

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 992  
House Committee Substitute Favorable 7/9/97  
House Committee Substitute #2 Favorable 8/20/97

Short Title: NC Boxing Commission.

(Public)

Sponsors:

Referred to:

April 21, 1997

A BILL TO BE ENTITLED  
AN ACT AMENDING THE LAWS RELATED TO THE NORTH CAROLINA  
BOXING COMMISSION AND TO INCREASE THE GROSS RECEIPTS TAX ON  
BOXING, KICKBOXING, AND TOUGHMAN EVENTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-651 reads as rewritten:

"§ 143-651. Definitions.

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

- (1) ~~'Amateur' means a~~ Amateur. – A person who is not receiving or competing for and has never received or competed for any purse or other article or thing of value for participating in a match.
- (2) ~~'Announcer' means any~~ Announcer. – Any person who engages in the act of announcing a boxing match.
- (3) ~~'Boxer' means any~~ Boxer. – Any person who engages as a participant in a boxing match.
- (4) ~~'Boxing match' means a~~ Boxing match. – A match where the participants engage in the use of full contact boxing techniques (using the fist only), and where the object of a match is to win by decision, knockout (KO),

1 or ~~technical knockout (TKO), and shall include kickboxing matches as~~  
2 ~~defined in this section.~~ technical knockout (TKO).

3 (5) ~~'Commission' means the Commission. – The North Carolina State Boxing~~  
4 ~~Commission.~~

5 (6) ~~'Contest' means a Contest. – A boxing match in which the participants~~  
6 ~~strive earnestly to win.~~

7 (7) ~~'Contestant' means any Contestant. – Any person who engages as a~~  
8 ~~participant in a boxing match.~~

9 (8) ~~'Exhibition' means a Exhibition. – A boxing match where the participants~~  
10 ~~display their boxing skills and technique without necessarily striving to~~  
11 ~~win.~~

12 (9) ~~'Judge' means a Judge. – A person who has a vote in determining the~~  
13 ~~winner of any match or contest.~~

14 (10) ~~'Kickboxer' means any Kickboxer. – Any person who engages as a~~  
15 ~~participant in a kickboxing match.~~

16 (11) ~~'Kickboxing match' means a Kickboxing match. – A match in which the~~  
17 ~~participants engage in full contact martial arts fighting techniques using~~  
18 ~~the hands and the feet, and where the object of the match is to win by~~  
19 ~~decision, knockout (KO), or technical knockout (TKO).~~

20 (12) ~~'Licensee' means any Licensee. – Any person, club, corporation,~~  
21 ~~organization, or association to whom a license has been issued pursuant~~  
22 ~~to the provisions of this Article.~~

23 (13) ~~'Manager' means any person, including an officer of a corporate~~  
24 ~~manager and a managing partner of a partnership manager, Manager. –~~  
25 ~~Any person who controls or administers the boxing affairs of any~~  
26 ~~contestant, and who:~~

27 a. By contract, agreement, or other arrangement with any person  
28 undertakes or has undertaken to represent in any way the interest  
29 of the contestant in any professional boxing contest in which the  
30 boxer is to participate as a contestant, and is entitled under that  
31 contract, agreement, or arrangement to receive monetary or other  
32 compensation for his services, without regard to the sources of  
33 the ~~compensation, except that the compensation.~~ The term  
34 'manager' shall not be construed to mean any attorney licensed to  
35 practice in this State whose participation in the activities is  
36 restricted solely to ~~his~~ representing the interests of a professional  
37 boxer as ~~his client,~~ a client.

38 b. Directs or controls the professional boxing activities of any  
39 ~~professional boxer, or boxer.~~

40 c. Receives or is entitled to receive a percentage of the gross purse  
41 or gross income of any professional boxing contest.

42 (14) ~~'Match' means any Match. – Any boxing or kickboxing contest or~~  
43 ~~exhibition, and includes any event, engagement, sparring or practice~~

1 session, show or program where the public is admitted and in which  
2 there is intended to be physical contact, whether an exhibition or  
3 contest. This definition does not include training or practice sessions  
4 when no admission is charged.

5 (15) ~~'Matchmaker' means a Matchmaker.~~ – A person through whom matches  
6 are arranged for participants and who otherwise assists participants in  
7 procuring engagement dates for boxing.

8 (16) ~~'Natural person' means an Natural person.~~ – An individual.

9 (17) ~~'Participant' means any Participant.~~ – Any person who engages in a match  
10 or exhibition and performs as a boxer.

