



**FLORIDA STATE BOXING
COMMISSION ANNUAL
REPORT**

ANNUAL REPORT
2016 - 2017 Fiscal Year

Rick Scott, *Governor*

Jonathan Zachem, *Secretary*



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Message from the Secretary

Dear Fellow Floridians:

I am happy to report that Fiscal Year 2016-17 was a successful year for the Florida State Boxing Commission. Revenue continued to be strong. While health and safety remain the top priority, we continue to focus on increasing revenue and decreasing unnecessary regulation.

The Commission sanctioned 53 professional events. Professional boxing is experiencing a resurgence in Florida. There were 31 professional boxing and two professional kickboxing events in Fiscal Year 2016-17.

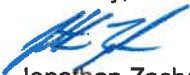
The number of professional mixed martial arts events remained relatively the same compared to prior years. There were 20 sanctioned matches during the fiscal year. These events promote Florida as a destination for future events and stimulate local economies.

A steady number of events equates to generally the same number of licensees. The Commission issued 1,217 licenses. I am pleased to report that existing Commission staff was able to absorb the heavy workload. They have done a phenomenal job and I thank them for their hard work.

Amateur combat sports remain popular in Florida. The Commission is responsible for periodic compliance checks of amateur sanctioning organizations to ensure enforcement of approved health and safety standards and supervision of matches. During Fiscal Year 2016-17, there were 164 amateur events in Florida and the Division of Regulation conducted 26 compliance checks on behalf of the Commission.

It is truly an honor to have the opportunity to continue improving the combat sports industry in Florida. We have had great success over the past year and I look forward to building on that and making this year even better!

Sincerely,



Jonathan Zachem
Secretary

Mission

License efficiently. Regulate fairly.

Our Vision

We will make DBPR and Florida great places to do business. To that end, we will invest in our employees, treat our licensees as valued customers and partners and uphold laws that protect the public and Florida's competitive marketplace.

Our Values

Accountability

We hold ourselves to the highest standards on behalf of our customers and the public.

Innovation

We foster an environment that encourages everyone to seek ways to make DBPR and Florida great places to do business without the constraints of fear of change or long-held practices.

Integrity

We are fair and honest in all we do so our employees and customers trust our decisions.

Ownership

We embrace our responsibility to serve and see things through to resolution.

