Representative Tom Burroughs  
Bill Rork  
George Clarke  
Rick Huddelston, Mix Marshal Arts  
Derek Stone

Others attending:

See Attached List.

Chairperson Brungardt called the meeting to order. He asked the committee to consider the approval of the minutes for the meetings of February 10, February 11, and February 17.

Senator Teichman made a motion to approve the minutes. The motion was seconded by Senator Barnett. The motion to approve the minutes for February 10, February 11, and February 17 passed.

Chairperson Brungardt opened the hearing for **Sub HB 2713, Establishing a boxing commission, athletic commission, athletic fee fund, licensing, procedures for complaints.** He welcomed Representative Tom Burroughs to the podium.

Representative Burroughs presented testimony to the committee concerning and in support of **Sub HB 2713 (Attachment 1)**. He also presented to the committee testimony in support of the bill that he had received (**Attachment 2**) from William K. Rork, (**Attachment 3**) from Tony Holden, (**Attachment 4**) from John Brown, (**Attachment 5**) from Bonnie Sharp, and (**Attachment 6**) from Peter Howes. Representative Burroughs also presented charts concerning revenue that could be generated by the Athletic Commission (**Attachment 7**) and (**Attachment 8**).

Representative Burroughs described the bill to the committee including the make-up of the Athletic Commission. He explained to the committee that the bill makes the Tough Man Contest illegal.

Chairperson Brungardt asked Representative Burroughs to expand on the economic development potentials of **Sub HB 2713**.

Representative Burroughs explained the media markets available for fights to the committee.

Chairperson Brungardt asked the committee for questions.

Senator Barnett asked how the bill would treat a city or county that did not wish to have fighting.

Representative Burroughs explained that the city or county would register with the Athletic Commission. The Athletic Commission would then keep a list and prevent sanctioned fights from occurring in those cities or counties.

Dennis Hodgins asked if the bill took away the local control to stage a fight and gave that control to the state. Representative Burroughs explained that the local communities do not have the personnel to deal with the

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE at 10:30 a.m. on March 9, 2004 in Room 231-N of the Capitol.

rules and regulations. He explained that the local authorities put themselves at risk for liability if somebody gets hurt. He further explained that the state, through the regulatory body of the Athletic Commission, could ensure the health of the fighters better than local authorities can.

Chairperson Brungardt thanked Representative Burroughs and asked Bill Rork to the podium.

Mr. Rork explained his support for **Sub HB 2713**. He explained that if the state does not put in place an Athletic Commission for the regulation of boxing, the state will not be able to have boxing past July 1, 2004. Mr. Rork explained that Kansas champion fighters now go to other states and even other countries to fight because of Kansas's lack of an Athletic Commission.

Chairperson Brungardt thanked Mr. Rork and welcomed George Clarke to the podium.

Mr. Clarke explained his support for **Sub HB 2713**. He explained to the committee that his wife has to go to Kansas City, Missouri, to fight because of the lack of an Athletic Commission in Kansas. He further explained that his number one goal is to protect fighters. He stated that because of the lack of a sanctioning body in Kansas, referees and judges have to come from other states when Kansas has a fight. Mr. Clarke explained that he felt these referees and judges do not offer the kind of protection and regulation Kansas fighters need.

Chairperson Brungardt thanked Mr. Clarke and welcomed Rick Huddelston to the podium.

Mr. Huddelston explained his support for **Sub HB 2713**. He explained that his company, CQCLC, is involved in mixed marshal arts. He explained the need to desire an Athletic Commission for the safety and protection of fighters. He further explained that MMA, mixed marshal arts, will be one of the most popular sports in the world within the next couple of years.

Chairperson Brungardt thanked Mr. Huddelston and welcomed Derek Stone to the podium.

Mr. Stone explained his support for **Sub HB 2713**, and presented to the committee an overview of the World Wrestling Entertainment ([Attachment 9](#)). Mr. Stone explained that he represented the National Wrestling Alliance. He explained his desire to protect wrestlers from dangerous stunts and conditions.

Chairperson Brungardt observed that the wrestling Mr. Stone was talking about is exhibition or demonstration as opposed to a fighting contest.

Mr. Stone stated that Chairperson Brungardt was correct.

Senator Clark asked if tickets for wrestling were subject to Kansas sales tax.

