

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1368

Short Title: Boxing Commission Changes.

(Public)

Sponsors: Representatives Ives, Lemmond, and Black.

Referred to: Finance.

May 28, 1996

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT THE STATE BOXING COMMISSION WILL NOT REGULATE AMATEUR BOXING AND TO LEVY A GROSS RECEIPTS TAX ON SALES OF CLOSED-CIRCUIT TELECASTS AND PAY-PER-VIEW TELECASTS OF BOXING MATCHES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-650 reads as rewritten:

"§ 143-650. Legislative findings and declarations.

The General Assembly finds and declares to be the public policy of this State that it is in the best interest of the public and of boxing that boxing should be subject to an effective and efficient system of strict control and regulation in order to:

(1) Protect the safety and well-being of participants in boxing; and

(2) Promote the public confidence and trust in the regulatory process and the conduct of boxing.

To further the public confidence and trust, the provisions of this Article are designed to regulate all persons, practices, and associations related to the operation of any live professional boxing event, performance, or contest held in North Carolina."

Sec. 2. G.S. 143-651 reads as rewritten:

"§ 143-651. Definitions.

~~As used in this Article:~~ The following definitions apply in this Article:

- 1 (1) ~~"Amateur" means a person who has never received or competed for any~~
2 ~~purse or other article or thing of value for participating in a match.~~
- 3 (2) ~~"Announcer" means any Announcer. – A person who engages in the act of~~
4 ~~announcing a boxing match.~~
- 5 (3) ~~"Boxer" means any Boxer. – A person who engages as a participant in a~~
6 ~~boxing match.~~
- 7 (4) ~~"Boxing match" means a Boxing match. – A match where-in which the~~
8 ~~participants engage in the use of boxing techniques (using the fist only),~~
9 ~~and where the object of a match is to win by decision, knockout (KO),~~
10 ~~or technical knockout (TKO), and shall include (TKO). The term~~
11 ~~includes kickboxing matches as defined in this section.~~
- 12 (4.1) Closed-circuit telecast. – A telecast in, from, or into this State of a
13 match if the telecast is not intended to be available for viewing
14 without the payment of a fee, collected for or based upon each event
15 viewed, for the privilege of viewing the telecast. The term includes
16 'pay-per-view' telecasts to private residences and telecasts to arenas,
17 bars, clubs, entertainment or meeting centers, and similar facilities.
- 18 (5) ~~"Commission" means the Commission. – The North Carolina State~~
19 ~~Boxing Commission.~~
- 20 (6) ~~"Contest" means a Contest. – A boxing match in which the participants~~
21 ~~strive earnestly to win.~~
- 22 (7) ~~"Contestant" means any Contestant. – A person who engages as a~~
23 ~~participant in a boxing match.~~
- 24 (8) ~~"Exhibition" means a Exhibition. – A boxing match where-in which the~~
25 ~~participants display their boxing skills and technique without~~
26 ~~necessarily striving to win.~~
- 27 (9) ~~"Judge" means a Judge. – A person who has a vote in determining the~~
28 ~~winner of any match or contest.~~
- 29 (10) ~~"Kickboxer" means any person who engages as a participant in a~~
30 ~~kickboxing match.~~
- 31 (11) ~~"Kickboxing match" means a Kickboxing match. – A match in which the~~
32 ~~participants engage in martial arts fighting techniques using the hands~~
33 ~~and the feet, and where-in which the object of the match is to win by~~
34 ~~decision, knockout (KO), or technical knockout (TKO).~~
- 35 (12) ~~"Licensee" means any Licensee. – A person, club, corporation,~~
36 ~~organization, or association to whom a license has been issued pursuant~~
37 ~~to the provisions of this Article.~~
- 38 (13) ~~"Manager" means any Manager. – A person, including an officer of a~~
39 ~~corporate manager and a managing partner of a partnership manager,~~
40 ~~who controls or administers the boxing affairs of any contestant, and~~
41 ~~who:~~
42 a. By contract, agreement, or other arrangement with any person
43 undertakes or has undertaken to represent in any way the interest

