

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**HOUSE BILL 232*
Committee Substitute Favorable 6/19/01**

Short Title: Budget Revenue Provisions - 2001.

(Public)

Sponsors:

Referred to:

February 26, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO SET THE INSURANCE REGULATORY CHARGE, THE PUBLIC
3 UTILITY REGULATORY FEE, AND THE ELECTRIC MEMBERSHIP
4 CORPORATION REGULATORY FEE; TO INCREASE THE NONRESIDENT
5 FEE FOR SEARCHING PUBLIC ARCHIVES; TO UPDATE THE REFERENCE
6 TO THE INTERNAL REVENUE CODE; TO ACCELERATE PAYMENT OF
7 WITHHOLDING TAXES; TO ACCELERATE PAYMENT OF SALES AND
8 UTILITY TAXES; AND TO MAKE THE BOXING COMMISSION
9 INDEPENDENT OF GENERAL FUND SUPPORT.

10 The General Assembly of North Carolina enacts:

11 **INSURANCE REGULATORY CHARGE**

12 **SECTION 1.(a)** The percentage rate to be used in calculating the insurance
13 regulatory charge under G.S. 58-6-25 is six and one-half percent (6.5%) for the 2001
14 calendar year.

15 **SECTION 1.(b)** This section is effective when it becomes law.

16
17 **REGULATORY FEE FOR UTILITIES COMMISSION**

18 **SECTION 2.(a)** The percentage rate to be used in calculating the public
19 utility regulatory fee under G.S. 62-302(b)(2) is eleven-hundredths percent (0.11%) for
20 each public utility's North Carolina jurisdictional revenues earned during each quarter
21 that begins on or after July 1, 2001.

22 **SECTION 2.(b)** The electric membership corporation regulatory fee imposed
23 under G.S. 62-302(b1) for the 2001-2002 fiscal year is two hundred thousand dollars
24 (\$200,000).

25 **SECTION 2.(c)** This section becomes effective July 1, 2001.

26
27 **INCREASE NONRESIDENT SEARCH FEE**

28 **SECTION 3.(a)** G.S. 121-5(d) reads as rewritten:

1 "(d) Preservation of Permanently Valuable Records. – Public records certified by
2 the Department of Cultural Resources as being of permanent value shall be preserved in
3 the custody of the agency in which the records are normally kept or of the North
4 Carolina State Archives. Any State, county, municipal, or other public official is hereby
5 authorized and empowered to turn over to the Department of Cultural Resources any
6 State, county, municipal, or other public records no longer in current official use, and
7 the Department of Cultural Resources is authorized in its discretion to accept such
8 records, and having done so shall provide for their administration and preservation in
9 the North Carolina State Archives. When such records have been thus surrendered,
10 photocopies, microfilms, typescripts, or other copies of them shall be made and certified
11 under seal of the Department, upon application of any person, which certification shall
12 have the same force and effect as if made by the official or agency by which the records
13 were transferred to the Department of Cultural Resources; and the Department may
14 charge reasonable fees for ~~such~~ these copies. The Department may answer written
15 inquiries for nonresidents of ~~North Carolina~~ the State and for ~~such~~ this service may
16 charge a search and handling fee not to exceed ~~ten dollars (\$10.00)~~, twenty-five dollars
17 (\$25.00). ~~the~~ The receipts from ~~which~~ this fee shall be used to defray the cost of
18 providing ~~such~~ this service."

19 **SECTION 3.(b)** This section becomes effective July 1, 2001.

21 **UPDATE INTERNAL REVENUE CODE REFERENCE**

22 **SECTION 4.(a)** G.S. 105-228.90(b)(1b) reads as rewritten:

23 "(b) Definitions. – The following definitions apply in this Article:

24 ...

25 (1b) Code. – The Internal Revenue Code as enacted as of January 1,
26 2000,2001, including any provisions enacted as of that date which
27 become effective either before or after that date."

28 **SECTION 4.(b)** G.S. 105-130.5(a)(13) is repealed.

29 **SECTION 4.(c)** Notwithstanding subsection (a) of this section, any
30 amendments to the Internal Revenue Code enacted in 2000 that increase North Carolina
31 taxable income for the 2000 taxable year become effective for taxable years beginning
32 on or after January 1, 2001.

33 **SECTION 4.(d)** Subsection (b) of this section is effective for taxable years
34 beginning on or after January 1, 2002. The remainder of this section is effective for
35 taxable years beginning on or after January 1, 2001.

