

Assembly Bill No. 52

CHAPTER 436

An act to amend, repeal, and add Section 18824 of the Business and Professions Code, relating to athletic events, making an appropriation therefor.

[Approved by Governor September 13, 2000. Filed
with Secretary of State September 14, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 52, Cedillo. Athletic events: fees.

Existing law, the Boxing Act, provides for the regulation by the State Athletic Commission of specified contests, matches, and exhibitions, including boxing, kickboxing, martial arts, wrestling and other full or partial contact contests, matches, or exhibitions. Existing law provides that every person who conducts a contest or wrestling exhibition pay the commission a fee of 5% of the amount paid for admission to the contest or wrestling exhibition.

This bill would, until January 1, 2006, impose a \$100,000 limit on the fees derived from the amount paid for admission to any one boxing contest and would also require that if those fees exceed \$70,000, the amount in excess of \$70,000 be paid $\frac{1}{2}$ to the commission and $\frac{1}{2}$ to the Boxers' Pension Account. Because this bill would provide for an increase in the amount deposited into the Boxers' Pension Account, a continuously appropriated special account within the General Fund, it would make an appropriation. This bill would require the commission to submit a report to the Legislature, by December 31, 2004, addressing the impact and effect of this act on commission revenues, the sport of boxing, and the Boxers' Pension Account.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 18824 of the Business and Professions Code is amended to read:

18824. (a) Except as provided in Sections 18646 and 18832, every person who conducts a contest or wrestling exhibition shall, within 72 hours after the determination of every contest or wrestling exhibition for which admission is charged and received, furnish to the commission a written report executed under penalty of perjury by one of the officers, showing the number of tickets issued or sold for the contest or wrestling exhibition, the amount of the gross receipts or value thereof, and the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other



exploitation of broadcasting and television rights of the contest or wrestling exhibition, and without any deductions, except for expenses incurred for one broadcast announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross taxable base when those expenses are approved by the commission. The person shall also, within the same time, pay to the commission a fee of 5 percent, exclusive of any federal taxes paid thereon, of the amount paid for admission to the contest or wrestling exhibition, except that for any one boxing contest, the fee shall not exceed the amount of one hundred thousand dollars (\$100,000), and a fee of up to 5 percent of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof, except that in no case shall the fee be less than one thousand dollars (\$1,000). The minimum fee for an amateur contest or exhibition shall not be less than five hundred dollars (\$500). The amount of the gross receipts upon which the fee provided for in this section is calculated shall not include any assessments levied by the commission under Section 18711.

The fee on admission shall apply to the amount actually paid for admission and not to the regular established price.

No fee is due in the case of a person admitted free of charge. However, if the total number of persons admitted free of charge to a boxing, kickboxing, or martial arts contest or wrestling exhibition exceeds 25 percent of the total number of spectators, then a fee of one dollar (\$1) per complimentary ticket or pass used to gain admission to the contest shall be paid to the commission for each complimentary ticket or pass that exceeds the numerical total of 25 percent of the total number of spectators.

(b) If the fee on admissions for any one boxing contest exceeds seventy thousand dollars (\$70,000), the amount in excess of seventy thousand dollars (\$70,000) shall be paid one-half to the commission and one-half to the Boxers' Pension Account.

(c) As used in this section, "person" includes a promoter, club, individual, corporation, partnership, association or other organization, and "wrestling exhibition" means a performance of wrestling skills and techniques by two or more individuals, to which admission is charged or which is broadcast or televised, in which the participating individuals are not required to use their best efforts in order to win, and for which the winner may have been selected before the performance commences.

(d) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 2. Section 18824 is added to the Business and Professions Code, to read:

18824. (a) Except as provided in Sections 18646 and 18832, every person who conducts a contest or wrestling exhibition shall, within



72 hours after the determination of every contest or wrestling exhibition for which admission is charged and received, furnish to the commission a written report executed under penalty of perjury by one of the officers, showing the number of tickets issued or sold for the contest or wrestling exhibition, the amount of the gross receipts or value thereof, and the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of the contest or wrestling exhibition, and without any deductions, except for expenses incurred for one broadcast announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross taxable base when those expenses are approved by the commission. The person shall also, within the same time pay to the commission a 5 percent fee, exclusive of any federal taxes paid thereon, of the amount paid for admission to the contest or wrestling exhibition, and up to 5 percent of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof, except that in no case shall the fee be less than one thousand dollars (\$1,000).

(b) The minimum fee for an amateur contest or exhibition shall not be less than five hundred dollars (\$500). The amount of the gross receipts upon which the fee provided for in this section is calculated shall not include any assessments levied by the commission under Section 18711.

The fee on admission shall apply to the amount actually paid for admission and not to the regular established price.

No fee is due in the case of a person admitted free of charge; provided, however, if the total number of persons admitted free of charge to a boxing, kickboxing, or martial arts contest or wrestling exhibition exceeds 25 percent of the total number of spectators, then a fee of one dollar (\$1) per complimentary ticket or pass used to gain admission to the contest shall be paid to the commission for each complimentary ticket or pass that exceeds the numerical total of 25 percent of the total number of spectators.

(c) As used in this section, “person” includes a promoter, club, individual, corporation, partnership, association or other organization, and “wrestling exhibition” means a performance of wrestling skills and techniques by two or more individuals, to which admission is charged or which is broadcast or televised, in which the participating individuals are not required to use their best efforts in order to win, and for which the winner may have been selected before the performance commences.

(d) This section shall become operative on January 1, 2006.

SEC. 3. The State Athletic Commission shall, by December 31, 2004, submit a report to the Legislature on the impact and effect of this act. The report shall include, at a minimum, an assessment of the act’s impact on the following:



- (a) The net changes in enhancing the ethical competition of the sport of boxing.
- (b) The net increase in revenues collected by the commission.
- (c) The net increase in revenues deposited into the Boxers' Pension Account.

