

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairperson Lana Gordon at 3:30 P.M. on March 14, 2006 in Room 526-S of the Capitol.

All members were present except:

Judy Loganbill- Absent
Mark Treaster- Absent
Valdenia Winn- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Rena Jefferies, Revisor of Statutes
Helen Pedigo, Revisor of Statutes
Carlene Maag, Committee Secretary

Conferees appearing before the committee:

Aaron Davis, Boxing Commissioner
Joe Kelly, Titian Entertainment, LLC
Representative Tom Burroughs

Others attending:

See attached list.

Staff gave an overview of the 2004 House sub for **HB 2713** which created the Kansas Regulated Sports Act. The bill established an Athletic Commission within the Department of Commerce. The five members of the Athletic Commission is appointed by the Governor, and the Commission appoints the Boxing Commissioner.

The bill provides for complaint and hearing processes, multiple licensing, and injunction power for the Athletic Commission. The bill identifies, but does not regulate, amateur events. (Attachment 1)

Chairperson Gordon welcomed Aaron Davis, Commissioner of Boxing to the Committee. The Mission Statement of the Kansas State Athletic Commission shall: work toward making Kansas a model state for the welfare of boxers, kickboxers, wrestlers, and martial artists.

The Vision Statement adopted by the Kansas Athletic Commission states: The Kansas State Athletic Commission fosters a sound and safe environment in which the sports of boxing, kickboxing, wrestling and martial arts can thrive. Since August 2005, there has been a great amount of excitement, enthusiasm and support for the activities of the Kansas Athletic Commission. Of the 19 events that have been held, 11 were wrestling, seven boxing, and one featured mixed martial arts.

Kansas City, Lawrence, Fort Scott, Holton, Pittsburgh, Topeka and Wichita have hosted events. Junction City is scheduled to host an event in April.

Kansas has a number of exciting fighters including Kansas City's Sumya Anani whose record is 25-1 including 11 knockouts. (Attachment 2)

The Committee was given copies of newspaper articles and other media coverage of Kansas Athletic Commission activities and events.

Joe Kelly, Titian Entertainment, LLC gave oral testimony pertaining to the positive aspects of a Boxing Commissioner. A Commissioner will handle the legal aspects leaving more time for the promoter to focus on the goals of aligning fights. Having an Athletic Commission allows fighters to fight in their home town. A fighter being popular in their home town will help them to be popular as they go further out in the world.

Mr. Kelly told the Committee it was good that when the Athletic Commission was formed it included Mixed Martial Arts. Mixed Martial Arts is one of the more popular growing sports in the country.

CONTINUATION SHEET

MINUTES OF THE House Economic Development Committee at 3:30 P.M. on March 14, 2006 in Room 526-S of the Capitol.

Representative Tom Burroughs told the Committee two things that were important to the Boxing Commission was integrity of the industry and fighter safety. It is the Boxing Commissioner's responsibility after an event to insure information gets to "fight facts" in a timely and accurate manor. No one can change information that has been entered into "fight facts" except the Boxing Commissioner.

Six months after the inception of the Boxing Commission, a fighter from Kansas won a world title. The industry is growing; it is obvious people are knowledgeable about the issue. It is possible as the industry grown, changes will need to be made to the legislation.

Discussion followed the presentation.

Committee was provided information from the Department of Commerce regarding WIA Expenditure Information. (Attachment 3)

The meeting was adjourned at 4:30. The next meeting is scheduled for March 16, 2006.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE GUEST LIST

DATE: 3-14-06

NAME	REPRESENTING
Aaron Davis	Kansas Athletic Commission
Joe Kelly	Titan Entertainment LLC
Justin Yearley	Commerce
Pat Martin	Titan Ent.
Dan Konbar	Kansas Inc

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT ON
SENATE SUBSTITUTE FOR
HOUSE SUBSTITUTE FOR HOUSE BILL NO. 2713**

As Agreed to April 1, 2004

Brief*

Senate Substitute for House Sub. for HB 2713 would create Kansas Professional Regulated Sports Act. The substitute bill would establish an Athletic Commission within the Department of Commerce. The five members of the Athletic Commission would be appointed by the Governor, and the Commission would appoint a Boxing Commissioner.