Mr. Stone stated that the tickets were subject to the tax.

Senator O' Connor asked for a definition of athletic competitions.

Theresa Kiernan explained that athletic competitions were defined on pages two and six.

Senator Clark wanted to know if wrestling was part of the definition for an athletic competition.

Representative Burroughs explained that wrestling was not regulated because of its predetermined outcome. He explained that the Athletic Commission will still oversee the licensing of the wrestler and referees, and make sure ambulatory services are provided for events.

Senator O' Connor asked about the regulation of amateur sports.

Representative Burroughs explained that amateur sports were not regulated in the bill.

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE at 10:30 a.m. on March 9, 2004 in Room 231-N of the Capitol.

Ms. Kiernan explained that some wording concerning the definition of the commission needed to be cleaned up. There was a problem with a license granted by a commission versus a license granted by the commissioner.

Chairperson Brungardt asked the committee for additional questions. None were asked.

The meeting was adjourned at 11:20 a.m. The next meeting is scheduled for March 10, 2004 at 10:30 a.m. in room 231-N.

Senate Federal and State Affairs Committee

Date: MARCH 9, 2004

Name:

Representing:

Derek Stone

National Wrestling Alliance/Pro Wrestling

Billy Bork

General Public | Judges, promoters, etc.

Mickey Mantle

General Public

Josh Bird

General Public

Travis Cox

General Public

T. Rolfs

" "

Rick Huddleston C.R.C., L.C.

MMA

George A. Clarke

Boxing

STATE OF KANSAS

TOM BURROUGHS  
REPRESENTATIVE, THIRTY-THIRD DISTRICT  
WYANDOTTE COUNTY  
3131 S 73RD TERRACE  
KANSAS CITY, KANSAS 66106  
(913) 375-1956  
STATE CAPITOL—RM. 284-W  
TOPEKA, KANSAS 66612-1504  
(785) 296-7688  
(1-800) 432-3924  
burroughs@house.state.ks.us



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

RANKING DEMOCRAT: ECONOMIC DEVELOPMENT  
COMMITTEE  
MEMBER: FEDERAL AND STATE AFFAIRS  
FINANCIAL INSTITUTIONS  
BOARD OF DIRECTORS: KANSAS INC  
RANKING DEMOCRAT: JT. COMMITTEE ON ECONOMIC  
DEVELOPMENT  
MEMBER: LEGISLATIVE POST AUDIT

TESTIMONY

CHAIRMAN BRUNGARDT AND MEMBERS OF THE COMMITTEE

THANK YOU FOR THIS OPPORTUNITY TO BRING BEFORE YOU TODAY SUBSTITUTE FOR HB 2713. SUBSTITUTE FOR HB2713 ESTABLISHES AN ATHLETIC COMMISSION AND THE POSITION OF BOXING COMMISSIONER.

IN JUNE 1980 THE LEGISLATURE ABOLISHED THE KANSAS ATHLETIC COMMISSION. THE MAIN REASON GIVEN BY LEGISLATIVE POST AUDIT WAS "SO FEW PROFESSIONAL BOXING MATCHES IN KANSAS (17 EVENTS DURING 1978) THAT ADMISSION TAX RECEIPTS FOR BOXING COULD NOT SUPPORT THE OPERATIONS OF A REGULATORY AGENCY. HOWEVER, THE AUDIT FOUND THERE WAS A DEFINITE NEED FOR SOME TYPE OF REGULATION.

OUR BILL WOULD ELIMINATE A STATE LAW GIVING LOCAL GOVERNMENTS LICENSING CONTROL OVER PRIZE FIGHTING, BOXING SPARRING, AND MIXED MARTIAL ARTS. INDUSTRY PARTICIPANTS WOULD INSTEAD BE LICENSED BY A BOXING COMMISSION AND/OR COMMISSIONER. IT ESTABLISHES UNIFORM GUIDELINES FOR PROMOTING AND CONDUCTING PROFESSIONAL BOUTS IN KANSAS.

