

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: November 5, 2018

SUBJECT: Fiscal Impact Statement – Boxing and Wrestling Commission
Amendment Act of 2018

REFERENCE: Bill 22-509, Draft Committee Print as shared with the Office of Revenue
Analysis on November 5, 2018

Conclusion

Funds are not sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill's implementation has a one-time cost of \$20,000 in fiscal year 2019.

Background

The District of Columbia Boxing and Wrestling Commission (Commission) is a three-member commission that supports boxing, wrestling and martial arts events and activities in the District. The bill renames the Commission as the District of Columbia Combat Sports Commission (Commission), increases the number of commissioners to five, and expands its oversight to include kickboxing and mixed martial arts events and activities. The bill also authorizes the Commission to issue grants to fund programs and initiatives related to boxing, wrestling, kickboxing, martial arts, and mixed martial arts. The bill lifts a cap of \$1,000 on any fines issued by the Commission and redefines the protective gear required for events from protective headgear to gear consistent with each sport's sanctioning body.

The bill creates the District of Columbia Combat Sports Commission Fund (Fund) as a non-lapsing, special purpose revenue fund to collect all fees and fines paid the Commission to help it carry out its duties, including the issuance of grants as authorized in the bill.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The Commission will need to rebrand its online and physical presence at a cost

The Honorable Phil Mendelson

FIS: Bill 22-509, "Boxing and Wrestling Commission Amendment Act of 2018," Draft Committee Print as shared with the Office of Revenue Analysis on November 5, 2018

of \$15,000. The Commission, which doesn't presently issue grants, will need to establish secure grant procedures at a cost of \$5,000. The bill authorizes the Commission to issue grants, but does not dictate that it issue specific grants in specific amounts. The Commission currently uses its revenue collections to pay for its operating expenses, but it has seen these revenues decline from approximately \$173,000 in fiscal year 2016 to only \$53,000 in fiscal year 2018 due to increased regional competition for events. The Commission does not have sufficient resources to absorb these one-time costs of \$20,000.

The Commission can manage the additional oversight and licensing of kickboxing and mixed martial arts activities with existing resources. The Commission will generate additional licensing revenues, but we are unable to project how many new events or related activities will come to the District and what revenues those events will generate.

The lifting of the \$1,000 limit on fines that can be issued could result in higher fines and increased appeals of those fines, but there is not sufficient data to support any additional resource needs at the Department of Consumer and Regulatory Affairs to litigate appeals at this time.