The Athletic Commission would have general charge and supervision of all regulated sports and professional wrestling performances held in the state. In addition, rules and regulations would include a requirement that the promoter is to purchase indemnity coverage and a surety bond in amounts determined by the Commission. The Commission would be responsible for issuing and, if necessary, revoking licenses to referees, judges, physicians, managers, contestants, timekeepers, seconds, promoters, and matchmakers for professional boxing, sparring, wrestling, kickboxing, and full-contact karate contests. The Commission may refuse to issue a license for future regulated sports contest or may revoke or suspend a license previously issued if prohibited conduct occurs. At least five percent of the gross receipts of regulated sports, so that combined with all other revenues of the Commission, would cover the cost of administering and enforcing the provisions of the Act. The Commission would be required to recommend a taxing and fee structure for all regulated sports to the 2005 Legislature. Beginning July 1, 2007, 20 percent of all fees would be transferred to the State General Fund from the Athletic Fee Fund account. The Senate Committee added the amendment to KSA 2003 Supp. 79-3606(a) so the new gross receipts tax imposed by the Athletic Commission would not eliminate state and local sales taxation. That statute provides a sales tax exemption for transactions subject to other taxes, except

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

where double taxation is specifically authorized (as in the case of cigarettes, certain cereal malt beverages, the rental car excise tax, and the drycleaning excise tax).

The Boxing Commissioner would be paid a salary set by the Governor and would be subject to a background check. The Boxing Commissioner may require a contestant on medical suspension to undergo any medical test necessary to prove such contestant is medically fit to lift the suspension. A mandatory medical suspension of any contestant who loses consciousness or who has been injured as a result of blows received to the head or body during a professional contest is 180 days.

The bill also provides for complaint and hearing processes, multiple licensing, and injunction power for the Athletic Commission. Finally, the bill identifies, but does not regulate, amateur events.

Conference Committee Action

In the Conference Committee, the House conferees agreed to the Senate amendments to the bill.

Background

Proponents for the bill included Representatives Burroughs; Representative Sharp; Damon Reed, Professional Boxer/Promoter; George Clark, Boxing Promoter, Fire Fighter; Sumya Anani, World Champion Boxer; Billy Rork, Attorney and Fight Judge; and representatives of the Association of Boxing Commissions, World Wrestling Entertainment, Nevada Boxing Commission, Ringside Inc., and Howes Entertainment.

H.R. Cook, General Manager of the Kansas ExpoCentre, was an opponent to the original bill.

The House Committee of the Whole amended the bill by adding professional mixed martial arts to the list of regulated sports. Also, the Commission would now have the authority to refuse to issue a license for future regulated sports contests or may revoke or suspend a license previously issued if prohibited conduct occurs.

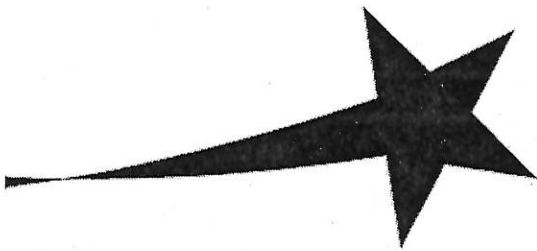
A technical amendment added by the Senate Committee would insure that the receipts from regulated sports contests would continue to be subject to state and local sales taxation (in addition to the new gross receipts tax imposed by the Athletic Commission).

The fiscal note indicates that the lowest initial startup costs for the Athletic Commission would be \$58,408 in FY 2005, which would have to come from either the State General Fund or the Economic Development Initiatives Fund, according to the Department of Commerce. Of these costs, \$52,408 would be for salaries and wages attached to the Boxing Commissioner and \$6,000 would be for operating costs. The Department makes no estimates regarding revenue to the Athletic Fee Fund.