11 (18) ~~'Person' means an Person.~~ – An individual, group of individuals, business,  
12 corporation, limited liability company, partnership, or any other  
13 individual or collective entity.

14 (19) ~~'Physician' means an Physician.~~ – An individual licensed to practice  
15 medicine in this State.

16 (20) ~~'Professional' means any person who has received or competed for any  
17 purse or other article or thing of value for participating in a boxing  
18 match.~~ Professional. – Any person who is licensed as a professional  
19 boxer under the federal Professional Boxing Safety Act of 1996.

20 (21) ~~'Promoter' means any person, including an officer of a corporate promoter and  
21 a managing partner of a partnership promoter,~~ Promoter. – Any person who  
22 produces, arranges, stages, holds, or gives any match in North Carolina  
23 involving a professional participant.

24 (22) ~~'Referee' means the Referee.~~ – The official who shall enter and remain in  
25 the ring for the duration of a match and shall enforce the rules and  
26 maintain order in the ring.

27 (23) ~~'Ring official' means any Ring official.~~ – Any person who performs an  
28 official function for the duration of a match.

29 (23a) Sanctioned amateur. – A person who competes in a sanctioned amateur  
30 match.

31 (23b) Sanctioned amateur match. – Any boxing or kickboxing match  
32 regulated by an amateur sports organization that has been recognized  
33 and approved by the North Carolina Boxing Commission.

34 (24) ~~'Second' means any Second.~~ – Any person who will work or be present in  
35 the corner of a participant for the duration of a match.

36 (25) ~~'Timekeeper' means any Timekeeper.~~ – Any person who will operate the  
37 clock or watch for the duration of a match for the purpose of keeping  
38 the official time of the match.

39 (25a) Toughman contestant. – Any person who competes in a toughman  
40 event.

41 (25b) Toughman event. – An elimination program of matches in which (i) the  
42 contestants are not professional boxers, (ii) the finalist receives a purse  
43 or other article of value, (iii) the participants engage in the use of full

1 contact boxing techniques, and (iv) the object of each match is to win by  
2 decision, knockout (KO), or technical knockout (TKO).

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

8 Section 2. G.S. 143-652 reads as rewritten:

9 **"§ 143-652. State Boxing Commission.**

10 (a) Creation. – The North Carolina State Boxing Commission is created within the  
11 Department of the Secretary of State to regulate in North Carolina live boxing and  
12 kickboxing matches, whether professional or professional, amateur, sanctioned amateur, or  
13 toughman events, in North Carolina, in which admission is charged for viewing, or the  
14 contestants compete for a purse or prize of value greater than twenty-five dollars  
15 (\$25.00). The Commission shall consist of ~~five~~ six voting members and two nonvoting  
16 advisory members. All the members shall be residents of North Carolina. ~~Carolina and~~  
17 shall meet requirements for membership under the Professional Boxing Safety Act of  
18 1996. The members shall be appointed as follows:

- 19 (1) One voting member shall be appointed by the Governor for an initial  
20 term of two years.
- 21 (2) One voting member shall be appointed by the General Assembly upon  
22 the recommendation of the President Pro Tempore of the Senate for an  
23 initial term of one year, in accordance with G.S. 120-121.
- 24 (3) One voting member shall be appointed by the General Assembly upon  
25 the recommendation of the Speaker of the House of Representatives for  
26 an initial term of one year.
- 27 (4) Two voting members shall be appointed by the Secretary of State. One  
28 shall serve for an initial term of three years, and the other shall serve for  
29 an initial term of two years.
- 30 (5) One member shall be appointed by the Tribal Council of the Eastern  
31 Band of the Cherokee for an initial term of three years.
- 32 ~~(5)(6)~~ (6) One nonvoting advisory member shall be appointed by the General  
33 Assembly upon the recommendation of the Speaker of the House of  
34 Representatives for an initial term of one year, in accordance with G.S.  
35 120-121, from nominations made by the North Carolina Medical  
36 Society, which shall nominate two licensed physicians for the position.
- 37 ~~(6)(7)~~ (7) One nonvoting advisory member shall be appointed by the General  
38 Assembly upon the recommendation of the President Pro Tempore of  
39 the Senate for an initial term of one year, in accordance with G.S. 120-  
40 121, from nominations made by the North Carolina Medical Society,  
41 which shall nominate two licensed physicians for the position.

42 The member appointed pursuant to subdivision (5) of subsection (a) of this section  
43 may serve on the Commission only if an agreement exists and remains in effect between

1 the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing  
2 the Commission to regulate professional boxing matches within the Cherokee Indian  
3 Reservation as provided by the Professional Boxing Safety Act of 1996.