37 **ACCELERATE PAYMENT OF WITHHOLDING TAXES**

38 **SECTION 5.(a)** G.S. 105-163.6(b) reads as rewritten:

39 "(b) Quarterly. – An employer who withholds an average of less than ~~five~~ one
40 hundred dollars ~~(\$500.00)~~ (\$100.00) of State income taxes from wages each month shall
41 file a return and pay the withheld taxes on a quarterly basis. A quarterly return covers a
42 calendar quarter and is due by the last day of the month following the end of the
43 quarter."

1 **SECTION 5.(b)** G.S. 105-163.6(c) reads as rewritten:

2 "(c) Monthly. – An employer who withholds an average of at least ~~five~~one
3 hundred dollars (~~\$500.00~~)(\$100.00) but less than two thousand dollars (\$2,000) from
4 wages each month shall file a return and pay the withheld taxes on a monthly basis. A
5 return for the months of January through November is due by the 15th day of the month
6 following the end of the month covered by the return. A return for the month of
7 December is due the following January 31."

8 **SECTION 5.(c)** In order to pay for its costs of postage, printing, and
9 computer programming to implement this section, the Department of Revenue may
10 withhold not more than seventy-five thousand dollars (\$75,000) from collections under
11 Article 4 of Chapter 105 of the General Statutes during the first two quarters of the
12 2001-2002 fiscal year.

13 **SECTION 5.(d)** It is the intent of the General Assembly that the revenue
14 generated by the acceleration of these withholding taxes be credited to the Savings
15 Reserve Account.

16 **SECTION 5.(e)** Subsection (c) of this section becomes effective July 1,
17 2001. The remainder of this section becomes effective April 1, 2002, and applies to
18 payments of withheld income taxes made on or after that date.

19

20 **ALLOW TELEFILE FOR WITHHOLDING PAYERS**

21 **SECTION 5.1.(a)** By April 1, 2002, the Department of Revenue must offer
22 employers the option of filing and paying withheld taxes by telephone. Employers who
23 prefer to file and pay by traditional means are not required to use this new option for
24 filing or paying withheld taxes.

25 **SECTION 5.1.(b)** In order to pay for its costs of postage, printing, and
26 computer programming to implement this section, the Department of Revenue may
27 withhold not more than one hundred fifty thousand dollars (\$150,000) from collections
28 under Article 4 of Chapter 105 of the General Statutes during the 2001-2002 fiscal year.

29 **SECTION 5.1.(c)** This section is effective when it becomes law.

30

31 **ACCELERATE PAYMENT OF SALES AND UTILITY TAXES**

32 **SECTION 6.(a)** G.S. 105-164.16 is amended by deleting the phrase "twenty
33 thousand dollars (\$20,000)" each time it appears and substituting the phrase "ten
34 thousand dollars (\$10,000)".

35 **SECTION 6.(b)** G.S. 105-164.16(c) is repealed.

36 **SECTION 6.(c)** G.S. 105-241(b) reads as rewritten:

37 "(b) Electronic Funds Transfer. – Payment by electronic funds transfer is required
38 as provided in this subsection.

39 (1) Corporate estimated taxes. – A corporation that is required under the
40 Code to pay its federal-estimated corporate income tax by electronic
41 funds transfer must pay its State-estimated tax by electronic funds
42 transfer as provided in G.S. 105-163.40.

- 1 (2) Semimonthly taxes. – A taxpayer that is required to pay sales tax on a
2 semimonthly schedule must pay the tax by electronic funds transfer.
- 3 (3) Large tax payments. – Except as ~~provided in G.S. 105-163.40,~~
4 otherwise provided in this subsection, the Secretary shall not require a
5 taxpayer to pay a tax by electronic funds transfer unless, during the
6 applicable period for that tax, the average amount of the taxpayer's
7 required payments of the tax was at least twenty thousand dollars
8 (\$20,000) a month. The twenty thousand dollar (\$20,000) threshold
9 applies separately to each tax. The applicable period for a tax is a
10 12-month period, designated by the Secretary, preceding the
11 imposition or review of the payment requirement. The requirement
12 that a taxpayer pay a tax by electronic funds transfer remains in effect
13 until suspended by the Secretary. Every 12 months after requiring a
14 taxpayer to pay a tax by electronic funds transfer, the Secretary ~~shall~~
15 must determine whether, during the applicable period for that tax, the
16 average amount of the taxpayer's required payments of the tax was at
17 least twenty thousand dollars (\$20,000) a month. If it was not, the
18 Secretary ~~shall~~must suspend the requirement that the taxpayer pay the
19 tax by electronic funds transfer and ~~shall~~must notify the taxpayer in
20 writing that the requirement has been suspended."