- 1 of the contestant in any professional boxing contest in which the
2 boxer is to participate as a contestant, and is entitled under that
3 contract, agreement, or arrangement to receive monetary or other
4 compensation for ~~his~~ the person's services, without regard to the
5 sources of the compensation, except that the term "~~manager~~" shall
6 not be construed to mean any ~~does not include an~~ attorney licensed
7 to practice in this State whose participation in the activities is
8 restricted solely to ~~his~~ representing the interests of a professional
9 boxer as ~~his~~ the attorney's client;
- 10 b. Directs or controls the professional boxing activities of any
11 professional boxer; or
- 12 c. Receives or is entitled to receive a percentage of the gross purse
13 or gross income of any professional boxing contest.
- 14 (14) "~~Match~~" means any Match. – A boxing contest or exhibition, ~~and~~
15 exhibition. The term includes any event, engagement, sparring or
16 practice session, ~~show~~ show, or program ~~where to which~~ the public is
17 admitted and in which there is intended to be physical contact, whether
18 an exhibition or contest. This ~~definition term~~ does not include training or
19 practice sessions when no admission is charged.
- 20 (15) "~~Matchmaker~~" means a Matchmaker. – A person through whom matches
21 are arranged for participants and who otherwise assists participants in
22 procuring engagement dates for boxing.
- 23 (16) "~~Natural person~~" means an individual.
- 24 (17) "~~Participant~~" means any Participant. – A person who engages in a match
25 or exhibition and performs as a boxer.
- 26 (18) "~~Person~~" means an Person. – An individual, a group of individuals, a
27 business, a corporation, a partnership, or any other individual or
28 collective entity.
- 29 (19) "~~Physician~~" means an Physician. – An individual licensed to practice
30 medicine in this State.
- 31 (20) "~~Professional~~" means any Professional. – A person who has received or
32 competed for any purse or other article or thing of value for
33 participating in a boxing match. When describing a match, the term
34 means a match in which a professional has participated.
- 35 (21) "~~Promoter~~" means any Promoter. – A person, including an officer of a
36 corporate promoter and a managing partner of a partnership promoter,
37 who produces, arranges, stages, holds, or gives any match in North
38 Carolina involving a professional participant.
- 39 (22) "~~Referee~~" means the Referee. – The official ~~who shall enter and remain~~
40 enters and remains in the ring for the duration of a match and ~~shall~~
41 enforce enforces the rules and ~~maintain~~ maintains order in the ring.
- 42 (23) "~~Ring official~~" means any person who performs an official function for
43 the duration of a match.

1 (24) "~~Second~~" means any Second. – A person who will work or be present in
2 the corner of a participant for the duration of a match.

3 (25) "~~Timekeeper~~" means any Timekeeper. – A person who will operate the
4 clock or watch for the duration of a match for the purpose of keeping
5 the official time of the match.

6 (26) "~~Ultimate warrior match~~" means a Ultimate warrior match. – A match
7 where the participants use any combination of boxing, kicking,
8 wrestling, hitting, punching, or other combative, contact techniques and
9 which combination of techniques is not specifically authorized by and
10 conducted pursuant to this Article."

11 Sec. 3. Article 2 of Chapter 105 of the General Statutes is amended by adding
12 a new section to read:

13 "**§ 105-102.7. Closed-circuit telecasts of boxing matches.**

14 (a) Definitions. – The definitions provided in G.S. 143-651 apply in this section.
15 In addition, the following definitions apply in this section:

16 (1) Gross receipts. – Gross revenues without any deduction for
17 commissions, brokerage fees, distribution fees, production fees,
18 advertising, or other expenses or charges. The term does not include
19 any federal, State, or local taxes.

20 (2) Telecast agent. – A person that makes available or provides its
21 customers a closed-circuit telecast. The term includes the owner of a
22 facility at which the telecast is made available to customers and the
23 owner of a cable television system, as defined in G.S. 153A-137.

24 (b) Tax Levied. – A privilege tax is imposed on every promoter who makes a
25 closed-circuit telecast of a boxing match from, in, or into this State. The tax is at the rate
26 of six percent (6%) of the promoter's total gross receipts from closed-circuit telecast sales
27 in this State. This tax is in addition to all other taxes.

28 (c) Administration. – Except as otherwise provided in this section, the tax
29 imposed in this section shall be collected and administered as provided in this Article and
30 Article 9 of this Chapter. The tax imposed in this section shall be collected and
31 administered by the North Carolina State Boxing Commission. References in this Article
32 and Article 9 of this Chapter to the Department of Revenue or the Secretary shall mean
33 the North Carolina State Boxing Commission for the purpose of this section. The
34 penalties provided in Article 9 of this Chapter apply to the tax imposed in this section.

