

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 9, 2005

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2546 by Goolsby (relating to the combative sports program.), **Committee Report 1st House, As Amended**

No significant fiscal implication to the State is anticipated.

The bill would amend the Occupations Code by defining combative sports terms relating to the Combative Sports Program in the Department of Licensing and Regulation (TDLR), such as "amateur", "amateur combative sports association", and "contest". The bill would define "combative sports" to include boxing, kickboxing, martial arts, and mixed martial arts, where participants voluntarily engage in full contact to score points, to cause an opponent to submit, or to disable an opponent in a contest, match, or exhibition.

The bill states that an elimination tournament and wrestling promoter registration and application may not be conducted in this state by repealing Sections 2052.103, 2052.105, 2052.106, and Subchapter E, Chapter 2052, of the Occupations Code. According to TDLR, previous legislation placed sufficient restrictions on elimination tournaments to reduce their frequency to one or two events a year, so tax revenue from that particular type of tournament is assumed to be insignificant.

The bill would broaden the scope of matches subject to a 3 percent gross receipts tax, split the tax base to distinguish between ticket and broadcast right sales, and cap the tax collections from the broadcast rights base at \$30,000. The revenue implications of this provision would depend on the number, popularity, and timing of the events subject to tax and are estimated by TDLR to be insignificant.

Based on information provided by TDLR, it is assumed that the provisions of this bill could be implemented utilizing existing resources.

The bill would take effect September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, MW, DE, RR