21 **SECTION 6.(d)** Article 9 of Chapter 105 of the General Statutes is amended
22 by adding a new section to read:

23 **"§ 105-263.1. Semimonthly payment schedule.**

24 Taxpayers who are required to pay taxes on a semimonthly basis must pay the tax
25 twice a month and must file a return monthly as provided in this section. One
26 semimonthly payment covers the period from the first day of the month through the 15th
27 day of the month. The other semimonthly payment covers the period from the 16th day
28 of the month through the last day of the month. The semimonthly payment for the
29 period that ends on the 15th day of the month is due by the 25th day of that month. The
30 semimonthly payment for the period that ends on the last day of the month is due by the
31 10th day of the following month. A return covers both semimonthly payment periods.
32 The return is due by the 20th day of the month following the month of the payment
33 periods covered by the return. A taxpayer is not subject to interest on or penalties for an
34 underpayment for a semimonthly payment period if the taxpayer timely pays at least
35 ninety-five percent (95%) of the amount due for each semimonthly payment period and
36 includes the underpayment with the monthly return for those semimonthly payment
37 periods."

38 **SECTION 6.(e)** G.S. 105-116(b) reads as rewritten:

39 "(b) Report and Payment. – The tax imposed by this section is payable ~~monthly~~
40 semimonthly or quarterly as specified in this subsection. ~~A report is due quarterly.~~ An
41 electric power company ~~shall pay tax monthly. A monthly tax payment is due by the last~~
42 ~~day of the month that follows the month in which the tax accrues, except the payment~~
43 ~~for tax that accrues in May. The payment for tax that accrues in May is due by June 25.~~

1 ~~A taxpayer is not subject to interest on or penalties for an underpayment of a monthly~~
2 ~~amount due if the taxpayer timely pays at least ninety five percent (95%) of the amount~~
3 ~~due and includes the underpayment with the next report the company files. must pay tax~~
4 ~~semimonthly and file a report monthly in accordance with G.S. 105-263.1. A water~~
5 ~~company or a public sewerage company shall pay tax quarterly when filing a report. A~~
6 ~~must file a report and pay tax quarterly. A ~~quarterly~~quarterly report covers a calendar~~
7 ~~quarter and is due by the last day of the month that follows the quarter covered by the~~
8 ~~report. A~~

9 ~~A taxpayer ~~shall~~must submit a report on a form provided by the Secretary. The~~
10 ~~report ~~shall~~must include the taxpayer's gross receipts from all property it owned or~~
11 ~~operated during the reporting period in connection with its business taxed under this~~
12 ~~section and ~~shall~~must contain the following information:~~

- 13 (1) ~~The taxpayer's gross receipts for the reporting period from business~~
14 ~~inside and outside this State, stated separately.~~
- 15 (2) ~~The taxpayer's gross receipts from commodities or services described~~
16 ~~in subsection (a) that are sold to a vendee subject to the tax levied by~~
17 ~~this section or to a joint agency established under Chapter 159B of the~~
18 ~~General Statutes or a city having an ownership share in a project~~
19 ~~established under that Chapter.~~
- 20 (3) ~~The amount of and price paid by the taxpayer for commodities or~~
21 ~~services described in subsection (a) that are purchased from others~~
22 ~~engaged in business in this State and the name of each vendor.~~
- 23 (4) ~~For an electric power company the entity's gross receipts from the sale~~
24 ~~within each city of the commodities and services described in~~
25 ~~subsection (a).~~

26 ~~A taxpayer must report its gross receipts on an accrual basis. If a taxpayer's report~~
27 ~~does not state the taxpayer's taxable gross receipts derived within a city, the Secretary~~
28 ~~must determine a practical method of allocating part of the taxpayer's taxable gross~~
29 ~~receipts to the city."~~

30 **SECTION 6.(f)** G.S. 105-120(b) reads as rewritten:

31 "(b) Report and Payment. – ~~The tax imposed by this section is payable~~
32 ~~semimonthly and a report is due monthly in accordance with G.S. 105-263.1. ~~monthly~~~~
33 ~~~~or quarterly as specified in this subsection. A report is due quarterly. A company that is~~~~
34 ~~liable for an average of less than three thousand dollars (\$3,000) a month in tax imposed~~
35 ~~by this section may, with the approval of the Secretary of Revenue, pay tax quarterly~~
36 ~~when filing a report. All other companies shall pay tax monthly. A monthly tax payment~~
37 ~~is due by the last day of the month that follows the month in which the tax accrues,~~
38 ~~except the payment for tax that accrues in May. The payment for tax that accrues in~~
39 ~~May is due by June 25. A company is not subject to interest on or penalties for an~~
40 ~~underpayment of a monthly amount due if the company timely pays at least ninety five~~
41 ~~percent (95%) of the amount due and includes the underpayment with the next report~~
42 ~~the company files.~~