OUR PRESENT SYSTEM IS TOO CUMBERSOME. CENTRALIZING AND STREAMLINING THE LICENSING PROCESS WILL HELP DRAW PROMOTERS AND ALLOW KANSAS TO COMPETE FOR TOP-FLIGHT EVENTS INCLUDING WORLD CHAMPIONSHIPS. ESTABLISHING A STRONG REGULATORY CLIMATE WILL INCREASE THE SAFETY FOR FIGHTERS AND CREATE A STRICT MANAGEMENT GUIDELINE FOR PROMOTERS.

THE INDUSTRY OF BOXING HAS EVOLVED. IT IS NO LONGER JUST A MAN'S SPORT. THE DISCIPLINE IS AS DIVERSE AS THE PARTICIPANTS WHO HAVE CONTRIBUTED TO IT'S GROWTH IN POPULARITY. THE PROLIFERATION OF SPORTS NETWORKS HAVE PROVIDED NEW REVENUES, MARKETING AND ADVERTISING OPPORTUNITIES.

I SUBMIT TO YOU KANSAS HAS A RICH BOXING HISTORY. WE SHOULD JOIN THE MAJORITY OF OTHER STATES ACROSS OUR GREAT NATION AND PROVIDE THE INDUSTRY AND OUR KANSAS ATHLETES THE OPPORTUNITY TO FIGHT AT HOME.

I ASK FOR YOUR CONSIDERATION AND FAVORABLE PASSAGE OF SUBSTITUTE FOR HB2713. THANK YOU! I WILL STAND FOR QUESTIONS.

Senate Federal and State Affairs Com.

Date: March 9, 2004

Attachment: # 1

WILLIAM K. RORK



**RORK**  
LAW OFFICE

e-mail  
rork@rorklaw.com

<http://www.rorklaw.com/>

February 6, 2004 1321 SW Topeka Blvd. • Topeka, KS 66612-1816  
Phone 785.235.1650 Fax 785.235.2421

Rep. Tom Burroughs  
300 SW 10<sup>th</sup> Ave  
Room 284-W  
Topeka, KS 66603

RE: Boxing Commissioner

Dear Mr. Burroughs:

I appreciate the opportunity to write and provide whatever information I can, reference support of House Bill No. 2713 reference Boxing Commissioner for the State of Kansas.

I have been associated with boxing, in one form or another, since 1972. For at least the last ten years I have been involved as a judge, for many of the boxing matches put on in the Topeka, KS and surrounding areas. Earlier on, I was associated with judging, announcing, organizing, and various other phases in Golden Gloves Boxing.

I fully understand that if a Boxing Commissioner is not established in this State, Kansas will lose in having those activities needing to be presented in surrounding states. I have a lot of appreciation for the manner in which boxing has been handled here. I know as the boxing matches continue, larger and larger venues are a result.

From holding the semi-finals for the Golden Glove Boxing Association, whose winners went to the training camp in Colorado Springs, to other boxing matches in the area, this sport is greatly attended by people within the community. There are many financial and other incentives involved.

It is hard to describe and to put words in a letter expressing how significant the importance for passing this House Bill No. 2713 is. I understand the matter is to have testimony on Thursday, February 12, 2004 starting at around 3:30PM. I will be present and would be available to make such statements or address any questions you or other members of the Committee may have.

"In all criminal prosecutions, the accused shall enjoy the right to have the Assistance of Counsel for his defence"

Senate Federal and State Affairs Com.

Date: March 9, 2004

Attachment: # 2

February 6, 2004  
Page 2



RORK LAW OFFICE

I know that Pete Jackson, a local fireman here, has been associated with every boxing match in this State. He has a clear understanding of the duties involved and administers his responsibilities, very carefully. I believe he would be a great asset, should the legislation pass, for nomination as the first Commissioner. He has been involved in all facets of the boxing association events, and is well recognized by other Commissioners who must travel from surrounding states, when we hold fights, here in Kansas.

Again, your efforts in sponsoring this legislation is greatly appreciated. Kansas will continue to thrive in this area, as many of our athletes continue traveling throughout the United States and the world, competing in professional fights.

Sincerely,

A handwritten signature in cursive script that reads "Billy Rork".