4 The two nonvoting advisory members appointed pursuant to subdivisions (6) and  
5 (7) of subsection (a) of this section shall advise the Commission on matters concerning  
6 the health and physical condition of boxers and health issues relating to the conduct of  
7 exhibitions and boxing matches. They may prepare and submit to the Commission for its  
8 consideration and approval any rules that in their judgment will safeguard the physical  
9 welfare of all participants engaged in boxing.

10 Terms for all members of the Commission except for the initial appointments shall be  
11 for three years.

12 The Secretary of State shall designate which member of the Commission is to serve as  
13 chair. A member of the Commission may be removed from office by the Secretary of  
14 State for cause. Each member before entering upon the duties of a member shall take and  
15 subscribe an oath to perform the duties of the office faithfully, impartially, and justly to  
16 the best of the member's ability. A record of these oaths shall be filed in the Department  
17 of the Secretary of State.

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

24 (c) Meetings. – Meetings of the Commission shall be called by the chair or by any  
25 two members of the Commission, and meetings shall be held at least quarterly. Any three  
26 voting members of the Commission shall constitute a quorum at any meeting. Action may  
27 be taken and motions and resolutions adopted by the Commission at any meeting by the  
28 affirmative vote of a majority of the members of the Commission present at a meeting at  
29 which a quorum exists. Any or all members may participate in a regular or special  
30 meeting by, or conduct the meeting through the use of, any means of communication by  
31 which all members participating may simultaneously hear each other during the meeting.  
32 A member participating in the meeting by this means is deemed to be present in person at  
33 the meeting.

34 (d) Rule-Making Authority of the Commission. – The Commission shall have the  
35 exclusive authority to approve and issue rules for the regulation of the conduct,  
36 promotion, and performances of live ~~boxing~~boxing, kickboxing, sanctioned amateur,  
37 amateur, and toughman matches and exhibitions in this State. The rules shall be issued  
38 pursuant to the provisions of Chapter 150B of the General Statutes and may include,  
39 without limitation, the following subjects:

- 40 (1) Requirements for issuance of licenses and permits required by this  
41 Article.
- 42 (2) Regulation of ticket sales.

- 1 (3) Physical requirements for contestants, including classification by weight
- 2 and skill.
- 3 (4) Supervision of matches and exhibitions by licensed physicians and
- 4 referees.
- 5 (5) Insurance and bonding requirements.
- 6 (6) Compensation of participants and licensees.
- 7 (7) Contracts and financial arrangements.
- 8 (8) Prohibition of dishonest, unethical, and injurious practices.
- 9 (9) Facilities.
- 10 (10) Approval of sanctioning amateur sports organizations.
- 11 (11) Procedures and requirements for compliance with the Professional
- 12 Boxing Safety Act of 1996.

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

17 (f) Staff Assistance. – The Secretary of State shall hire a person to serve as  
18 Executive Director of the Commission and shall provide staff assistance to the  
19 Commission. ~~Executive Director.~~ The Executive Director may train and contract with  
20 independent contractors for the purpose of regulating and monitoring events, issuing  
21 licenses, collecting fees, and enforcing rules of the Commission. The Executive Director  
22 may initiate criminal background checks on persons requesting to work as independent  
23 contractors for the Commission or persons applying to be licensed by the Commission."

24 Section 3. G.S. 143-653 reads as rewritten:

25 "**§ 143-653. Ultimate warrior matches prohibited.**

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

30 Section 4. G.S. 143-654 reads as rewritten:

31 "**§ 143-654. Licensing and permitting.**

32 (a) License and Permit Required. – Except for sanctioned amateur matches, it is  
33 unlawful for any person to act in this State as an announcer, contestant, judge, manager,  
34 matchmaker, promoter, referee, timekeeper, or second unless the person is licensed to do  
35 so under this Article. It is unlawful for a promoter to present a match in this ~~State~~ State,  
36 other than a sanctioned amateur match, unless the promoter has a permit issued under this  
37 Article to do so. The Commission has the exclusive authority to issue, deny, suspend, or  
38 revoke any license or permit provided for in this Article.