1 ~~A quarterly report covers a calendar quarter and is due by the last day of the month~~
2 ~~that follows the quarter covered by the report. A company shall submit a report on a~~
3 ~~form provided by the Secretary. The report shall~~ The report must state the company's
4 gross receipts for the reporting period from providing local telecommunications service
5 and from providing local telecommunications service within each city served. If a
6 company's report does not state the company's taxable gross receipts derived within a
7 city, the Secretary must determine a practical method of allocating part of the company's
8 taxable gross receipts to the city. A company shall must report its gross receipts on an
9 accrual basis."

10 **SECTION 6.(g)** G.S. 105-187.43 reads as rewritten:

11 "**§ 105-187.43. Payment of the tax.**

12 (a) Payment.—The tax imposed by this Article is payable semimonthly and a
13 return is due monthly in accordance with G.S. 105-263.1. ~~monthly to the Secretary. A~~
14 monthly tax payment is due by the last day of the month that follows the month in
15 which the tax accrues. The tax imposed by this Article on piped natural gas delivered to
16 a sales or transportation customer accrues when the gas is delivered. The tax payable on
17 piped natural gas received by a person who has direct access to an interstate pipeline for
18 consumption by that person accrues when the gas is received.

19 (b) Small Underpayments.—A person is ~~not subject to interest on or penalties for~~
20 ~~an underpayment of a monthly amount due if the person timely pays at least ninety five~~
21 ~~percent (95%) of the amount due and includes the underpayment with the next return~~
22 ~~the person files.~~

23 (c) Return.—A return is ~~due quarterly. A quarterly return covers a calendar~~
24 ~~quarter and is due by the last day of the month that follows the quarter covered by the~~
25 ~~return."~~

26 **SECTION 6.(h)** The Secretary of Revenue must review the thresholds in
27 G.S. 105-163.6 for accelerated payment of withheld taxes to evaluate the efficiency,
28 burden, and level of compliance under the current law. The Secretary must take steps to
29 assure taxpayer compliance and must report the results of the study and any
30 recommendations to the Revenue Laws Study Committee by April 1, 2002.

31 **SECTION 6.(i)** It is the intent of the General Assembly that the revenue
32 generated by the tax collection efficiencies enacted by this section be credited to the
33 Savings Reserve Account.

34 **SECTION 6.(j)** In order to pay for its costs of postage, printing, and
35 computer programming to implement this section, the Department of Revenue may
36 withhold not more than seventy-five thousand dollars (\$75,000) from collections under
37 Article 4 of Chapter 105 of the General Statutes during the first two quarters of the
38 2001-2002 fiscal year.

39 **SECTION 6.(k)** This section becomes effective January 1, 2002, and applies
40 to taxes levied on or after that date.

41
42 **MAKE BOXING COMMISSION INDEPENDENT/ADDITIONAL DUTIES**

- 1 (11) Kickboxing match. – A match in which the participants engage in full
2 contact martial arts fighting techniques using the hands and the feet,
3 and where the object of the match is to win by decision, knockout
4 (KO), or technical knockout (TKO).
- 5 (12) Licensee. – Any person, club, corporation, organization, or association
6 to whom a license has been issued pursuant to the provisions of this
7 ~~Article~~Chapter.
- 8 (13) Manager. – Any person who controls or administers the ~~boxing~~
9 boxing, kickboxing, toughman, wrestling, or mixed martial arts affairs
10 of any contestant, and who:
- 11 a. By contract, agreement, or other arrangement with any person
12 undertakes or has undertaken to represent in any way the
13 interest of the contestant in any ~~professional boxing~~ contest in
14 which the ~~boxer~~boxer, kickboxer, wrestler, or mixed martial
15 arts contestant is to participate as a contestant, and is entitled
16 under that contract, agreement, or arrangement to receive
17 monetary or other compensation for his services, without regard
18 to the sources of the compensation. The term "manager" shall
19 not be construed to mean any attorney licensed to practice in
20 this State whose participation in the activities is restricted solely
21 to representing the interests of a ~~professional boxer~~participant
22 as a client.
- 23 b. Directs or controls the ~~professional boxing~~ activities of any
24 ~~professional boxer~~participant.
- 25 c. Receives or is entitled to receive a percentage of the gross purse
26 or gross income of any ~~professional boxing contest~~participant
27 in a match.
- 28 (14) Match. – Any ~~boxing or kickboxing~~boxing, kickboxing, toughman,
29 wrestling, or mixed martial arts contest or exhibition, and includes any
30 event, engagement, sparring or practice session, show or program
31 where the public is admitted and in which there is intended to be
32 physical contact, whether an exhibition or contest. This definition does
33 not include training or practice sessions when no admission is charged.
- 34 (15) Matchmaker. – A person through whom matches are arranged for
35 participants and who otherwise assists participants in procuring
36 engagement dates for ~~boxing~~a match.
- 37 (15a) Mixed martial arts contestant. – Any person who competes or
38 participates in a mixed martial arts match.
- 39 (15b) Mixed martial arts match. – A match where the participants engage in
40 full contact martial arts techniques, and a fee for viewing the match is
41 charged or solicited, or a purse or prize is awarded to the contestant.
- 42 (16) Natural person. – An individual.