WILLIAM K. RORK

WKR/ag

t1b tbrgh

# HOLDEN PRODUCTIONS

February 12, 2004

To: Home Economic Development Committee  
Attn: Kenny Wilk

Dear Sirs,

I am sorry that I can not be there today in person but I would like to voice how I stand on the issue of a Boxing Commission in the State of Kansas. It is very important for a State to have a commission in place because it instills integrity, and most important the well being and safety for the fighters. I refuse to promote a show in a state without a Boxing Commission. If Kansas does form a Commission, I would like to bring a few televised TV productions to the State. Thank you for your time and I hope that the committee will consider forming a Boxing Commission for the State of Kansas.

Sincerely,



Tony Holden  
President



**RINGSIDE INC.**

"THE BEST IN BOXING"

6950 DICE LANE  
LENEXA, KS 66215-1152877-4-BOXING  
(913) 888-7766  
(913) 888-2198 FAX  
WWW.RINGSIDE.COM

February 11, 2004

Tom Burroughs  
State of Kansas Representative  
Federal Court District

Dear Representative Burroughs:

I hope this letter finds you enjoying excellent health.

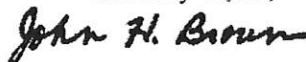
I just wanted to give to you my signed endorsement of your house bill concerning the establishment of a state athletic commission.

Without question a stable and well-organized athletic commission in the state of Kansas will provide the potential of bringing many top quality athletic events to the state. The regulation of these events will make them safe, and make the state of Kansas attractive to promoters from around the country as a possible venue.

I know that there is interest in the promotion of professional boxing, mixed martial arts, and other combat arts in the state of Kansas and the commission again will be able to regulate and insure the safety of the participants.

I think this commission will have a positive economic impact on the state of Kansas eventually and I wish you the best of luck with the passage of your bill.

Sincerely Yours,

John Brown,  
CEO Ringside, Inc.  
Chairman Missouri Valley USA Boxing

Senate Federal and State Affairs Com.

Date: MARCH 9, 2004

Attachment: # 4

STATE OF KANSAS

**BONNIE SHARP**  
REPRESENTATIVE, THIRTY-FIRST DISTRICT  
WYANDOTTE COUNTY  
4218 DIXIE COURT  
KANSAS CITY, KANSAS 66106  
(913) 831-2339

STATE CAPITOL—RM. 273-W  
TOPEKA, KANSAS 66612-1504  
(785) 296-7656



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
MEMBER: APPROPRIATIONS  
PUBLIC SAFETY BUDGET  
COMMITTEE  
STATE TRIBAL RELATIONS JOINT  
COMMITTEE

Thank you Chairman Wilk and Committee members for allowing me to submit written testimony today.

I stand in support of House Bill 2713, which creates a State Boxing Commission. Many talented athletics live in my district and across our great state; however, some cannot participate in their chosen profession in Kansas. Our state lacks the structure and oversight to allow boxing and other similar professional venues. Unless a “Commission” is established soon, our young professionals will not be able to showcase their talents in their home state.

I have listened to these professionals and after talking to many experts in the field, I believe House Bill 2713 is necessary to address their concerns. Therefore, I ask for your consideration and favorable passage of House Bill 2713.

Senate Federal and State Affairs Com.

Date: MARCH 9, 2004

Attachment: # 5

# Howes

E n t e r t a i n m e n t



February 3, 2004

Representative Tom Burroughs  
Room 284 West  
State Capital  
Topika, KS 66612-1504

Dear Representative Burroughs:

I am not surprised to learn that your legislation to start an Athletic Commission in Kansas has gained such momentum! I know that you and Representative Bonnie Sharp have invested considerable time in conducting your research and drafting your Bill. I also know that you have assembled an exceptional *brain trust* of advisors to advance the interests of your State with respect to those sports that could now be properly regulated.

While the Professional Boxing Safety Act of 1996 and the Muhammad Ali Boxing Reform Act of 2000 have done much to improve the sport, State oversight continues to be the most effective in assuring compliance with necessary rules and regulations. Your Athletic Commission will provide for safety and professionalism while at the same time generating revenue from fees and event taxes. I am sure, if passed, that the Kansas State Athletic Commission will become a model in the industry.

Please let me know if I can assist in any way.

Sincerely,

Peter Howes  
General Manager

Senate Federal and State Affairs Com.