Responsiveness

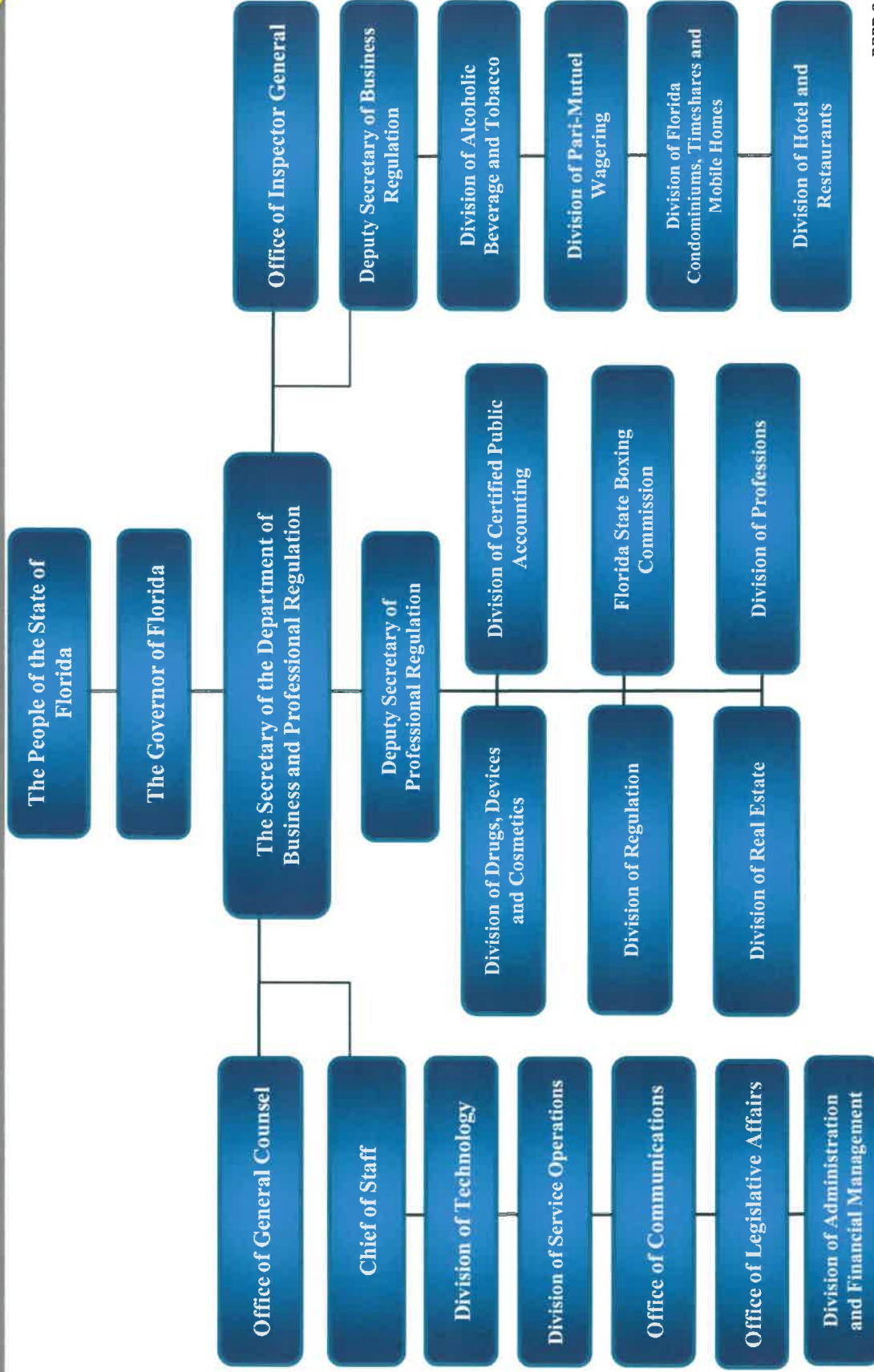
We are approachable and empathetic; we provide timely, accurate and consistent information; and we offer alternative solutions when available.

Respect

We treat our employees and customers with fairness and courtesy and appreciate each person's viewpoint.

Teamwork

We understand, rely upon and cultivate the talents of our colleagues and customers to help us reach our goals.



Executive Summary

This report was prepared pursuant to Section 548.005, Florida Statutes. It details the Florida State Boxing Commission's long-range planning and monitoring process and provides statistics regarding the professions it regulates. This report also includes estimates of the Commission's revenues, expenditures, cash balances and performance statistics for the next five years.

The Commission licenses and regulates professional boxing, kickboxing and mixed martial arts and approves amateur boxing, kickboxing and mixed martial arts sanctioning organizations. Safety is the Commission's top priority. It ensures that all matches are conducted in accordance with provisions of state laws and rules. It also makes certain that health and safety requirements are met and that matches are competitive and physically safe for participants.

During Fiscal Year 2016-17 the Commission continued the overhaul of its professional rules, a project that has been ongoing for more than three years. As a result, the Commission has increased the health and safety standards of professional and amateur participants and decreased overly burdensome regulation.

Revenue matched revenue of past years but decreases slightly this fiscal period due to a lack of major televised events. The Commission sanctioned 53 professional events, which indicates that activity in Florida remains strong. The Commission issued 1,217 licenses, which is also keeping pace with prior years. There were 164 amateur events in Florida and the Division of Regulation conducted 26 compliance checks on behalf of the Commission

The Commission continued to achieve the goals established during the previous year. Commission staff continued to conduct orientations for new promoters. In addition, Commission staff continued to conduct post-event audits to ensure the proper collection of revenue and to ensure that everyone involved was properly licensed, and to verify that medical suspensions were properly entered into the national database.

