

Rick Scott, *Governor*  
Jonathan Zchem, *Secretary*

Annual Report  
2017 - 2018 Fiscal Year



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## Message from the Secretary

Dear Fellow Floridians:

I am happy to report that Fiscal Year 2017-18 was a successful year for the Florida State Boxing Commission. Revenue was consistently strong throughout the year. While health and safety remain the top priority, we continue to focus on increasing revenue and decreasing unnecessary regulation. To that end, the Commission undertook efforts to reduce the time and expense involved to license a judge for professional events. The Commission initiated changes to allow the use of instant replay. Addressing change will keep Florida at the forefront of an evolving industry.

The Commission sanctioned 56 professional events during the fiscal year, including 30 professional boxing events. The number of professional mixed martial arts events remained relatively consistent with previous years. There were 26 sanctioned events 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 1,367 licenses. I am pleased to report the 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 2017-18, there were 123 amateur events and the Division of Regulation conducted 37 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**

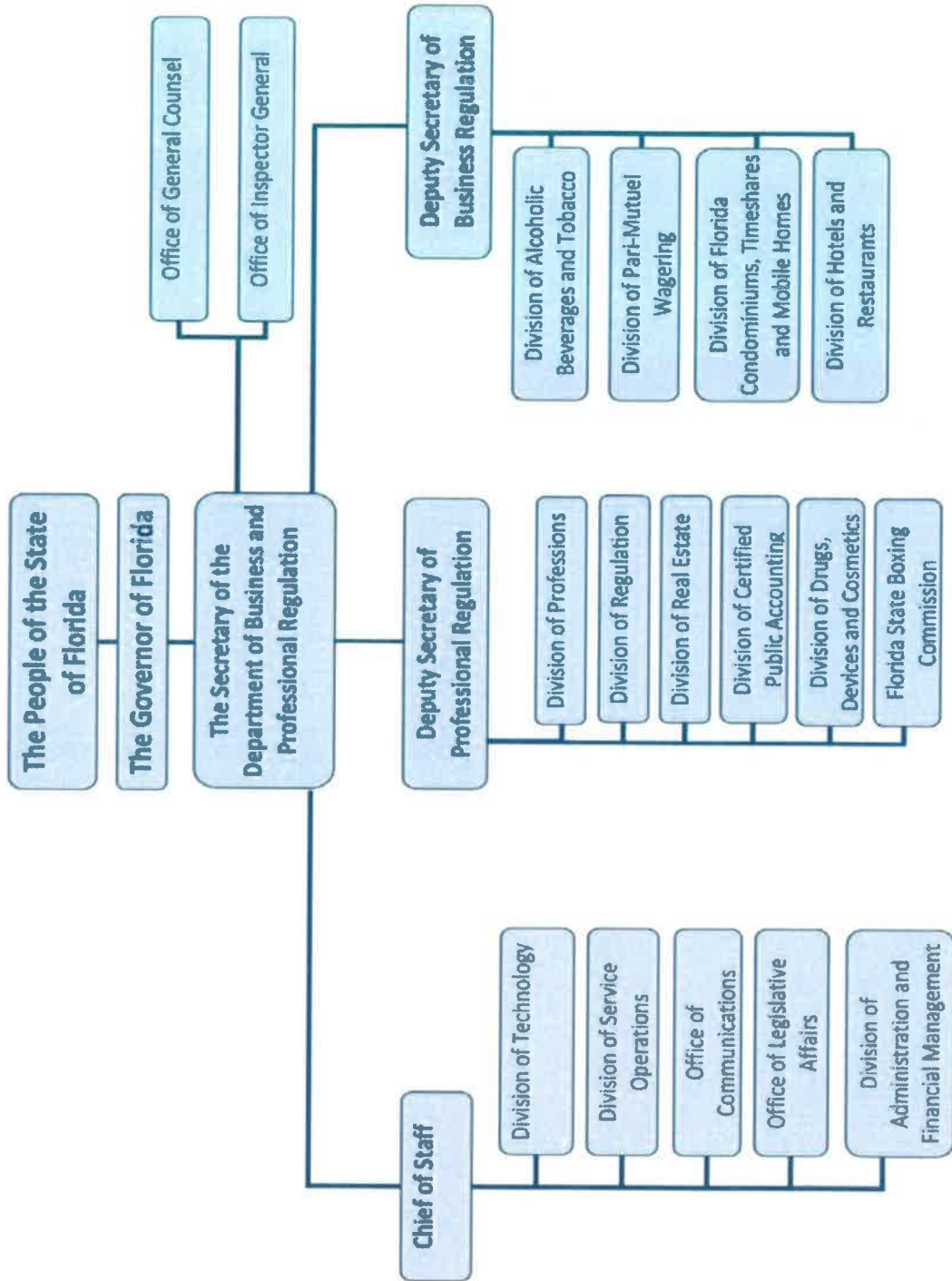
We are approachable and empathetic; we provide timely, accurate and consistent information; and we offer alternative solutions when available.