KANSAS
DEPARTMENT OF COMMERCE

Howard R. Fricke, Secretary



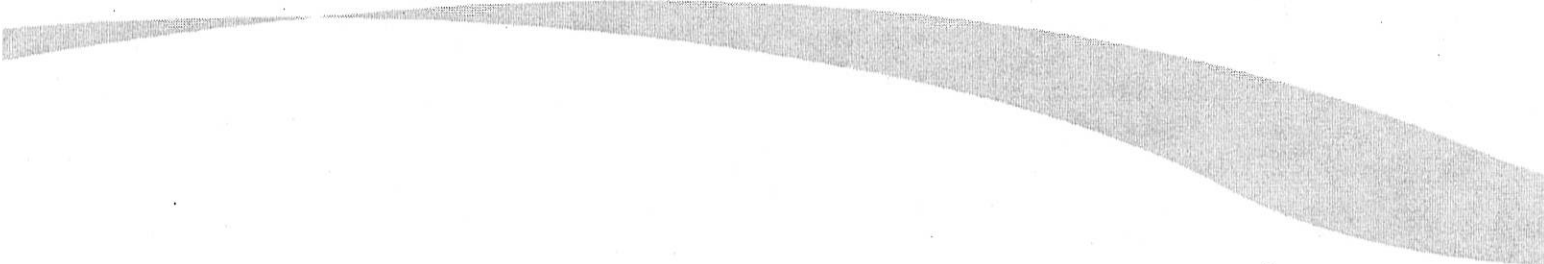
Kansas Athletic Commission Report

Presented by Aaron Davis, Boxing Commissioner

to the

House Committee on Economic Development

March 14, 2006



For more information on this topic contact:

Aaron Davis

Phone: (785) 296-3481

amdavis@kansascommerce.com

www.kansascommerce.com

House Economic Development
Attachment 2
March 14, 2006

Kansas Athletic Commission Report to the
House Economic Development Committee
March 14, 2006, 3:30 p.m. at the
State Capital Building Room 526 South

I would like to thank Chairperson Gordon and members of the committee for allowing me the opportunity to give a brief report about the activities of the Kansas Athletic Commission.

The Kansas Athletic Commission is comprised of five commissioners: Dr. Mark Balderston, Chair, of Shawnee Mission, Vice-Chair Dan Pratt of Bonner Springs, Ronald Holt of Wichita, Dr. Todd Herrenbruck of Salina, and Rep. Tom Burroughs of Kansas City, Kansas.

The Mission Statement adopted by the Kansas Athletic Commission provides as follows:

The Kansas State Athletic Commission shall work toward making Kansas a model state for the welfare of boxers, kick boxers, wrestlers, and martial artists. We shall continually strive to provide authorized control and official direction of professional boxing, kickboxing, wrestling, and martial art contests conducted and exhibited within Kansas. We shall encourage promoting these sporting events to the State of Kansas while continuing to heighten public awareness regarding these athletic competitions.

The Vision Statement adopted by the Kansas Athletic Commission states:

The Kansas State Athletic Commission fosters a sound and safe environment in which the sports of boxing, kickboxing, wrestling and martial arts can thrive. The Boxing Commissioner and the Kansas Athletic Commission regulate and facilitate high quality competitive sporting events while striving to protect the health and welfare of all participants and spectators.