39 (b) License. – ~~A license issued under this Article must be renewed annually on or before~~  
40 January 1. All licenses issued under this Article shall be valid only during the calendar  
41 year in which they are issued, except contestant licenses shall be valid for one year from  
42 the date of issuance. A license for an announcer, contestant, judge, matchmaker, referee,  
43 timekeeper, or second shall be issued only to a natural person. A natural person shall not

1 transfer or assign a license or change it into another name. A license for a manager or  
2 promoter may be issued to a corporation or partnership; provided, however, that all  
3 officers or partners shall submit an application for individual licensure, and only those  
4 officers or partners who are licensed shall be entitled to negotiate or sign contracts. The  
5 addition of a new officer or partner during the license period shall necessitate the filing of  
6 an application for individual licensure by the new officer or partner.

7 An applicant for a license shall file with the Commission the appropriate  
8 nonrefundable fee and any forms, documents, medical examinations, or exhibits the  
9 Commission may require in order to properly administer this Article. The information  
10 requested shall include the date of birth and social security number of each applicant as  
11 well as any other personal data necessary to positively identify the applicant and may  
12 include the requirement of verification of any documents the Commission deems  
13 appropriate. A person may not participate under a fictitious or assumed name in any  
14 match unless the person has first registered the name with the Commission.

15 (c) Surety Bond. – An applicant for a promoter's license must submit, in addition  
16 to any other forms, documents, or ~~exhibits,~~ exhibits requested by the Commission, a  
17 surety bond payable to the Commission for the benefit of any person injured or damaged  
18 by (i) the promoter's failure to comply with any provision of this Article or any rules  
19 adopted by the Commission or (ii) the promoter's failure to fulfill the obligations of any  
20 contract between or among licensees related to the holding of a boxing event. The surety  
21 bond shall be issued in an amount to be no less than five thousand dollars (\$5,000). The  
22 amount of the surety bond shall be negotiable upon the sole discretion of the  
23 Commission. All surety bonds shall be upon forms approved by the Secretary of State  
24 and supplied by the Commission.

25 (d) Permit. – A permit issued to a promoter under this Article is valid for a single  
26 match. An applicant for a permit shall file with the Commission the appropriate  
27 nonrefundable fee and any forms or documents the Commission may require."

28 Section 5. G.S. 143-655 reads as rewritten:

29 **"§ 143-655. Fees; State Boxing Commission Revenue Account.**

30 (a) License Fees. – The Commission shall collect the following license fees:

31	Announcer	\$50.00
32	Contestant	\$25.00
33	Judge	\$50.00
34	Manager	\$100.00
35	Matchmaker	\$200.00
36	Promoter	\$300.00
37	Referee	\$50.00
38	Timekeeper	\$50.00
39	Second	\$25.00.

40 The annual license renewal fees shall ~~not exceed be the same as~~ the initial license fees.

41 (b) Permit Fees. – The Commission ~~may establish a fee schedule for permits~~  
42 ~~issued under this Article. The fees may vary depending on the seating capacity of the~~

1 ~~facility to be used to present a match. The fee may not exceed the following amounts:~~  
2 shall collect the following permit fees:

3	Seating Capacity	Fee	Amount
4	Less than 2,000	\$100.00	
5	2,000 – 5,000	\$200.00	
6	Over 5,000	\$300.00.	

7 (c) State Boxing Commission Revenue Account. – There is created the State  
8 Boxing Commission Revenue Account within the Department of the Secretary of State.  
9 Monies collected pursuant to the provisions of this Article shall be credited to the  
10 Account and applied to the administration of the Article."

11 Section 6. G.S. 143-656 reads as rewritten:

12 **"§ 143-656. Contracts and financial arrangements.**

13 Any contract between ~~a boxer and any other licensee~~ licensees and ~~any contract involving~~  
14 related to a boxing match or exhibition held or to be held in this State must meet the  
15 requirements of administrative rules as set forth by the Commission. Any contract which  
16 does not satisfy the requirements of the administrative rules shall be void and  
17 unenforceable. All contracts shall be in writing."

18 Section 7. G.S. 143-657 is repealed.

19 Section 8. Article 68 of Chapter 143 of the General Statutes is amended by  
20 adding the following new section:

21 **"§ 143-657.1. Sanctioned amateur matches.**

22 In addition to the other applicable provisions of this Article, a sanctioned amateur  
23 match shall be conducted pursuant to the rules of the sports organization sanctioning the  
24 boxing match or exhibition."