The Commission remains committed to its mission to protect the health and safety of participants, to improve regulatory processes and to maintain the integrity of combat sports in Florida.

Florida State Boxing Commission

The Florida State Boxing Commission regulates professional boxing, kickboxing and mixed martial arts and approves amateur sanctioning organizations pursuant to Chapter 548, Florida Statutes, and Rule Chapter 61K1, Florida Administrative Code. The Commission's mission is to provide customer-focused services related to the combat sports industry in Florida in order to protect the health and welfare of participants and to maintain its integrity.

In Fiscal Year 2016-17, the Commission was budgeted \$1,257,599¹ and staffed with four full-time employees: Executive Director, Assistant Executive Director, Government Analyst and Administrative Assistant. In addition, part-time OPS employees are utilized throughout the state to ensure the health, safety and integrity of Commission-sanctioned matches.

Amateur combat sports continue to be popular in Florida. Amateur sanctioning organizations are licensed to monitor and oversee amateur activities. The Commission is responsible for periodic compliance checks of the approved amateur sanctioning organizations to ensure enforcement of approved health and safety standards and supervision of matches. The Division of Regulation conducts periodic compliance checks on behalf of the Commission. During Fiscal Year 2016-17, there were 164 amateur events in Florida and the Division of Regulation conducted 26 compliance checks.

License Type	Total
Participants	317
Seconds	287
Trainers	266
Managers	77
Promoters	37
Matchmakers	28
Judges	46
Referees	19
Announcers	13
Timekeepers	6
Amateur Sanctioning Organization	42
Ringside Physicians	28
Total Licenses	1,217

The Commission collects revenue via license fees, event permit fees, fines and taxation on gross receipts associated with live events. The charts below depict the number of licenses issued during Fiscal Year 2016-17 and the total number of boxing, kickboxing and mixed martial arts events over the last five years.

Professional Events	2012-13	2013-14	2014-15	2015-16	2016-17
Mixed Martial Arts	23	20	22	24	20
Boxing	15	27	19	31	31
Kickboxing	1	0	0	3	2
Total Events	39	47	41	58	53

¹ This includes \$627,544 from the Professional Regulation Trust Fund and \$630,055 in General Revenue.

Long-Range Policy Planning and Monitoring Overview

Section 548.005, Florida Statutes, requires the Commission and Department, where appropriate, to develop and implement a long-range policy planning and monitoring process, including estimates of revenues, expenditures, cash balances and performance statistics for each profession. The period covered shall not be less than five years. The Department is required to monitor compliance with the approved long-range plan and provide concise management reports to the Commission quarterly. Detailed copies of the financial management reports and five-year projections are provided herein.

As part of its long range plan, the Department shall evaluate:

- Whether the Commission is operating efficiently and effectively and if there is need for assistance to help the Commission in ensuring cost-effective regulation.
- How and why combat sports are regulated.
- Whether there is a need to continue regulation and to what degree.
- Whether licensees and consumer protection is adequate and how it can be improved.
- Whether unlicensed activity is adequately enforced.

Efficient and Effective Operations

Section 548.005 (2) (a), Florida Statutes, requires the Department to evaluate whether the Commission is operating efficiently and effectively.

The Florida State Boxing Commission regulates 12 license types as well as amateur boxing, kickboxing and mixed martial arts sanctioning organizations. The Commission collects revenue via license fees, event permit fees, fines and taxation on gross receipts associated with live events.

During Fiscal Year 2016-17 the Commission continued the overhaul of its administrative rules, a project that has been ongoing for over three years. As a result, the Commission has increased the health and safety standards of professional and amateur participants and decreased overly burdensome regulation. Under the new rules, professional weight classes, equipment requirements and prohibited substances are better defined. Weigh-in rules have been strengthened to reduce the medical risks associated with making weight. An audit rule has been established, which allows the Commission to ensure adequate collection of post-event taxes.

