

**SUBJECT:** Revising regulation of boxing and other combative sports

**COMMITTEE:** Licensing and Administrative Procedures — favorable, as amended

**VOTE:** 7 ayes — Flores, Goolsby, Hamilton, Homer, D. Jones, Morrison, Quintanilla

0 nays

2 absent — Geren, Chisum

**WITNESSES:** None

**BACKGROUND:** Occupations Code, ch. 2052 governs combative sports, including boxing. Sec. 2052.151 levies a tax of 3 percent of gross receipts on a person who:

- conducts a boxing event, including an elimination tournament, in which an admission fee is charged;
- exhibits a live, pay-per-view telecast of a boxing event; or
- conducts certain amateur boxing events.

**DIGEST:** HB 2546 would make several changes to the regulation of boxing and other combative sports in Texas.

**Definitions.** The bill would define “combative sports” as sports, including boxing, kickboxing, and martial arts, where participants engage in full contact to score points, cause an opponent to submit, or disable an opponent. It would not include student training or exhibitions conducted by martial arts schools where the students’ participation was for recreational purposes and where only partial contact occurred. A “contest” would be defined as a combative sports engagement in which participants earnestly strove to win. An “exhibition” would be defined as a combative sports skills demonstration. A “match” would be defined as any contest or exhibition.

An “amateur” would be defined as a person who had never competed for any purse or compensation that exceeded the maximum amount established by a combative sports association. An “amateur combative

sports association” would be defined as a nonprofit organization that produced or staged combative sports events in which all the contestants were amateurs.

“Boxing” would be defined as competing with fists. “Kickboxing” would be defined as competition through the delivery of blows with some combination of fists, arms, feet, and legs. “Martial arts” would be defined as any of the disciplines described by commission rule in which contestants engage in unarmed combat to win a contest by causing an opponent to submit, by scoring points, or by disabling an opponent. “Mixed martial arts” would be defined as unarmed combat using a combination of martial arts disciplines.

A “professional combative sports contestant” would be a person competing in a combative sports event for a purse or compensation. A “promoter” would be any person who produced, arranged, advertised, conducted, or staged a combative sports event.

**Regulation by TCLR and TDLR.** The Texas Commission of Licensing and Regulation (TCLR) could adopt rules governing boxing, kickboxing, martial arts, or mixed martial arts contests and exhibitions. The commission also could adopt rules governing regulated amateur events. A person would not be able to act as a promoter of a regulated combative sports event unless the person held a license issued by the Texas Department of Licensing and Regulation (TDLR).

**Exemptions.** TDLR licensing and bonding requirements under ch. 2052 would not apply to certain amateur events. These would include:

- an event conducted by a college, school, or university as part of the institution’s athletic program in which only students participated;
- an event conducted by the Texas National Guard or a law enforcement agency in which only members of the military or law enforcement participated;
- an event conducted by an organization of the Olympic Games, the Paralympic Games, or the Pan-American Games (including USA Boxing) in which participants trained or competed for advancement to or in the games; and
- an event sponsored by a college or university fraternity or sorority.

**Amateur combative sports associations.** Unless exempted, a person acting as an amateur combative sports association would have to register with TDLR. A person registering as an association would have to apply on a form acceptable to the TDLR executive director. An application would have to be accompanied by a registration fee, proof of insurance and bonding requirements, a copy of the association's rules, and proof that the association was recognized as a nonprofit organization. An association's rules would have to be approved by TDLR.

For non-exempt amateur events for which admission was charged, an amateur association sponsoring an event would have to register with TDLR no later than 30 days before the event began. Each contestant would have to have been a member of the association for at least the 30 days prior to the event. The association would have to determine that participants were amateurs and establish a training program of at least 30 days for participants. A professional combative sports contestant could not participate as a contestant in an amateur event.

The bill would delete a provision requiring that all profits from the event be used to develop amateur athletics and a provision requiring a referee of the event to be licensed.

**Taxation of combative sports.** The bill would levy a tax on a person conducting a combative sports event or exhibiting a live pay-per-view telecast of a combative sports event. The tax would be 3 percent of the gross receipts obtained from ticket sales, plus the lesser of:

- 3 percent of the gross receipts received from the sale of broadcast rights; or
- \$30,000.

Taxes would be due within three business days after the end of the event. Taxes would not be levied on a person who conducted an amateur boxing event.

**Gloves.** A combative sports participant would have to wear gloves specified by TDLR rule, unless the commission allowed contestants not to wear gloves.

**Wrestling.** The bill would eliminate provisions requiring wrestling promoters to register with the secretary of state.

**Elimination tournaments.** The bill would prohibit the staging of an “elimination tournament” in Texas, defined as a contest in which contestants compete in a series of matches until not more than one contestant remains in any weight category.

The bill would take effect September 1, 2005.

**SUPPORTERS  
SAY:**

CSHB 2546 would update laws governing boxing and other combative sports, allowing regulations to more appropriately reflect the current nature of these events in Texas.

The bill would prohibit elimination tournaments such as “Toughman” competitions. These events, in which non-professional men and women fight through several elimination rounds, are an increasing problem throughout the country. Untrained participants often fight several matches over the course of one or two days, and serious injury or death has resulted. Two deaths have occurred in Texas in recent years, and deaths also have occurred in Alabama, Kansas, Louisiana, Michigan, and Pennsylvania. The very nature of these elimination tournaments makes them hazardous, and they should be banned completely in the interest of health and safety.

The bill would cap at \$30,000 the tax on gross receipts from the sale of broadcast rights to boxing and other combative sports in Texas. This would improve Texas’ ability to attract high-profile boxing matches to the state. Most of the revenue generated from the boxing events comes from broadcasting, and capping the tax on these events would encourage promoters to stage these events in Texas. Most other states cap taxes on broadcast rights in a similar manner. The Legislative Budget Board has certified this change as revenue neutral.

CSHB 2546 would specify that USA Boxing and other amateur associations designed to train competitors for the Olympics or Pan-American games would be exempt from state regulation. These associations are highly professionalized, and state regulation would be redundant and burdensome. The bill also would exempt “fight night” fundraisers held by fraternities and sororities, allowing colleges and universities to exert control over these events. It would clarify the regulations governing other amateur associations to ensure that these events were staged by nonprofit organizations and conducted under safe and clear rules.

Because professional wrestling is classified more accurately as an entertainment event rather than a combative sport, wrestling promoters should not have to register with the state.

OPPONENTS  
SAY:

Safety concerns surrounding Toughman competitions are legitimate, but banning them completely would be an overreaction. A better approach would be to enhance TDLR oversight of these events, possibly specifying the rules under which these events could operate or the frequency with which participants could compete.

Fraternity and sorority events should retain some level of TDLR oversight, because there are hazards associated with these events as well. Most of these events operate under the rules of USA Boxing, but it is important that the agency review and monitor these events when appropriate.

NOTES:

As filed, CSHB 2546 would not have exempted events sponsored by fraternity and sororities from TDLR licensing and bonding requirements.

The companion bill, SB 796 by Lucio, passed the Senate on the Local and Uncontested Calendar on April 7 and has been referred to the House Licensing and Regulation Committee .