### **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 2017-18, the Commission began revision of its professional rules to integrate technology into professional combat sports. Instant replay will soon be allowed to assist referees in making correct decisions. The Commission also began to relax requirements to become licensed as a judge for professional events. This makes it easier to work in the State of Florida. The Commission continues to maintain a high level of health and safety standards for professional and amateur participants, and to decrease overly burdensome regulation.

Revenue matched revenue of previous years, but decreased slightly this fiscal period due to a lack of major televised events. The Commission sanctioned 56 professional events, which indicates that activity in Florida remains strong. The Commission issued 1,367 licenses, which also keeps pace with prior years. There were 123 amateur events in Florida and the Division of Regulation conducted 37 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 licensure of all individuals involved, proper collection of revenue, and verification that medical suspensions were properly reported in the Association of Boxing Commissions and Combative Sports 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 safety of participants and to maintain its integrity.

In Fiscal Year 2017-18, the Commission was budgeted \$1,077,010<sup>1</sup> and staffed with four full-time employees: Executive Director, Assistant Executive Director, Government Analyst and Administrative Assistant. In addition, part-time 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 compliance checks on behalf of the Commission. During Fiscal Year 2017-18, there were 123 amateur events and the Division of Regulation conducted 37 compliance checks.

The Commission collects revenue via license fees, event permit fees, fines, and taxation on gross receipts associated with live events. The number of licenses issued during Fiscal Year 2017-18, and the number of boxing, kickboxing and mixed marital arts events over the last five years are depicted below.

License Type	Total
Participant	333
Second	459
Trainer	320
Manager	42
Promoter	24
Matchmaker	23
Judge	45
Referee	24
Announcer	8
Timekeeper	13
Amateur Sanctioning Organization	42
Ringside Physician	34
<b>Total Licenses</b>	<b>1,367</b>

Professional Events	2013-14	2014-15	2015-16	2016-17	2017-18
Boxing	27	19	31	31	30
Kickboxing	0	0	3	2	0
Mixed Martial Arts	20	22	24	20	26
<b>Total Events</b>	<b>47</b>	<b>41</b>	<b>58</b>	<b>53</b>	<b>56</b>

<sup>1</sup> Includes \$633, 335 from the Professional Regulation Trust Fund and \$443,675 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 balance 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 whether there is need to assist 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 licensee and consumer protection is adequate and how it may 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 professional license types including 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 2017-18, the Commission began amending the administrative rules in recognition of technological improvements. Soon, instant replay will be available to assist referees in reviewing controversial fight-ending sequences. The Commission also amended rules to allow an easier path to licensure as a professional judge. As a result, the Commission increased the health and safety standards of professional and amateur participants, and decreased overly burdensome regulation.

The Commission continued to achieve the goals established during the previous year, which include:

- Commission staff conducted orientations with new promoters. This included 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 provided to promoters by conducting a pre-event meeting to address pending issues, as well as a post-event meeting to address the overall event outcome.
- Commission staff conducted post-event audits to ensure the individuals involved were properly licensed; that all medical records were collected; and that medical suspensions were properly processed.
- Investigators received training to ensure they are up to date on the latest safety standards. Training makes Florida's investigators among the most knowledgeable in the industry.
- Commission staff performed timely audits of each post-event tax report filed with the Commission to ensure the proper collection of revenue.

## Regulation and Consumer Protection

Section 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 may 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 Department's Division of Regulation and Office of General Counsel to provide complaint intake, investigation and prosecution of violations of Chapter 548, Florida Statutes. To improve customer service and accountability, the Commission conducted rule workshops to evaluate Rule Chapter 61K1, Florida Administrative Code, in order to obtain input from licensees and to conduct a rule review to identify burdensome 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 places 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 referee (61K1-3.012), judge (61K1-3.008), ring-side physician (61K1-3.004), or timekeeper (61K1-3.010) without first obtaining the appropriate license. A promoter, matchmaker, manager, participant, second, trainer, and announcer must be licensed as well.