Date: MARCH 9, 2004

Attachment: #

6

2:20 AM

/29/04

Accrual Basis

**Athletic Commission - Revenue  
Profit & Loss**  
July 1, 2003 through January 29, 2004

	<u>Jul 1, '03 - Jan 29, 04</u>
Income	
3001 Live Gate Fees	725,988.81
3002 Permits	4,100.00
3003 License Fees	48,675.00
3004 TV Fees	249,632.94
3005 Fines	7,700.00
3006 Misc. Income	561.25
3007 Grant Funds	39,765.00
3008 Comp Gate Fees	39,268.82
Total Income	<u>1,115,691.82</u>
Expense	<u>0.00</u>
Net Income	<u><u>1,115,691.82</u></u>

Senate Federal and State Affairs Com.

Date: ~~MM-04~~ 9, 2004

Attachment: #

7

9:21 AM

/29/04

Accrual Basis

**Athletic Commission - Revenue  
Profit & Loss  
July 2002 through June 2003**

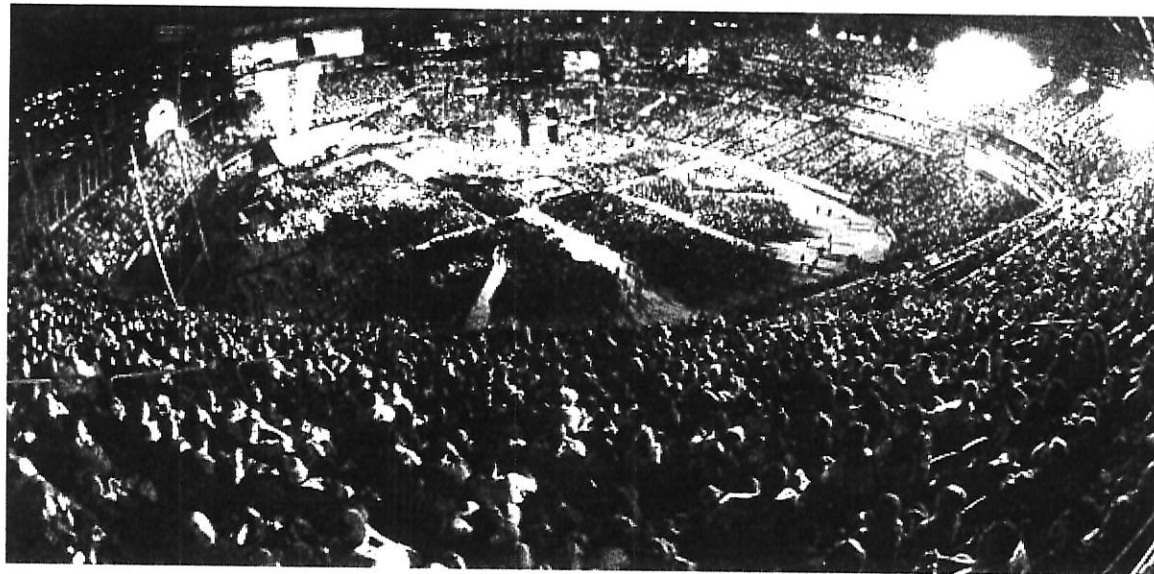
	<u>Jul '02 - Jun 03</u>
<b>Income</b>	
3001 Live Gate Fees	1,211,679.66
3002 Permits	12,275.00
3003 License Fees	109,975.00
3004 TV Fees	553,331.17
3005 Fines	102,570.00
3006 Misc. Income	207.25
3007 Grant Funds	85,640.00
3008 Comp Gate Fees	126,965.16
<b>Total Income</b>	<u>2,202,643.24</u>
<b>Expense</b>	<u>0.00</u>
<b>Net Income</b>	<u><u>2,202,643.24</u></u>

Senate Federal and State Affairs Com.

