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**Agency Purpose**

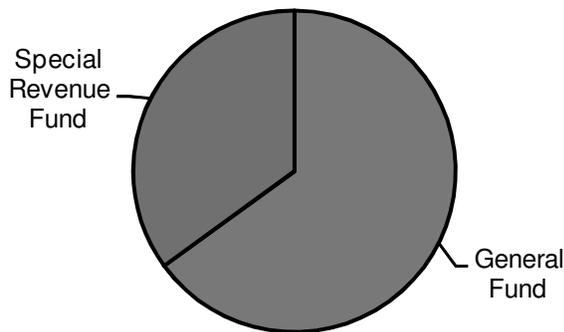
The purpose of the Combative Sports Commission is to make sure that the three primary combative sports, boxing, mixed martial arts, and tough person competition are conducted safely and fairly in Minnesota. These inherently dangerous sports can result in injury during competition and can have long term health consequences.

The state’s Boxing Board was reestablished in 2006 and was officially renamed the Combative Sports Commission (CSC) in the 2008 legislative session to reflect the agency’s expanded oversight of mixed martial arts (MMA) and tough person events. This Commission was reestablished to minimize the health and safety risks associated with combative sports.

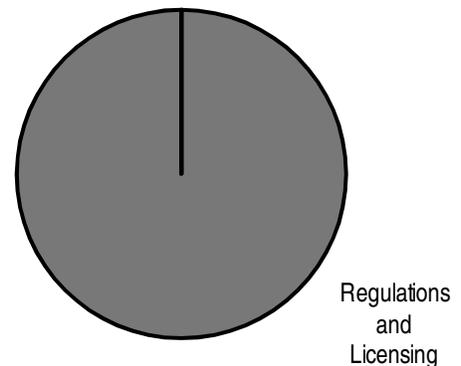
**At a Glance**

- Pursuant to Laws of 2009, Chapter 78, Article 1, Section 18, CSC expires on July 1<sup>st</sup>, 2011 unless their projected revenues for FY 2012-13 exceed their projected expenditures for FY 2012-13.
- Received \$160,000 from the General Fund for FY 2010-11. This funding was one-time.
- Anticipates \$40,000 - 60,000 annually in dedicated revenue from fees
- Licenses combatants, promoters and officials
- Maintains calendar of all MMA and boxing events on its website
- Regulated 45 combative events in FY 2010

**Est. FY 2010-11 Expenditures by Fund**



**Est. FY 2010-11 Expenditures by Program**



Source: Consolidated Fund Statement.

**Strategies**

The Commission

- licenses boxers, mixed martial arts fighters, promoters, referees, trainers, and related positions;
- establishes regulatory safeguards for the protection of fighters; and
- regulates events to ensure fairness and safety.

In order to make sure events are conducted to minimize injuries and ensure fair competition, the Commission employs these strategies:

**Pre-competition** – All combatants are medically tested for conditions that may increase the chance of injury or transmissions communicable disorders to their opponents. Promoters are required to post a performance bond guaranteeing combatant payout and provide an insurance policy covering combatant injuries.

**During competition** – Ringside physicians are present to treat injuries, and all combatants are inspected for proper safety equipment. Referees are used to make sure each match is conducted safely and fairly and judges ensure that the outcome is decided using objective criteria.

**Post-competition** - Combatants are examined by a ringside physician prior to being released. Payments by promoters to combatants are monitored by the Commission to make sure that they adhere to the terms of the bout agreement.

**Operations**

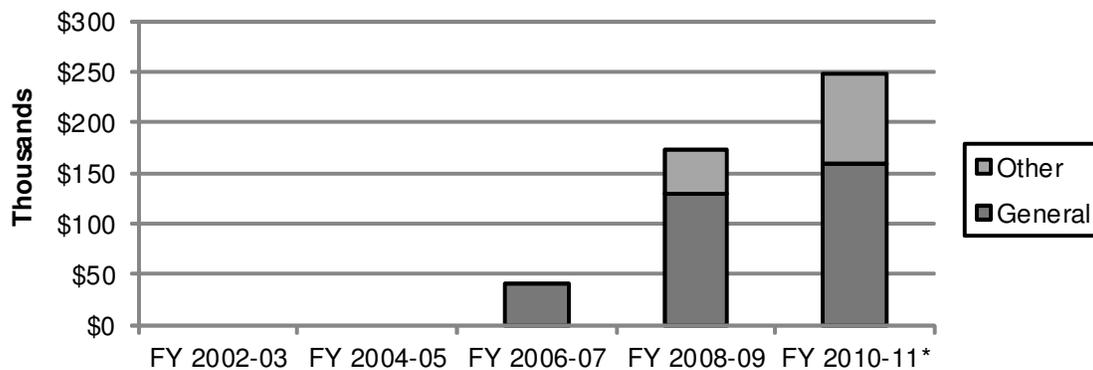
The Commission conducts its work primarily through the executive director, who reports to a nine member executive board appointed by the governor. The executive director is currently a part-time position, and is one of only two paid employees at the Commission. Administrative and financial transaction services are provided to the Commission by the Department of Administration through its Small Agency Resource Team (SmART) program.

**Key Activity Goals & Measures**

The key goal of the Commission is to continue to keep professional boxing and professional and amateur mixed martial arts and tough person events safe, fair and economically viable in Minnesota.