25 Section 9. G.S. 143-658 reads as rewritten:

26 **"§ 143-658. Violations.**

27 (a) Civil Penalties. – ~~The Commission~~ Secretary of State may issue an order against  
28 a licensee or other person who willfully violates any provision of this Article, imposing a  
29 civil penalty of up to five thousand dollars (\$5,000) for a single violation or of up to  
30 twenty-five thousand dollars (\$25,000) for multiple violations in a single proceeding or a  
31 series of related proceedings. No order under this subsection may be entered without  
32 giving the licensee or other person 15 days' prior notice and an opportunity for a  
33 contested case hearing conducted pursuant to Article 3 of Chapter 150B of the General  
34 Statutes.

35 (b) Criminal Penalties. – A willful violation of any provision of this Article shall  
36 constitute a Class 2 misdemeanor. The Secretary of State may refer any available  
37 evidence concerning violations of this Article to the proper district attorney, who may,  
38 with or without such a reference, institute the appropriate criminal proceedings.

39 The attorneys employed by the Secretary of State shall be available to prosecute or  
40 assist in the prosecution of criminal cases when requested to do so by a district attorney  
41 and the Secretary of State approves.

42 (c) Injunction. – Whenever it appears to the ~~Commission~~ Secretary of State that a  
43 person has engaged or is about to engage in an act or practice constituting a violation of



1 any provision of this Article or any rule or order hereunder, the ~~Commission~~ Secretary of  
2 State may ~~in its discretion~~ bring an action in any court of competent jurisdiction to enjoin  
3 those acts or practices and to enforce compliance with this Article or any rule or order  
4 issued pursuant to this Article.

5 (d) Enforcement. – For purposes of enforcing this Article, the Department of the  
6 Secretary of State's law enforcement agents have statewide jurisdiction. These law  
7 enforcement agents may assist local law enforcement agencies in their investigations and  
8 may initiate and carry out, in coordination with local law enforcement agencies,  
9 investigations of violations of this Article. These law enforcement agents have all the  
10 powers and authority of law enforcement officers when executing arrest warrants."

11 Section 10. Article 2 of Chapter 105 of the General Statutes is amended by  
12 adding a new section to read:

13 "**§ 105-37.2. Amusements – Boxing.**

14 (a) Definitions. – The following definitions apply in this section:

15 (1) Boxing match. – Defined in G.S. 143-651.

16 (2) Kickboxing match. – Defined in G.S. 143-651.

17 (3) Toughman event. – Defined in G.S. 143-651.

18 (b) Gross Receipts Tax. – Every person engaged in the business of giving,  
19 offering, or managing any boxing match, kickboxing match, or toughman event for which  
20 an admission is charged shall pay a tax on the gross receipts of the business at the rate of  
21 twelve percent (12%). If the entertainment for which the taxpayer charges admission  
22 includes both an event taxable under this section and other entertainment or amusement  
23 otherwise taxable under G.S. 105-37.1 or G.S. 105-38, the tax levied in this section  
24 applies to the combined entertainment and the taxes levied in G.S. 105-37.1 and G.S.  
25 105-38 do not apply.

26 The gross receipts tax is due on the 10th day of the month following the month in  
27 which the gross receipts accrue. Every person liable for the gross receipts tax shall, on or  
28 before the due date, prepare and render a return on a form prescribed by the Secretary.  
29 The return shall state the total gross receipts derived in the preceding month from taxable  
30 entertainments and shall include any other information required by the Secretary.

31 (c) Local Tax. – Counties may not levy any license tax on the business taxed  
32 under this section. Municipalities may levy a license tax not in excess of twenty-five  
33 dollars (\$25.00) a year on the business taxed under this section."

34 Section 11. G.S. 105-259(b) is amended by adding the following new  
35 subdivision to read:

36 "(16b) To exchange information with the Department of Secretary of State  
37 concerning persons issued a license or permit under Article 68 of  
38 Chapter 143 of the General Statutes, when the information is needed to  
39 administer the gross receipts tax levied in G.S. 105-37.2."

40 Section 12. G.S. 105-109.1 reads as rewritten:

41 "**§ 105-109.1. Interest.**

42 The taxes on gross receipts levied in G.S. ~~105-37.1(a)~~ and ~~G.S. 105-37.1(a), 105-~~  
43 ~~37.2(b), and 105-38(f)~~, the tax on installment paper dealers levied in G.S. 105-83(b), and

1 the tax on publishers of newsprint publications levied in G.S. 105-102.6, shall bear  
2 interest at the rate established under G.S. 105-241.1(i) from the time the taxes were due  
3 until the taxes are paid."

4           Section 13. Sections 10, 11, and 12 of this act become effective October 1,  
5 1997, and apply to entertainments presented on or after that date. The remainder of this  
6 act is effective when it becomes law.