- 1 (17) Participant. – Any person who engages in a ~~match or exhibition and~~
2 ~~performs as a boxer.~~match.
- 3 (18) Person. – An individual, group of individuals, business, corporation,
4 limited liability company, partnership, or any other individual or
5 collective entity.
- 6 (19) Physician. – An individual licensed to practice medicine in this State.
- 7 (20) Professional. – Any person who is licensed as a professional boxer
8 under the federal Professional Boxing Safety Act of ~~1996.~~ 1996, P.L.
9 104-272.
- 10 (21) Promoter. – Any person who produces, arranges, stages, holds, or
11 gives any match in North Carolina involving a professional participant.
- 12 (21a) Purse. – Any remuneration paid to a contestant as consideration for
13 that contestant's participation in an event.
- 14 (22) Referee. – The official who ~~shall enter and remain~~ enters and remains
15 in the ring for the duration of a match and shall enforce enforces the
16 rules and ~~maintain~~ maintains order in the ring.
- 17 (23) Ring official. – Any person who performs an official function for the
18 duration of a match.
- 19 (23a) Sanctioned amateur. – A person who competes in a sanctioned amateur
20 match.
- 21 (23b) Sanctioned amateur match. – Any boxing or kickboxing match
22 regulated by an amateur sports organization that has been recognized
23 and approved by the North Carolina State Boxing Commission.
- 24 (24) Second. – Any person who will work or be present in the corner of a
25 participant for the duration of a match.
- 26 (25) Timekeeper. – Any person who will operate the clock or watch for the
27 duration of a match for the purpose of keeping the official time of the
28 match.
- 29 (25a) Toughman contestant. – Any person who competes in a toughman
30 event.
- 31 (25b) Toughman event. – An elimination program of matches in which (i)
32 the contestants are not professional boxers, (ii) the finalist receives a
33 purse or other article of value, (iii) the participants engage in the use of
34 full contact boxing techniques, and (iv) the object of each match is to
35 win by decision, knockout (KO), or technical knockout (TKO).
- 36 (25c) Wrestling contestant. – Any person who competes or participates in a
37 wrestling event.
- 38 (25d) Wrestling match. – A match where the participants engage in full
39 contact wrestling techniques, and a fee for viewing the match is
40 charged or solicited, or a purse or prize is awarded to the contestant.
- 41 (26) Ultimate warrior match. – A match where the participants use any
42 combination of boxing, kicking, wrestling, hitting, punching, or other
43 combative, contact techniques and which combination of techniques is

1 not specifically authorized by and conducted pursuant to this
2 ~~Article-Chapter.~~

3 **"§ 85D-3. State Boxing Commission.**

4 (a) Creation. – The North Carolina State Boxing Commission is ~~created within~~
5 ~~the Department of Crime Control and Public Safety~~ established to regulate in North
6 Carolina ~~live boxing and kickboxing~~ boxing, kickboxing, toughman, wrestling, or
7 mixed martial arts matches, whether professional, amateur, sanctioned amateur, or
8 toughman events, in which admission is charged for viewing, or the contestants compete
9 for a purse or prize of value greater than twenty-five dollars (\$25.00). The Commission
10 is subject to the provisions of Chapter 93B of the General Statutes. The Commission
11 shall consist of ~~six voting members and two nonvoting advisory~~ eight voting members.
12 All the members shall be residents of North Carolina and shall meet requirements for
13 membership under the Professional Boxing Safety Act of ~~1996.~~ 1996, P.L. 104-272.
14 The members shall be appointed as follows:

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

1 The member appointed pursuant to subdivision ~~(5)~~(4) of subsection (a) of this
2 section may serve on the Commission only if an agreement exists and remains in effect
3 between the Tribal Council of the Eastern Band of the Cherokee and the Commission
4 authorizing the Commission to regulate professional boxing matches within the
5 Cherokee Indian Reservation as provided by the Professional Boxing Safety Act of
6 ~~1996~~, 1996, P.L. 104-272.