**Budget Trends Section**

**Total Expenditures by Fund**



\* FY 2010-11 is estimated, not actual.

Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/20/2010.

**External Factors Impact CSC-** The Commission was established in FY 2006-07. The rapid growth in popularity of mixed martial arts events has increased the Commission’s workload and required the agency to focus more of its resources on MMA events.

**Contact**

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# COMBATIVE SPORTS COMMISSION

# Agency Overview

*Dollars in Thousands*

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	80	80	80	80	160
<b>Recommended</b>	<b>80</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change		0	(80)	(80)	(160)
% Biennial Change from 2010-11					-100%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	80	80	0	0	0
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	53	75	189	191	380
<b>Total</b>	<b>133</b>	<b>155</b>	<b>189</b>	<b>191</b>	<b>380</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	107	125	156	159	315
Other Operating Expenses	26	30	33	32	65
<b>Total</b>	<b>133</b>	<b>155</b>	<b>189</b>	<b>191</b>	<b>380</b>
<b><u>Expenditures by Program</u></b>					
Combative Sports Commission	133	155	189	191	380
<b>Total</b>	<b>133</b>	<b>155</b>	<b>189</b>	<b>191</b>	<b>380</b>
<b>Full-Time Equivalent (FTE)</b>	<b>2.1</b>	<b>2.0</b>	<b>2.3</b>	<b>2.3</b>	

**COMBATIVE SPORTS COMMISSION**

Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
<b><i>Fund: GENERAL</i></b>				
FY 2011 Appropriations	80	80	80	160
<b>Technical Adjustments</b>				
Program/agency Sunset		(80)	(80)	(160)
<b>Subtotal - Forecast Base</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Governor's Recommendations</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Fund: MISCELLANEOUS SPECIAL REVENUE</i></b>				
Planned Statutory Spending	75	0	0	0
<b>Change Items</b>				
Fee Increases to Support Operations	0	189	191	380
<b>Total Governor's Recommendations</b>	<b>75</b>	<b>189</b>	<b>191</b>	<b>380</b>
<b><u>Revenue Change Items</u></b>				
<b><i>Fund: MISCELLANEOUS SPECIAL REVENUE</i></b>				
<b>Change Items</b>				
Fee Increases to Support Operations	0	154	154	308

# COMBATIVE SPORTS COMMISSION

## Change Item: Fee Increases to Support Operations

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Special Revenue Fund				
Expenditures	\$189	\$191	\$191	\$191
Revenues	154	154	154	154
Net Fiscal Impact	\$37	\$37	\$37	\$37

### Recommendation

The Governor recommends increases to Combative Sports Commission's (CSC) professional and amateur license and event fees to ensure the Commission continues to protect the health and safety of the combatants and to ensure the fairness of boxing and mixed martial arts (MMA) events.

### Rationale

Pursuant to Laws of 2009, Chapter 78, Article 1, Section 18, CSC expires on July 1, 2011 unless their projected revenues for FY 2012-13 exceed their projected expenditures for FY 2012-13. Total projected spending in FY 2012-13 is \$380,000, while projected revenues are \$174,000.

To ensure the Commission continues to regulate this sport in Minnesota, the Governor recommends fee increases to the licenses related to the sport. The proposal increases all of the Combative Sport Commission's professional and amateur license and events fees.

- All professional licenses are increased from \$25 to \$45. This will impact both combatants as well as those involved in the sports, including but not limited to referees, promoters, judges and trainers. The professional promoter's license fee is unchanged.
- All amateur licenses are increased from \$10 to either \$25 or \$45. This will impact both combatants as well as those involved in the sports, including but not limited to referees, promoters, judges and trainers. The amateur promoter's license fee is increased from \$100 to \$400.
- The fee for a professional contest is changed to be \$1,500 per event or four percent of gross ticket sales, whichever is greater. The fee for an amateur contest is \$500 per event or four percent of gross ticket sales, whichever is greater.

The proposed changes generate approximately \$67,000 in additional revenue each year. Combined with the additional resources available to the Commission (approximately \$163,000 in license fees unspent), the CSC will continue to regulate the industry.

### Key Goals and Measures

The key goal of the Commission is to continue to keep professional boxing and professional and amateur mixed martial arts and tough person events safe, fair and economically viable in Minnesota.

### Alternatives Considered

- 1) Dedicate the sales tax that promoters pay to the state for gate receipts, food and liquor sold at MMA and boxing events to the Combative Sports Commission.
- 2) Charge an event fee for all pay-per-view boxing and MMA sporting events that telecast within the state of Minnesota by the Cable, Satellite and Internet networks.

**Statutory Change:** M.S. Chapter 341.321

# COMBATIVE SPORTS COMMISSION

# Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2010	Budgeted FY2011	Governor's Recomm. FY2012   FY2013		Biennium 2012-13
<b><i>Non Dedicated Revenue:</i></b>					
<b>Total Non-Dedicated Receipts</b>	0	0	0	0	0
<b><i>Dedicated Receipts:</i></b>					
<b>Departmental Earnings:</b>					
Miscellaneous Special Revenue	67	63	154	154	308
<b>Total Dedicated Receipts</b>	<b>67</b>	<b>63</b>	<b>154</b>	<b>154</b>	<b>308</b>
<b>Agency Total Revenue</b>	<b>67</b>	<b>63</b>	<b>154</b>	<b>154</b>	<b>308</b>