Date: **MARCH 9, 2004**

Attachment: # **8**

# ***World Wrestling Entertainment™***



## ***An Overview***

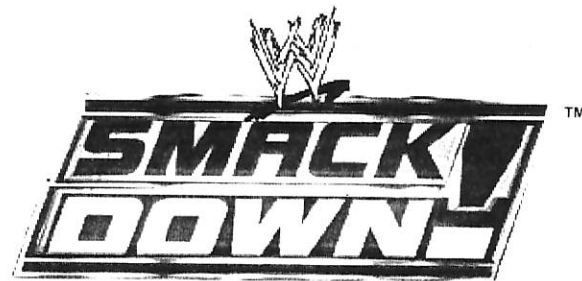
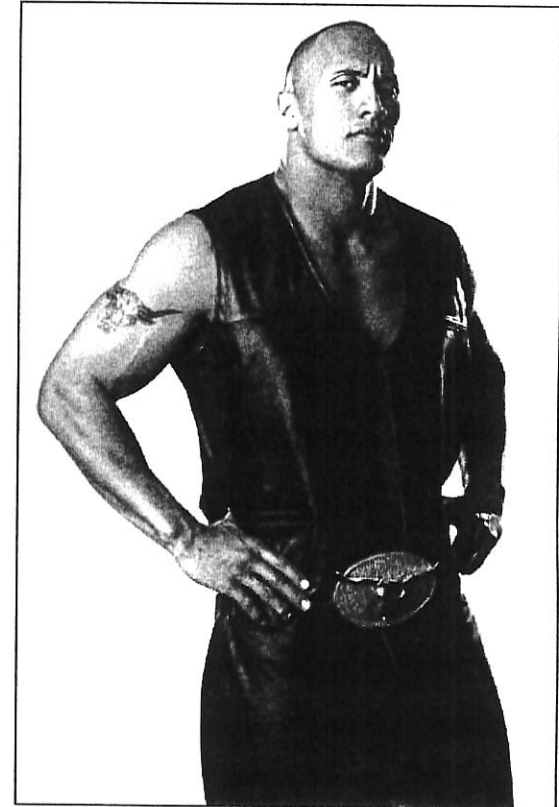


# ***World Wrestling Entertainment, Inc.***

- **Integrated media and entertainment company involved in the sports entertainment business for more than 20 years**
- **Two principal activities:**
  - **The creation, marketing and distribution of live events and televised entertainment**
  - **The marketing and promotion of branded merchandise**

# U.S. TELEVISION/PROGRAMMING

- 9 hours of national programming each week delivering approximately 20 million impressions.
- No reruns; original programming year-round.
- *RAW* is consistently the top-rated regularly scheduled show on cable.
- *SmackDown!* is the top-rated regularly scheduled show on the UPN network.





# INTERNATIONAL TELEVISION

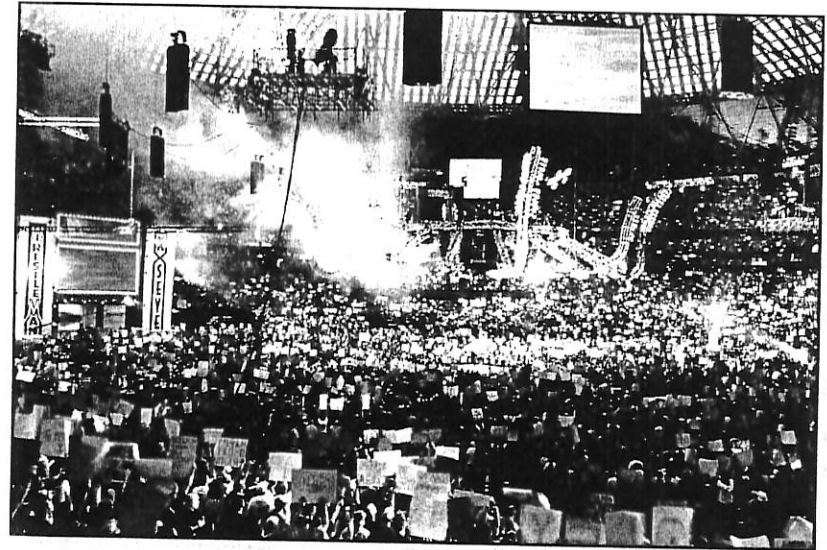
- Over 100 countries worldwide broadcast WWE programming in 12 different languages
- Over 10,000 hours of first run programming sold internationally
- Offices in Canada and United Kingdom