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

13 Terms for all members of the Commission ~~except for the initial appointments~~ shall
14 be for three years.

15 ~~The Secretary of Crime Control and Public Safety shall designate which member of~~
16 ~~the Commission is to serve as chair. The members of the Commission shall elect from~~
17 ~~among themselves a chair to serve a one-year term. A member of the Commission may~~
18 ~~be removed from office by the Secretary of Crime Control and Public Safety.~~ Each
19 member before entering upon the duties of a member shall take and subscribe an oath to
20 perform the duties of the office faithfully, impartially, and justly to the best of the
21 member's ability. ~~A record of these oaths shall be filed in the Department of the~~
22 ~~Secretary of Crime Control and Public Safety.~~

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

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

39 (d) Rule-Making Authority of the Commission. – The Commission shall have the
40 exclusive authority to approve and issue rules for the regulation of the conduct,
41 promotion, and performances of live boxing, kickboxing, wrestling, mixed martial arts,
42 sanctioned amateur, amateur, and toughman matches and exhibitions in this State. The

1 rules shall be issued pursuant to the provisions of Chapter 150B of the General Statutes
2 and may include, without limitation, the following subjects:

- 3 (1) Requirements for issuance of licenses and permits required by this
4 ~~Article~~Chapter.
- 5 (2) Regulation of ticket sales.
- 6 (3) Physical requirements for contestants, including classification by
7 weight and skill.
- 8 (4) Supervision of matches and exhibitions by licensed physicians and
9 referees.
- 10 (5) Insurance and bonding requirements.
- 11 (6) Compensation of participants and licensees.
- 12 (7) Contracts and financial arrangements.
- 13 (8) Prohibition of dishonest, unethical, and injurious practices.
- 14 (9) Facilities.
- 15 (10) Approval of sanctioning amateur sports organizations.
- 16 (11) Procedures and requirements for compliance with the Professional
17 Boxing Safety Act of ~~1996~~, 1996, P.L. 104-272.

18 (e) ~~Compensation.~~—None of the members of the Commission shall receive
19 compensation for serving on the Commission. However, members of the Commission
20 may be reimbursed for their expenses in accordance with the provisions of Chapter 138
21 of the General Statutes.

22 (f) ~~Staff Assistance.~~—The Secretary of Crime Control and Public Safety shall
23 hire a person to serve as Executive Director of the Commission and shall provide staff
24 assistance to the Executive Director. The Executive Director shall enforce this Article
25 through the Department of Crime Control and Public Safety. If necessary, the Executive
26 Director may train and contract with independent contractors for the purpose of
27 regulating and monitoring events, issuing licenses, collecting fees, and enforcing rules
28 of the Commission. The Executive Director may initiate and review criminal
29 background checks on persons requesting to work as independent contractors for the
30 Commission or persons applying to be licensed by the Commission.

31 **"§ 85D-4. Ultimate warrior matches prohibited.**

32 Ultimate warrior matches, whether the participants are professionals or amateurs, are
33 prohibited. No person shall promote, conduct, or engage in ultimate warrior matches.
34 This section shall not preclude ~~boxing and kickboxing~~ boxing, kickboxing, toughman,
35 wrestling, or mixed martial arts as regulated in this ~~Article~~ or professional
36 wrestling~~Chapter~~.

37 **"§ 85D-5. Licensing and permitting.**

38 (a) License and Permit Required. – Except for sanctioned amateur matches, it is
39 unlawful for any person to act in this State as an announcer, contestant, judge, manager,
40 matchmaker, promoter, referee, timekeeper, or second unless the person is licensed to
41 do so under this ~~Article~~Chapter. It is unlawful for a promoter to present a match in this
42 State, other than a sanctioned amateur match, unless the promoter has a permit issued
43 under this ~~Article~~ Chapter to do so. The Commission has the exclusive authority to

1 issue, deny, suspend, or revoke any license or permit provided for in this ~~Article~~.
2 Chapter.

3 (b) License. – All licenses issued under this ~~Article~~Chapter shall be valid only
4 during the calendar year in which they are issued, except contestant licenses shall be
5 valid for one year from the date of issuance. A license for an announcer, contestant,
6 judge, matchmaker, referee, timekeeper, or second shall be issued only to a natural
7 person. A natural person shall not transfer or assign a license or change it into another
8 name. A license for a manager or promoter may be issued to a corporation or
9 partnership; provided, however, that all officers or partners shall submit an application
10 for individual licensure, and only those officers or partners who are licensed shall be
11 entitled to negotiate or sign contracts. The addition of a new officer or partner during
12 the license period shall necessitate the filing of an application for individual licensure
13 by the new officer or partner.