From the time I was hired as the State Boxing Commissioner in August of 2005, there has been a great amount of excitement, enthusiasm and support for the activities of the Kansas Athletic Commission expressed to me from both the boxing community and the business community. Since the summer of 2005, 19 events have been held and \$18,244.39 in revenues have been collected on behalf of the Kansas Athletic Commission. Of the 19 events held, eleven were wrestling events, seven were boxing events and one event featured mixed martial arts. Approximately 19,430 people have attended these events. Cities that have hosted events include: Kansas City, Lawrence, Fort Scott, Holton, Pittsburgh, Topeka and Wichita. In April, Junction City is scheduled to host an event. Venues have included the Mid-American Indian Center, the Topeka Expo Centre, the Lawrence National Guard Armory, the Pittsburgh National Guard Armory, the Holton Fairgrounds Building and Memorial Hall in Kansas City, Kansas.

Kansas has a number of exciting fighters including Kansas City's Sumya Anani whose record is 25-1 including 11 knockouts. She is the owner of the IBA Welterweight Title belt and is considered one of the best fighters in the world. Topeka's Jorge Michie Munoz has a 13-0 record and is considered a quality fighter. Marc Thompson of Topeka is 15-1 and fought for the WBO NABO Light Welterweight title last month at the Tropicana Hotel and Casino in Atlantic City, an event which was available on a pay-per-view basis.

Attached for the committee's information are copies I have collected of some of the newspaper articles and other media coverage of Kansas Athletic Commission activities and events.

I welcome any questions.

MEMO



DEPARTMENT OF COMMERCE

1000 S.W. Jackson Street, Suite 100

Topeka, Kansas 66612-1354

(785) 296-1913 Fax: (785) 296-6809

TTY (Hearing Impaired): (785) 296-3487

legal@kansascommerce.com

www.kansascommerce.com

DATE: March 13, 2006

TO: Representative Lana Gordon, Chair
Representative Terrie Huntington, Vice Chair

FROM: Robert E. North, Chief Attorney *REN*

CC:

RE: Request for WIA Expenditure Information from
House Economic Development Committee

Attached you will find two charts which provide information regarding the flow of WIA funds from the state to the Local Areas. The first chart, titled "WIA PY'05 Summary" shows the total state WIA allotment of \$20,969,849.00 and shows how that amount is disbursed throughout the Local Areas. Also included are the amounts of state set-aside allocated for statewide rapid response.

The second chart is more detailed and has a breakdown of funding by program for each of the Local Areas. This includes the WIA required funding streams for Adult, Youth and Dislocated Worker funding purposes.

As you know, WIA is not the only federal funding stream used for services to older workers. Commerce received \$6,619,274 in Wagner-Peyser funding in PY'05. Based on the number of older workers served compared to overall expenditures, Commerce estimates an expenditure of approximately \$600,000 for older workers from the PY'05 Wagner-Peyser funds. Approximately 7,000 older workers received services from Wagner-Peyser programs.

Hopefully this is responsive to your request. If you have further questions regarding this matter, please let us know.