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

- Pre-event audit of Commission records to ensure a referee, judge, ring-side physician, timekeeper, promoter, matchmaker, and manager is properly licensed. This includes verification a ring-side physician holds a clear and active medical license.
- Post-event audit of Commission records to ensure a participant, second, trainer, and announcer was properly licensed prior to the event or submitted a proper license application at the event.
- During professional events, Commission inspectors utilize checklists and wristbands to ensure all individuals in and around a ring, cage, and dressing room 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, 2014 THROUGH JUNE 30, 2023

	Actual					Projected				
	JUNE 30 2014	JUNE 30 2016	JUNE 30 2017	JUNE 30 2018	JUNE 30 2019	JUNE 30 2020	JUNE 30 2021	JUNE 30 2022	JUNE 30 2023	
<b>REVENUES</b>										
Fees and Charges	\$ 91,775	\$ 82,868	\$ 100,313	\$ 110,284	\$ 80,860	\$ 80,860	\$ 80,860	\$ 80,860	\$ 80,860	
Licenses	63,320	59,898	78,840	88,920	63,660	63,660	63,660	63,660	63,660	
Taxes Post Event	358,016	149,653	342,735	79,574	151,453	125,000	125,000	125,000	125,000	
Fines	1,627	5,408	3,791	12,979	337	337	337	337	337	
Investment Earnings	-	49	548	1,157	11	-	-	-	-	
Refund Revenue	-	2,628	5,710	905	2,609	-	-	-	-	
Unassigned	(7,643)	2,775	20,894	(889)	39,790	39,790	39,790	39,790	39,790	
Other Revenues	9,476	30,464	32,930	51,418	15,250	34,866	35,111	28,242	32,673	
<b>Total Revenues</b>	<b>\$17,658</b>	<b>\$33,571</b>	<b>\$83,748</b>	<b>\$28,348</b>	<b>\$82,876</b>	<b>\$44,113</b>	<b>\$44,658</b>	<b>\$37,809</b>	<b>\$42,220</b>	
<b>EXPENSES</b>										
Commission Office										
Commission Administrative Office	624,242	572,633	577,703	555,194	555,236	555,236	555,236	555,236	555,236	
Retains	2,480	4,610	2,280	17,493	17,493	17,493	17,493	17,493	17,493	
Service Charge to General Revenue	41,891	22,289	47,078	24,235	27,820	27,820	27,820	27,378	27,327	
Attorney General	43,133	42,640	36,304	26,390	10,504	10,504	10,504	10,504	10,504	
Investigations	27,608	22,055	49,075	21,483	37,784	37,784	37,784	37,784	37,784	
Call Center	2,596	1,419	2,409	2,243	2,173	2,173	2,173	2,173	2,173	
Central Intake	23,487	11,878	15,456	17,488	17,003	17,003	17,003	17,003	17,003	
Bank Charges	221	243	483	454	787	787	787	787	787	
Department Administrative Costs										
Administration	42,205	34,739	41,818	34,893	34,893	34,893	34,893	34,893	34,893	
General Counsel/Legal	30,252	7,238	7,078	5,852	8,020	8,020	8,020	8,020	8,020	
Information Technology	28,874	27,428	28,104	30,140	29,390	29,390	29,390	29,390	29,390	
<b>Total Expenses</b>	<b>764,458</b>	<b>747,258</b>	<b>\$10,118</b>	<b>718,762</b>	<b>802,858</b>	<b>723,418</b>	<b>723,482</b>	<b>723,920</b>	<b>723,216</b>	
Excess (Deficiency) of Revenues Over (Under) Expenses	<b>(246,804)</b>	<b>(413,687)</b>	<b>(224,976)</b>	<b>(398,414)</b>	<b>(446,718)</b>	<b>(379,306)</b>	<b>(378,604)</b>	<b>(381,047)</b>	<b>(381,027)</b>	
<b>TRANSFERS</b>										
Cash Sends to Promoters	-	-	-	-	-	-	-	-	-	
Total Transfers	-	-	-	-	-	-	-	-	-	
<b>CHANGE IN ACCOUNT BALANCE</b>	<b>(246,804)</b>	<b>(413,687)</b>	<b>(224,976)</b>	<b>(398,414)</b>	<b>(446,718)</b>	<b>(379,306)</b>	<b>(378,604)</b>	<b>(381,047)</b>	<b>(381,027)</b>	
<b>ACCOUNT BALANCE, Beginning of Period</b>	<b>(593,723)</b>	<b>(134,899)</b>	<b>(89,225)</b>	<b>32,326</b>	<b>146,938</b>	<b>(194,826)</b>	<b>(194,826)</b>	<b>(216,229)</b>	<b>(266,898)</b>	
Transfer in from General Revenue	515,924	465,154	326,527	356,527	250,000	326,527	356,527	326,527	326,527	
Transfer in from General Revenue Non Recurring	-	-	178,500	-	-	-	-	-	-	
<b>ACCOUNT BALANCE, End of Period</b>	<b>\$ (124,899)</b>	<b>(69,745)</b>	<b>\$ 23,225</b>	<b>\$ 146,938</b>	<b>(51,790)</b>	<b>(194,826)</b>	<b>(194,826)</b>	<b>(216,229)</b>	<b>(266,898)</b>	