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

23 (b1) Upon payment of the required fee as provided in G.S. 85D-6, the
24 Commission shall issue a federal identification card to each boxer as required by the
25 federal Professional Boxing Safety Act of 1996, P.L. 104-272.

26 (b2) All promoters shall report all bout agreements and payments to officials to
27 the Commission.

28 (c) ~~Surety Bond~~Bonds. – An applicant for a promoter's license must submit, in
29 addition to any other forms, documents, or exhibits requested by the Commission, a
30 surety bond payable to the Commission for the benefit of any person injured or
31 damaged by (i) the promoter's failure to comply with any provision of this
32 ~~Article~~Chapter or any rules adopted by the Commission or (ii) the promoter's failure to
33 fulfill the obligations of any contract related to the holding of a ~~boxing event~~match. The
34 surety bond shall be a cash bond or be issued by a company licensed by the State
35 Department of Insurance to do bond business in this State in an amount to be no less
36 than five thousand dollars (\$5,000). The amount of the surety bond shall be negotiable
37 upon the sole discretion of the Commission. All surety bonds shall be upon forms
38 approved by the Secretary of Crime Control and Public Safety and supplied by the
39 Commission. Any applicant seeking licensure as a promoter shall either (i) provide
40 major medical coverage from an insurance company licensed by the State Department
41 of Insurance to provide medical insurance in this State in an amount not less than two
42 thousand five hundred dollars (\$2,500) for each fighter or (ii) provide a cash bond for

1 medical expenses in an amount not less than two thousand five hundred dollars (\$2,500)
 2 for each fighter.

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

6 **"§ 85D-6. Fees; State Boxing Commission Revenue Account.**

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

8

9	Announcer	\$ 50.00
10	Contestant	\$ 25.00
11	Judge	\$ 50.00
12	Manager	\$100.00
13	Matchmaker	\$200.00
14	Promoter	\$300.00
15	Referee	\$ 50.00
16	Timekeeper	\$ 50.00
17	Second	\$ 25.00. <u>\$ 25.00</u>
18	Federal I.D. card	<u>\$25.00.</u>

19 The annual license renewal fees shall not exceed the initial license fees.

20 (b) Permit Fees. – The Commission may establish a fee schedule for permits
 21 issued under this ~~Article~~ Chapter. The fees may vary depending on the seating capacity
 22 of the facility to be used to present a match. The fee may not exceed the following
 23 amounts:

24

25	Seating Capacity	Fee Amount
26	Less than 2,000	\$100.00 <u>\$150.00</u>
27	2,000 – 5,000	\$200.00 <u>\$250.00</u>
28	Over <u>For each additional 5,000</u>	\$300.00. <u>\$350.00.</u>

29 In addition to the permit fees required in this subsection, the Commission may charge
 30 either a fee equal to ten percent (10%) of the total purse of each professional boxing
 31 event, or the permit fee authorized in this subsection, whichever is greater.

32 (b1) Exemption. – Any professional wrestling event solely organized, promoted,
 33 and managed by staff and volunteers of an exempt organization under section 501(c)(3)
 34 of the Code and for which a promoter or manager is not paid, shall be exempt from the
 35 fees imposed in this section.

36 (c) ~~State Boxing Commission Revenue Account. – There is created the State~~
 37 ~~Boxing Commission Revenue Account within the Department of Crime Control and~~
 38 ~~Public Safety. Monies collected pursuant to the provisions of this Article shall be~~
 39 ~~credited to the Account and applied to the administration of the Article.~~

40 (d) The Commission may charge the public reasonable fees associated with the
 41 cost of copying, reproducing, or otherwise supplying the public with documents or
 42 information related to the functions of the Commission. The fees shall not exceed the
 43 actual cost of printing and mailing the documentation, including the cost of purchasing

1 or leasing and maintaining copying equipment. These fees may be changed from time to
2 time, but a schedule of fees shall be available on request at all times.

3 **"§ 85D-7. Contracts and financial arrangements.**

4 Any contract between licensees and related to a boxing match or exhibition held or
5 to be held in this State must meet the requirements of administrative rules as set forth by
6 the Commission. Any contract which does not satisfy the requirements of the
7 administrative rules shall be void and unenforceable. All contracts shall be in writing.