The Commission strengthened guidelines for amateur combat sports. Amateur events may no longer be held between the hours of midnight and 6:00 a.m. Amateur sanctioning organizations must report event results to the Commission within 72 hours of the event. This enables the Commission to submit medical suspensions to the Association of Boxing Commissions' national database. This also ensures that amateurs have verifiable records for professional debuts.

The Commission's forms continue to be updated. Pre-licensure medical forms ensure that pre-existing medical conditions are examined by ringside physicians. Optometrists and ophthalmologists may perform eye exams. Medical suspension forms are simplified to eliminate ambiguity. Finally, license applications, proposed fight cards, management contracts and post-event tax forms are narrowly tailored to match statutory requirements.

The Commission continued to achieve the goals established during the previous year. Those goals include:

- Commission staff conducted orientations with new promoters, explaining health and safety regulations; staffing and officials' needs; and ring and cage set-up requirements. In addition, Commission staff strived to improve the service it provided to promoters by conducting pre-event meetings to discuss pending issues and post-event meetings to discuss the overall outcomes of events.
- Commission staff conducted post-event audits of files to ensure that everyone involved was properly licensed; that all medical records were collected; and that medical suspensions were properly processed.
- Commission staff performed timely audits of every post-event tax reports filed with the Commission to ensure the proper collection of revenue.

Regulation and Consumer Protection

Sections 548.005 (2) (b)-(d), Florida Statutes, requires the Department to evaluate how and why combat sports are regulated; whether there is a need to continue regulation and to what degree; and whether consumer protection is adequate and how it can be improved.

Section 11.62 (2), Florida Statutes, provides that the intent of the Florida Legislature is that no profession or occupation be subject to regulation by the state unless the regulation is necessary to protect the public health, safety or welfare from significant and discernable harm or damage, and that the police power of the state be exercised only to the extent necessary for that purpose. The statute also provides that no profession or occupation be regulated by the state in a manner that unnecessarily restricts entry into the practice of the profession or occupation or adversely affects the availability of the professional or occupational services to the public.

Department regulatory activities are designed to protect the public health, safety and welfare. Regulatory oversight is appropriate to enforce the specific qualifications for each license type, to accept and investigate complaints against licensees and to provide support to the Commission in rulemaking and disciplinary proceedings. The Department is continuously working to improve customer service and to reduce regulatory barriers while maintaining a high standard of consumer protection.

The Florida State Boxing Commission works with the Division of Regulation and the Department's Office of the General Counsel to provide complaint intake, investigation and prosecution of violations of Chapter 548, Florida Statutes. To improve customer service and accountability, during Fiscal Year 2016-17, the Commission conducted rule workshops to evaluate Chapter 61K1, Florida Administrative Code, to obtain input from licensees and conduct a review to identify cumbersome regulation.

Unlicensed Activity Program

Section 548.005 (2) (e), Florida Statutes, requires the Department to evaluate whether unlicensed activity is adequately enforced. With a duty to protect the health, safety and welfare of Florida citizens and visitors, the Department placed great emphasis on unlicensed activity through proactive efforts and investigations.

Officials, assigned by the Commission, ensure the integrity of sanctioned professional events. The Commission is required by Section 548.017, Florida Statutes, to ensure that all referees, judges and other officials are Florida-licensed. The Florida Administrative Code sets forth licensing requirements for these officials and specifically notes that no person may act as a timekeeper (61K1-3.010), judge (61K1-3.008), ring-side physician (61K1-3.004) or referee (61K1-3.012) without first obtaining the appropriate license. Participants, announcers, managers, matchmakers, promoters, seconds and trainers must be licensed as well.

Commission office staff, inspectors and event coordinators utilize the following processes to curtail unlicensed activity:

- Pre-event audits of Commission records to ensure that judges, referees, promoters, matchmakers, timekeepers and managers are properly licensed. This includes verification that ring-side physicians also hold clear and active medical licenses.
- Post-event audits of Commission records to ensure that all participants, seconds and trainers were properly licensed during the event or that they submitted the proper license applications during the event.
- Inspectors utilize checklists and wristbands during professional events to ensure that everyone in and around the rings, cages and dressing rooms are licensed.