# **LIVE EVENTS**

## U.S.

- 2002 attendance – 2 million
- 325 scheduled events in 2003

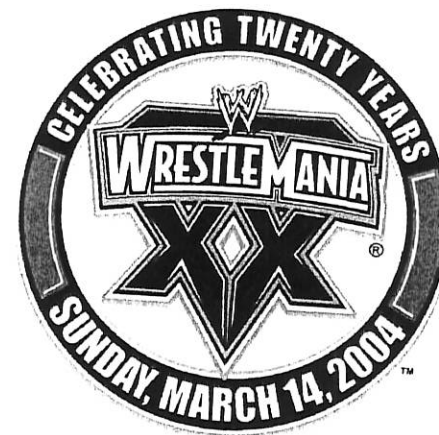


## INTERNATIONAL

- WWE “sold-out” shows have been held in UK, Germany, France, Italy, Spain, Israel, Japan, Kuwait, Dubai, Bahrain, Malaysia, Singapore, Philippines, Hong Kong, India and South Africa
- 4 international live event tours in 2002
- 8 international live event tours scheduled for 2003

# **PAY PER VIEW**

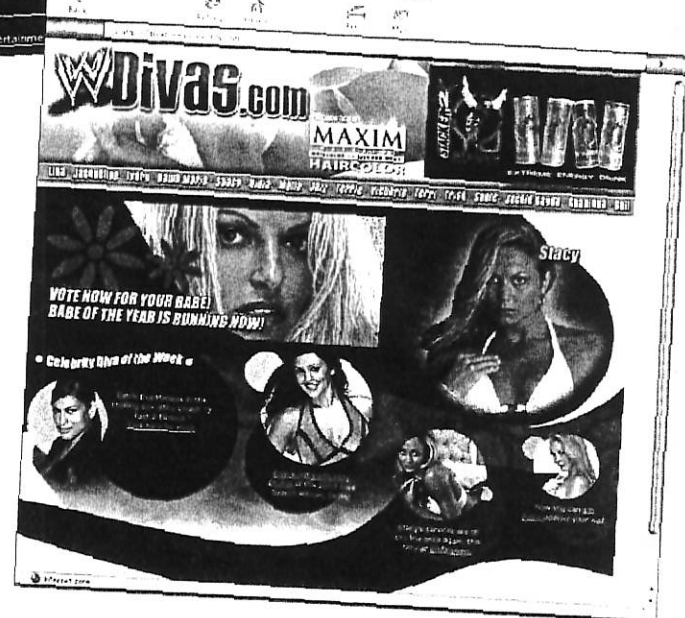
- #1 PPV provider worldwide
- 12 domestic PPV events per year (one each month)
- 5.5 million worldwide PPV buys in fiscal 2003
- Distributes our PPV events to more than 100 countries





# GLOBAL MEDIA

- 5.8 million unique visitors per month
- Over 200 million page views per month
- More than 6 million video streams are downloaded monthly





# **LICENSING**

- **Over 70 domestic and international licensees**
- **Approximately \$500 million in retail sales in 2002**
- **Key licensed categories include video games, action figures, books, and trading cards**

# **PUBLISHING – BOOKS IN PRINT**

## Books In Print

- 19 titles to date
- Over 4.5 million gross units sold to date
- 12 titles have appeared on NY Times Best Seller's list
  - Three #1 Best Sellers
  - One #2 Best Seller



# PUBLISHING - MAGAZINES

## U.S.

- WWE and RAW Magazines sold over 7.5 million copies in the past year.

## UK

- WWE and RAW Magazines sold over 2.4 million copies in the past year.
- World Wrestling Entertainment & RAW Magazines are #1 and #2 imported magazines surpassing *National Geographic*.

## WORLDWIDE

- Local distribution partnerships are currently in negotiation.



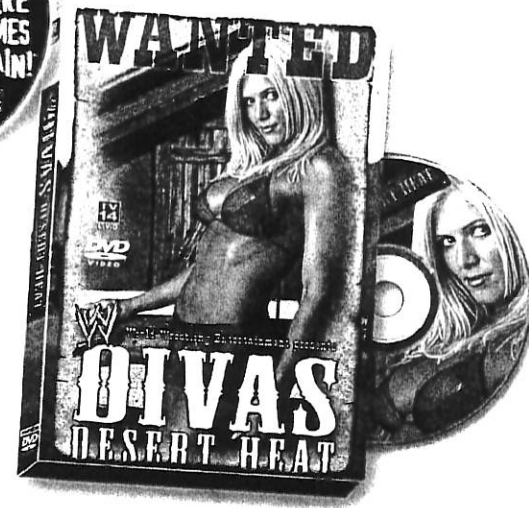


# HOME VIDEO

- World Wrestling Entertainment videos and DVDs consistently rank among the top best selling home videos in the *Billboard Magazine* "Recreation Sports" category.
- Current international licensing deals in over 13 countries.
- More than 25 videos and DVD titles shipped in 2002.
- Sony is exclusive U.S. distributor