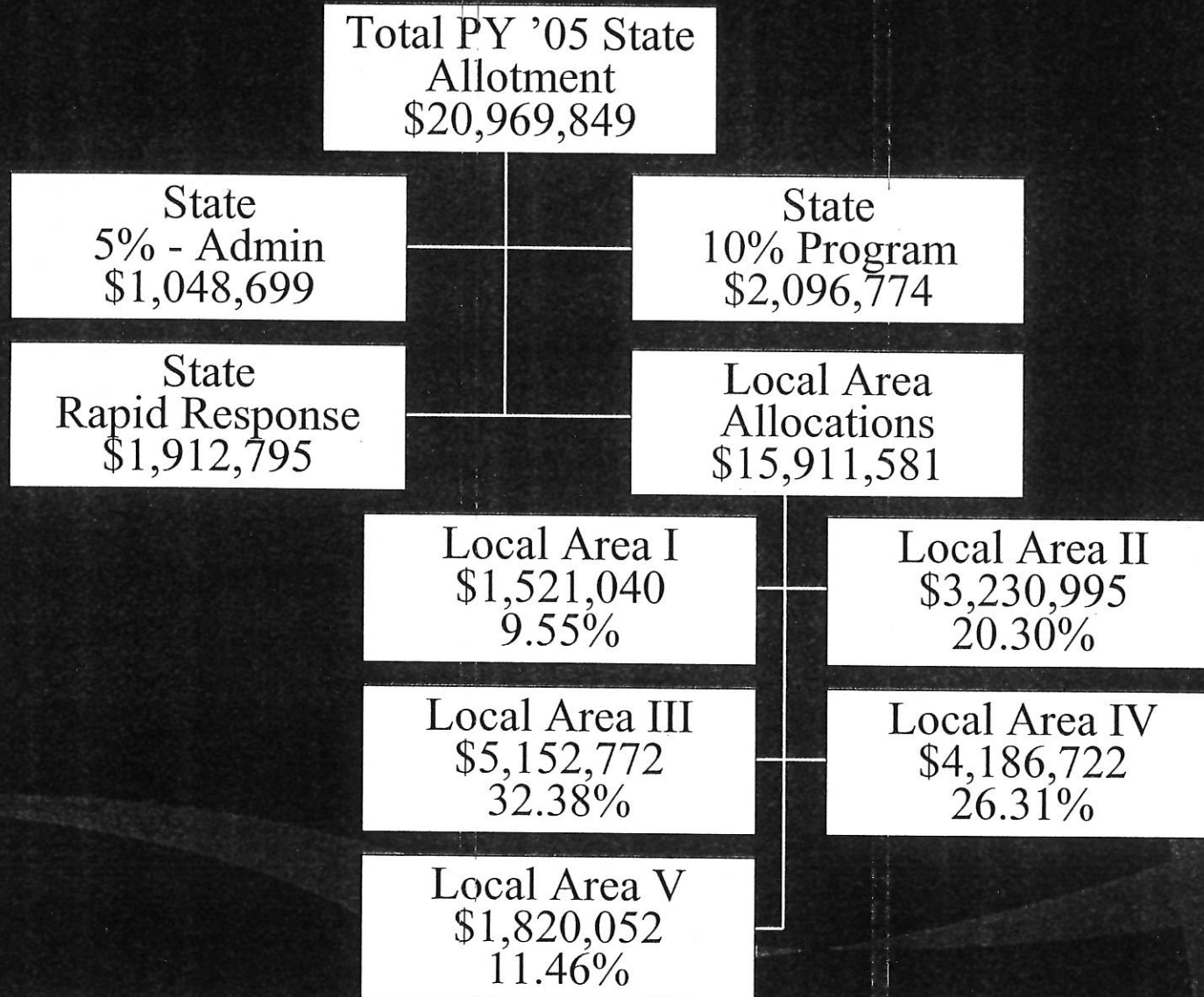
REN:bw

Attachments

cc: Patricia Clark
Rae Anne Davis
Blake Flanders
Melissa Doeblin

House Economic Development
Attachment 3
March 14, 2006

WIA PY'05 Summary



Area WIA Allocations PY 05

WIA Funding
PY 05

Rapid Response
\$1,912,795

Adult
\$6,014,471

Youth
\$7,304,197

Dislocated
Worker
\$7,651,181

State
Set-Aside
\$902,168

State
Set-Aside
\$1,095,629

State
Set-Aside
\$1,147,676

Local Area
Adult
\$5,112,303

Local Area
Youth
\$6,208,568

Local Area
DW Funding
\$4,590,710

Area I
9.70%
\$495,894

Area I
9.65%
\$599,127

Area I
9.28%
\$426,019

Area II
19.20%
\$981,562

Area II
20.94%
\$1,300,074

Area II
20.68%
\$949,359

Area III
28.83%
\$1,473,876

Area III
28.88%
\$1,793,034

Area III
41.08%
\$1,885,862

Area IV
29.97%
\$1,532,157

Area IV
28.19%
\$1,750,195

Area IV
19.70%
\$904,370

Area V
12.30%
\$628,814

Area V
12.34%
\$766,138

Area V
9.26%
\$425,100