8 **"§ 85D-8. Sanctioned amateur matches.**

9 In addition to the other applicable provisions of this ~~Article, Chapter~~, a sanctioned
10 amateur match shall be conducted pursuant to the rules of the sports organization
11 sanctioning the boxing match or exhibition.

12 **"§ 85D-9. ~~Violations, Penalties and enforcement.~~**

13 (a) Civil Penalties. – ~~The Secretary of Crime Control and Public Safety~~
14 Commission may issue an order against a licensee or other person who willfully violates
15 any provision of this ~~Article, Chapter, or any rules adopted by the Commission,~~
16 imposing a civil penalty of up to five thousand dollars (\$5,000) for a single violation or
17 of up to twenty-five thousand dollars (\$25,000) for multiple violations in a single
18 proceeding or a series of related proceedings. No order under this subsection may be
19 entered without giving the licensee or other person 15 days' prior notice and an
20 opportunity for a contested case hearing conducted pursuant to Article 3 of Chapter
21 150B of the General Statutes.

22 The clear proceeds of civil penalties imposed pursuant to this subsection shall be
23 remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

24 (b) Criminal Penalties. – A willful violation of any provision of this ~~Article~~
25 Chapter or rules adopted by the Commission shall constitute a Class 2 misdemeanor.
26 ~~The Secretary of Crime Control and Public Safety may refer any available evidence~~
27 ~~concerning violations of this Article to the proper district attorney, who may, with or~~
28 ~~without such a reference, institute the appropriate criminal proceedings. The Attorney~~
29 General of North Carolina, or the Attorney General's designee, shall have concurrent
30 jurisdiction with the district attorneys of this State to prosecute violations of this
31 Chapter.

32 (c) Injunction. – ~~Whenever it appears to the Secretary of Crime Control and~~
33 ~~Public Safety that a person has engaged or is about to engage in an act or practice~~
34 ~~constituting a violation of any provision of this Article or any rule or order hereunder,~~
35 ~~the Secretary of Crime Control and Public Safety may bring an action in any court of~~
36 ~~competent jurisdiction to enjoin those acts or practices and to enforce compliance with~~
37 ~~this Article or any rule or order issued pursuant to this Article. The Commission may in~~
38 its own name seek injunctive relief in the General Court of Justice to restrain any
39 violation or anticipated violation of the provisions of this Chapter or rules adopted by
40 the Commission.

41 (d) The Commission shall be entitled to the services of the Attorney General of
42 North Carolina in enforcing the provisions of this Chapter or may employ an attorney to
43 assist and represent it in enforcement of specific matters.

1 **"§ 85D-10. Expenses of Commission members; Commission finances.**

2 (a) Each member of the Commission shall be entitled to receive travel and
3 expense reimbursement as authorized by G.S. 93B-5 for similar boards.

4 (b) All funds received by the Commission under the provisions of this Chapter
5 shall be deposited by the treasurer of the Commission or any other officer or staff
6 employee the Commission designates in such depository and under such security as the
7 Commission may direct. All expenses incurred by the Commission shall be paid out of
8 funds derived from permitting, licensing, or renewal of licenses or from other fees
9 herein provided and shall be paid by the treasurer upon vouchers drawn by the
10 Executive Director. The Commission shall have the power to determine necessary
11 expenses, and to fix the compensation for board employees and for professional
12 services. The State of North Carolina shall not be liable for the compensation of any
13 Commission members or officers. Payment of expenses and salaries pursuant to
14 administration of this Chapter shall not exceed the available funds of the Commission.
15 All Commission receipts and disbursements shall be subject to audit and accounting
16 procedures established by the State for similar boards.

17 **"§ 85D-11. Personnel.**

18 The Commission shall hire a person to serve as Executive Director of the
19 Commission. The Executive Director may hire staff whom shall be employed at the
20 discretion of the Executive Director. If necessary, the Executive Director may train and
21 contract with independent contractors for the purpose of regulating and monitoring
22 events, issuing licenses, collecting fees, enforcing rules, and administering the duties of
23 the Commission. The Executive Director may initiate and review criminal background
24 checks on persons requesting to work as independent contractors for the Commission or
25 persons applying to be licensed by the Commission."

26 **SECTION 7.(c)** The North Carolina State Boxing Commission may adopt
27 temporary rules to implement this act. Upon the adoption of temporary rules, the
28 administrative rules adopted by the Secretary of State that govern the North Carolina
29 Boxing Commission are repealed. The Commission shall own the equipment and
30 supplies in the inventory of the Commission on January 1, 2002, and shall rent
31 State-owned office space in accordance with G.S. 93B-7.

32 **SECTION 7.(d)** This section becomes effective January 1, 2002.