35 (d) When Tax Due. – The tax imposed in this section is due and payable within 15
36 days after the promoter's receipt of taxable gross receipts. A promoter subject to the tax
37 shall provide any information required by the Commission to facilitate collection of the
38 tax.

39 (e) Telecast Agents. – The Commission may require a telecast agent to provide
40 information necessary to aid in the collection of the tax imposed in this section. A
41 telecast agent is not liable for the tax imposed in this section but the agent may bill its
42 customers for the tax on behalf of the promoter.

1 (f) Use of Proceeds. – The Commission shall credit the net proceeds of the tax
2 imposed in this section to the State Boxing Commission Revenue Account created in
3 G.S. 143-655. The net proceeds of the tax may be used only for the Commission's costs
4 of administering Article 68 of Chapter 143 of the General Statutes and this section."

5 Sec. 4. G.S. 143-652 reads as rewritten:

6 "**§ 143-652. State Boxing Commission.**

7 (a) Creation. – The North Carolina State Boxing Commission is created within the
8 Department of the Secretary of State to regulate ~~live professional~~ boxing matches, ~~whether~~
9 ~~professional or amateur,~~ matches in North Carolina. The Commission shall consist of five
10 voting members and two advisory members. All the members shall be residents of North
11 Carolina. The members shall be appointed as follows:

12 (1) One voting member shall be appointed by the Governor for an initial
13 term of two years.

14 (2) One voting member shall be appointed by the General Assembly upon
15 the recommendation of the President Pro Tempore of the Senate for an
16 initial term of one year, in accordance with G.S. 120-121.

17 (3) One voting member shall be appointed by the General Assembly upon
18 the recommendation of the Speaker of the House of Representatives for
19 an initial term of one year.

20 (4) Two voting members shall be appointed by the Secretary of State. One
21 shall serve for an initial term of three years, and the other shall serve for
22 an initial term of two years.

23 (5) One nonvoting advisory member shall be appointed by the General
24 Assembly upon the recommendation of the Speaker of the House of
25 Representatives for an initial term of one year, in accordance with G.S.
26 120-121, from nominations made by the North Carolina Medical
27 Society, which shall nominate two licensed physicians for the position.

28 (6) One nonvoting advisory member shall be appointed by the General
29 Assembly upon the recommendation of the President Pro Tempore of
30 the Senate for an initial term of one year, in accordance with G.S. 120-
31 121, from nominations made by the North Carolina Medical Society,
32 which shall nominate two licensed physicians for the position.

33 The two nonvoting advisory members shall advise the Commission on matters
34 concerning the health and physical condition of boxers and health issues relating to the
35 conduct of exhibitions and boxing matches. They may prepare and submit to the
36 Commission for its consideration and approval any rules that in their judgment will
37 safeguard the physical welfare of all participants engaged in boxing.

38 Terms for all members of the Commission except for the initial appointments shall be
39 for three years.

40 The Secretary of State shall designate which member of the Commission is to serve as
41 chair. A member of the Commission may be removed from office by the Secretary of
42 State for cause. Each member before entering upon the duties of a member shall take and
43 subscribe an oath to perform the duties of the office faithfully, impartially, and justly to

1 the best of the member's ability. A record of these oaths shall be filed in the Department
2 of the Secretary of State.

3 (b) Vacancies. – Members shall serve until their successors are appointed and have
4 been qualified. Any vacancy in the membership of the Commission shall be filled in the
5 same manner as the original appointment. Vacancies for members appointed by the
6 General Assembly shall be filled in accordance with G.S. 120-122. A vacancy in the
7 membership of the Commission other than by expiration of term shall be filled for the
8 unexpired term only.

9 (c) Meetings. – Meetings of the Commission shall be called by the chair or by any
10 two members of the Commission, and meetings shall be held at least quarterly. Any three
11 members of the Commission shall constitute a quorum at any meeting. Action may be
12 taken and motions and resolutions adopted by the Commission at any meeting by the
13 affirmative vote of a majority of the members of the Commission present at a meeting at
14 which a quorum exists. Any or all members may participate in a regular or special
15 meeting by, or conduct the meeting through the use of, any means of communication by
16 which all members participating may simultaneously hear each other during the meeting.
17 A member participating in the meeting by this means is deemed to be present in person at
18 the meeting.

