

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 2727 (First Edition)

SHORT TITLE: Restore Boxing Commission Budget Cuts.

SPONSOR(S): Representative Gibson

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
REVENUES					
EXPENDITURES	\$138,843	\$138,843	\$138,843	\$138,843	\$138,843
POSITIONS (cumulative):	2.0	2.0	2.0	2.0	2.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Crime Control and Public Safety					
EFFECTIVE DATE: July 1, 2006					
<i>** HB 2727 appropriates \$131,449 to Re-establish the Boxing Commission</i>					

BILL SUMMARY: Re-establishes the Boxing Commission within the Department of Crime Control and Public Safety. Maintains the current license fees, permit fees, civil penalties, and criminal penalties. Appropriates \$131,449 for this purpose.

ASSUMPTIONS AND METHODOLOGY: The 2004 Budget Bill, S.L. 2004-124, included a provision that eliminated the Boxing Commission, including its general fund appropriation, and transferred the regulation of boxing to the Division of Alcohol Law Enforcement (ALE). The bill directed the Department of Crime Control and Public Safety (CCPS) to use available salary reserve funds to reclassify the two Boxing Commission staff positions and transfer them to ALE. As a result of S.L. 2004-124, the CCPS general fund appropriation was reduced by \$134,449, requiring the Department to re-allocate existing funds and salary reserve within its budget to support the cost of regulating boxing. The former two-member Boxing Commission staff was transferred and the NC Boxing Authority was established within ALE in FY 2004-05. In FY2003-04, the annual

operating budget for the NC Boxing Commission was approximately \$174,449 with \$40,000 in budgeted receipts for a net general fund appropriation of \$134,449.

HB 2727 proposes to re-establish the Boxing Commission within the Department of Crime Control and Public Safety with six (6) voting members and two (2) non-voting advisory members. The bill directs the Secretary to hire an Executive Director and to provide staff assistance to the Director. The costs to re-establish the Boxing Commission as directed in the bill would be those associated with the eight (8) new commission members, and the compensation for the Executive Director and staff. According to data provided by the NC Boxing Authority staff, the travel and per diem costs for seven Commission members to attend four meetings annually was \$2,600 in FY 2003-04. Assuming that travel costs remain the same and with one additional member, the estimated cost of four quarterly commission meetings would be approximately \$3,000 in FY 2006-07. The salary and compensation cost for the current Executive Director of the NC Boxing Authority will be \$90,517 in FY 2006-07. There is currently one additional staff member with annual compensation costs of \$42,843. Thus the total costs to re-establish the commission with one additional member and to compensate an Executive Director and Commission staff are estimated at \$138,843 in the first year.

In addition to salaries and benefits, the former Boxing Commission incurred \$43,000 in operating costs in FY 2003-04 for a total annual cost of about \$175,000. These costs were offset by \$40,000 in budgeted receipts generated from event fees, licenses, etc. In FY 2005-06, the NC Boxing Authority generated \$34,600 in receipts from event fees, licenses, and identification cards. It does not appear that, as proposed, HB 2727 would generate any additional receipts over and above the amount currently generated.

It is assumed that the funds appropriated by HB2727 would be used to restore the two positions which were eliminated when the former NC Boxing Commission was eliminated in FY04-05. As a result, two existing ALE positions were reclassified and the former Boxing Commission employees were re-assigned to those positions as employees of newly created NC Boxing Authority. The positions currently filled by those two employees are assumed to be reclassified and restored to the Alcohol Law Enforcement Division from which they originated.

SOURCES OF DATA: NC Boxing Authority; Department of Crime Control and Public Safety

TECHNICAL CONSIDERATIONS: None

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