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA STATE BOXING COMMISSION
OPERATING ACCOUNT
ACTUAL AND PROJECTED REVENUES, EXPENSES
AND CHANGES IN ACCOUNT BALANCE
FISCAL YEARS ENDING JUNE 30, 2012 THROUGH JUNE 30, 2021.

	Actual					Projected				
	JUNE 30 2012	JUNE 30 2013	JUNE 30 2014	JUNE 30 2015	JUNE 30 2016	JUNE 30 2017	JUNE 30 2018	JUNE 30 2019	JUNE 30 2020	
REVENUES										
Fees and Charges	\$ 79,020	\$ 83,811	\$ 91,775	\$ 82,988	\$ 100,313	\$ 100,313	\$ 100,313	\$ 100,313	\$ 100,313	
Licenses	64,603	57,842	63,330	59,698	78,540	78,540	78,540	78,540	78,540	
Taxes Post Event	206,254	235,582	359,016	149,653	342,735	129,195	129,195	129,195	129,195	
Fines	3,995	4,454	1,627	5,408	3,791	-	-	-	-	
Investment Earnings	2,105	-	-	49	548	-	-	-	-	
Refund Revenue	2,055	143	-	2,536	5,710	-	-	-	-	
Unassigned	(6,629)	3,016	(7,565)	2,775	20,584	20,584	20,584	20,584	20,584	
Transfer in from General Revenue		200,000	515,824	469,154	326,527	443,675	443,675	443,675	443,675	
Transfer in from General Revenue Non Recurring						186,380				
Other Revenues	14,227	7,232	9,476	30,464	32,930	32,930	32,930	32,930	32,930	
Total Revenues	365,630	592,080	1,033,483	802,725	911,676	991,616	805,236	805,236	805,236	
EXPENSES										
Commission Office										
Commission Administrative Office	497,621	499,403	524,242	572,533	577,703	577,703	577,703	577,703	577,703	
Refunds	17,025	-	-	2,490	5,610	-	-	-	-	
Service Charge to General Revenue	27,703	30,138	41,861	23,299	47,078	28,925	28,925	28,925	28,925	
Attorney General	62,935	7,642	43,133	42,640	36,304	36,304	36,304	36,304	36,304	
Investigations	21,927	34,442	27,608	23,055	48,075	48,075	48,075	48,075	48,075	
Call Center	1,296	2,577	2,596	1,419	2,409	2,409	2,409	2,409	2,409	
Central Intake		5,143	23,467	11,878	15,456	15,456	15,456	15,456	15,456	
Bank Charges		76	221	243	483	483	483	483	483	
Department Administrative Costs										
Administration	54,314	36,524	42,205	34,739	41,818	41,818	41,818	41,818	41,818	
General Counsel/Legal	4,962	51,225	30,252	7,336	7,079	7,079	7,079	7,079	7,079	
Information Technology	21,367	38,366	28,874	27,628	28,104	28,104	28,104	28,104	28,104	
Doah	1,111	-	-	-	-	-	-	-	-	
Total Expenses	710,261	705,536	764,459	747,258	810,119	786,356	786,356	786,356	786,356	
Excess (Deficiency) of Revenues Over (Under) Expenses	(344,631)	(113,457)	269,024	55,467	101,557	205,260	18,880	18,880	18,880	
TRANSFERS										
Cash Bonds to Promoters										
Transfers (to)/from Division of Regulation										
Total Transfers										
CHANGE IN ACCOUNT BALANCE	(344,631)	(113,457)	269,024	55,467	101,557	205,260	18,880	18,880	18,880	
ACCOUNT BALANCE, Beginning of Period	50,013	(294,618)	(393,723)	(124,699)	(69,232)	32,325	237,585	256,465	275,345	
Correction of Beginning Balance 7-1-2012		14,352								
ACCOUNT BALANCE, End of Period	\$ (294,618)	\$ (393,723)	\$ (124,699)	\$ (69,232)	\$ 32,325	\$ 237,585	\$ 256,465	\$ 275,345	\$ 294,225	