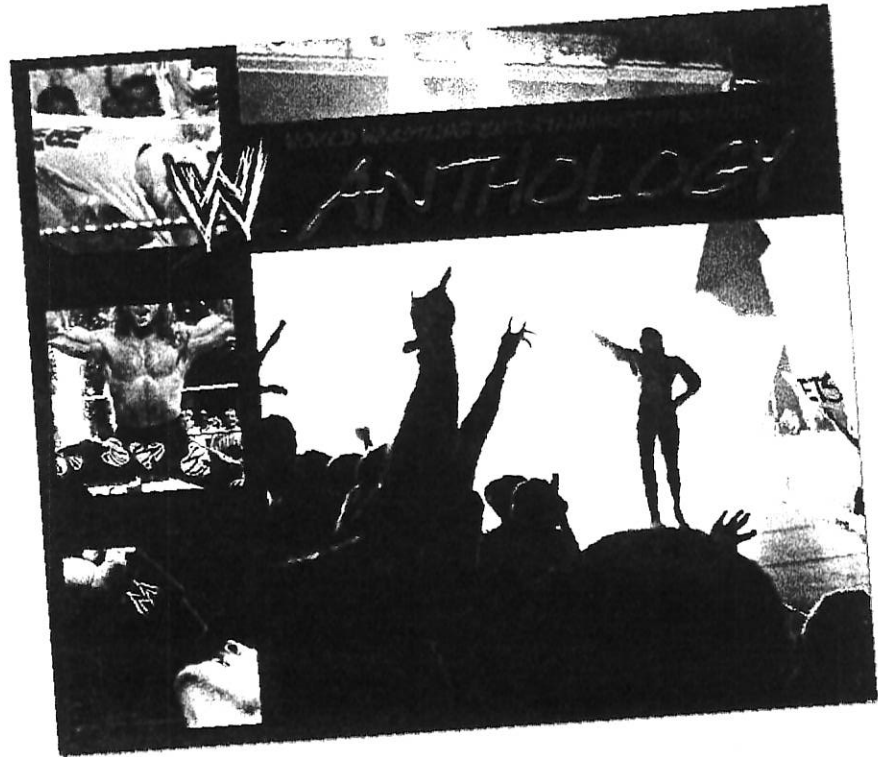
World Wrestling Entertainment™





# MUSIC

- *WWE The Music: Volumes 3 and 4* both achieved platinum status (1 million copies sold)
- *WWE Aggression, WWE The Music: Volume 5* and *Forceable Entry* achieved gold status
- *WWE Anthology* shipped platinum



# **VIEWER PROFILE**

WWE, Inc. commissioned Applied Research & Consulting LLC (ARC) to engage in a research program to learn more about WWE consumers.

## World Wrestling Entertainment Adults

### Income

- Household income is \$50,735 (national average is \$40,816)

### Employment

- 53% of adult viewers 18 - 54 categorize their occupations as “professional” or “white collar”

# **VIEWER PROFILE**

## **Education**

- **30% have attained a four-year college degree (national norm 20%)**
- **64% have attended college (national norm 48%)**

## **Asset Ownership**

- **86% own one or more cars (average value \$17,500)**
- **57% intend to purchase a new car in the near future**
- **Average home value is approximately 25% higher than the national average**

## **Adoption of New Communications, Electronics and Information Media**

- **77% have access to the internet (national average 60%)**
- **56% own cell phones (national average 34%)**
- **The average viewer household owns 1.3 computers**

# VIEWER PROFILE

## Age Demographics

- Approximately than 20 million viewer impressions each week
- 67% male/33% female
- 75% are 18 or older
- 44% are between the ages of 12 and 34
- 31% are between the ages of 18 and 34
- 56% are 34 or younger
- 23% are younger than age 12
- Adult 18+ NASCAR viewers are 91% more likely to watch WWE programming than the typical U.S. adult 18+