



Virginia
Regulatory
Town Hall

Notice of Intended Regulatory Action Agency Background Document

Agency Name:	18 – Department of Professional and Occupational Regulation
VAC Chapter Number:	120
Regulation Title:	Professional Boxing and Wrestling Event Regulations
Action Title:	Amending
Date:	April 14, 2003

This information is required prior to the submission to the Registrar of Regulations of a Notice of Intended Regulatory Action (NOIRA) pursuant to the Administrative Process Act § 2.2-4007(B). Please refer to Executive Order Twenty-Five (98) and Executive Order Fifty-Eight (99) for more information.

Purpose

Please describe the subject matter and intent of the planned regulation. This description should include a brief explanation of the need for and the goals of the new or amended regulation.

The intent of the proposed changes in regulations is to increase fees for applicants and regulants of the Professional Boxing and Wrestling Program. The program must establish fees adequate to support the costs of operations and a proportionate share of the Department's operations. By the close of the current biennium, fees will not provide adequate revenue for those costs.

The Department of Professional and Occupational Regulation (DPOR) receives no general fund money, but instead is funded almost entirely from revenue collected for regulants and event licensure and gate fees. The Department is self-supporting, and must collect adequate revenue to support its mandated and approved activities and operations. The Professional Boxing and Wrestling Program is the only activity funded under Fund 0200 Special Revenue. Fees must be established at amounts that will provide sufficient revenue to continue the ability of the program to fulfill its statutory duty contained in subsection 1 of § 54.1-831 to "protect the public against incompetent, unqualified, unscrupulous or unfit persons engaging" in boxing and wrestling.

The Professional Boxing and Wrestling Program has no other source of revenue from which to fund its operations.

Basis

Please identify the state and/or federal source of legal authority to promulgate the contemplated regulation. The discussion of this authority should include a description of its scope and the extent to which the authority is mandatory or discretionary. The correlation between the proposed regulatory action and the legal authority identified above should be explained. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided.

§ 54.1-831. Powers and duties of the Department – Provides that the Department shall administer and enforce the provisions of Chapter 8.1 (Boxing and Wrestling Events) and “shall have direct oversight of events to assure the safety and well-being of boxers and wrestlers.” This section also gives the Director all powers of a regulatory board as contained in § 54.1-201, the power to promulgate regulations including the manner in which fees are to be accounted for and submitted to the Department, and the power to “charge each applicant for licensure and for renewals of licensure a nonrefundable fee subject to the provisions of § 54.1-113 and subdivision 4 of § 54.1-201.”

§ 54.1-201, subdivision 4, describes each regulatory board's power and duty to “levy and collect fees for the certification or licensure and renewal that are sufficient to cover all expenses for the administration and operation of the regulatory board and a proportionate share of the expenses of the Department...”

§ 54.1-113. (Callahan Act) Regulatory boards to adjust fees – “Following the close of any biennium, when the account for any regulatory board within the Department of Professional and Occupational Regulation or the Department of Health Professions maintained under § 54.1-308 or § 54.1-2505 shows expenses allocated to it for the past biennium to be more than ten percent greater or less than moneys collected on behalf of the board, it shall revise the fees levied by it for certification or licensure and renewal thereof so that the fees are sufficient but not excessive to cover expenses.”

Fee adjustments are mandatory in accordance with these Code sections. The Director exercises discretion in how the fees are adjusted by determining the amount of the adjustment for each type of fee. The Director makes the determination based on the adequacy of the fees to provide sufficient revenue for upcoming operating cycles.

Substance

Please detail any changes that would be implemented: this discussion should include a summary of the proposed regulatory action where a new regulation is being promulgated; where existing provisions of a regulation are being amended, the statement should explain how the existing regulation will be changed. The statement should set forth the specific reasons the agency has determined that the proposed regulatory action would be essential to protect the health, safety or welfare of citizens. In addition, a

statement delineating any potential issues that may need to be addressed as the regulation is developed shall be supplied.

Fees will be increased as necessary to comply with § 54.1-113 of the Code of Virginia. The following table shows actual revenues and expenditures for FY2001 and FY2002 and projected future revenues and expenditures based on the current fee structure.

**Boxing and Wrestling – Fund 0200
Cash Balance Analysis
2000-2006**

	FY 2001*	FY 2002*	2000-2002 Biennium	FY 2003	FY 2004	2002-2004 Biennium	FY 2005	FY 2006	2004-2006 Biennium
Beginning Cash Balance	42,667	47,283	42,667	33,552	8,052	33,552	(17,448)	(47,448)	2,552
Projected Revenue	98,519	108,260	206,779	95,000	95,000	190,000	95,000	95,000	190,000
Projected Expenditures	93,903	120,509	214,412	120,500	120,500	241,000	125,000	125,000	250,000
Proposed Cash Transfer**	0	1,482	1,482	0	0	0	0	0	0
Projected Ending Balance	47,283	33,552	33,552	8,052	(17,448)	(17,448)	(47,448)	(77,448)	(57,448)
Percentage			15.65%			-7.24%			-22.98%

Projected Revenue

*Revenue for FY2001 is actual

*Revenue for FY2002 is actual

FY2003 - FY2006 is based on \$7,000 avg monthly revenue for 11 months plus \$18,000 for one month = \$95,000 annual revenue (monthly revenue increases significantly when a "big" event is held and historically at least one per year has occurred.)

Note: Boxing & Wrestling income is based on scenarios that are unpredictable

Projected Expenditures:

*FY2001 based on actual

*FY2002 based on actual

FY2003 & FY2004 is based on same projected expenditures as FY2002

FY2005 & FY2006 is based on 4% increase of total expenditures

**** Governor Warner's Executive Amendments to the Budget excluded DPOR from cash transfers**

Alternatives

Please describe, to the extent known, the specific alternatives to the proposal that have been considered or will be considered to meet the essential purpose of the action.

The Callahan Act requires that the program's fees be sufficient to cover its expenses, therefore, no alternatives exist which would allow the Board to remain in compliance with the requirements of the Callahan Act.

Family Impact Statement

Please provide a preliminary analysis of the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

These fee increases are not anticipated to have any significant impact on Virginia's families.