19 (d) Rule-Making Authority of the Commission. – The Commission shall have the
20 exclusive authority to issue rules for the regulation of the conduct, promotion, and
21 performances of ~~live~~-professional boxing matches and exhibitions in this State. The rules
22 shall be issued pursuant to the provisions of Chapter 150B of the General Statutes and
23 may include, without limitation, the following subjects:

- 24 (1) Requirements for issuance of licenses and permits required by this
25 Article.
- 26 (2) Regulation of ticket sales.
- 27 (3) Physical requirements for contestants, including classification by
28 weight and skill.
- 29 (4) Supervision of matches and exhibitions by licensed physicians and
30 referees.
- 31 (5) Insurance and bonding requirements.
- 32 (6) Compensation of participants and licensees.
- 33 (7) Contracts and financial arrangements.
- 34 (7.1) Collection of the gross receipts tax on closed-circuit telecasts
35 pursuant to G.S. 105-102.7.
- 36 (8) Prohibition of dishonest, unethical, and injurious practices.
- 37 (9) Facilities.

38 (e) Compensation. – None of the members of the Commission shall receive
39 compensation for serving on the Commission. However, members of the Commission
40 may be reimbursed for their expenses in accordance with the provisions of Chapter 138
41 of the General Statutes.

42 (f) Staff Assistance. – The Secretary of State shall provide staff assistance to the
43 Commission."

1 Sec. 5. G.S. 143-653 reads as rewritten:

2 **"§ 143-653. Ultimate warrior matches prohibited.**

3 Ultimate warrior ~~matches, whether the participants are professionals or amateurs,~~ matches
4 are prohibited. No person shall promote, conduct, or engage in ultimate warrior matches.
5 This section shall not preclude boxing and kickboxing as regulated in this Article or
6 professional wrestling. "

7 Sec. 6. G.S. 143-654(a) reads as rewritten:

8 "(a) License and Permit Required. – It is unlawful for any person to act in this State
9 as an announcer, contestant, judge, manager, matchmaker, promoter, referee, timekeeper,
10 or second unless the person is licensed to do so under this Article. It is unlawful for a
11 promoter to present a match in this State unless the promoter has a permit issued under
12 this Article to do so. It is unlawful for a person to make a closed-circuit telecast of a
13 match in, into, or from this State except under the direction and control of a promoter
14 licensed under this Article; no permit is required, however, to make the telecast. The
15 Commission has the exclusive authority to issue, deny, suspend, or revoke any license or
16 permit provided for in this Article."

17 Sec. 7. G.S. 143-654(b) reads as rewritten:

18 "(b) License. – A license issued under this Article must be renewed annually on or
19 before January 1. A license for an announcer, contestant, judge, matchmaker, referee,
20 timekeeper, or second shall be issued only to ~~a natural person. A natural person an~~
21 individual. An individual shall not transfer or assign a license or change it into another
22 name. A license for a manager or promoter may be issued to a corporation or partnership;
23 provided, however, that all officers or partners shall submit an application for individual
24 licensure, and only those officers or partners who are licensed shall be entitled to
25 negotiate or sign contracts. The addition of a new officer or partner during the license
26 period shall necessitate the filing of an application for individual licensure by the new
27 officer or partner.

28 An applicant for a license shall file with the Commission the appropriate
29 nonrefundable fee and any forms, documents, medical examinations, or exhibits the
30 Commission may require in order to properly administer this Article. The information
31 requested shall include the date of birth and social security number of each applicant as
32 well as any other personal data necessary to positively identify the applicant and may
33 include the requirement of verification of any documents the Commission deems
34 appropriate. A person may not participate under a fictitious or assumed name in any
35 match unless the person has first registered the name with the Commission."

36 Sec. 8. G.S. 143-656 reads as rewritten:

37 **"§ 143-656. Contracts and financial arrangements.**

38 Any contract between a boxer and any other licensee and any contract involving a
39 boxing match or exhibition ~~held or to be held~~ in this State must meet the requirements of
40 administrative rules as set forth by the Commission. Any contract which does not satisfy
41 the requirements of the administrative rules shall be void and unenforceable. All
42 contracts shall be in writing."

1 Sec. 9. Section 3 of this act becomes effective October 1, 1996, and applies to
2 sales made on or after that date. The remainder of this act is effective upon ratification.