

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 3472 – SB 3264**

March 27, 2012

**SUMMARY OF AMENDMENT (014408):** Deletes all language after the enacting clause. Defines “Pro-Am event” relative to the Tennessee Athletic Commission (TAC). Reduces, from nine to five, the number of members on TAC. Directs that as of August 1, 2012, a quorum shall consist of three members. Establishes procedures for appointments arising from the expiration of members’ terms beginning on July 31, 2012. Requires each commissioner to attend at least three events annually. Authorizes a commissioner to attend a meeting remotely by electronic means no more than twice annually unless an emergency situation arises. Removes the requirement of paying \$150 per meeting day to each commissioner. Requires that commission members be reimbursed for travel expenses incurred in attending meetings. Subjects a Pro-Am event to the state gross receipts tax from admission fees and broadcast fees if the event is broadcast or televised. Requires any amateur participating in a pro-am competition to be subject to the jurisdiction of TAC and licensed as an amateur.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue - \$9,100

Decrease State Expenditures - \$4,000

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Revenue - \$9,100**

**Decrease State Expenditures - \$6,400**

Assumptions applied to amendment:

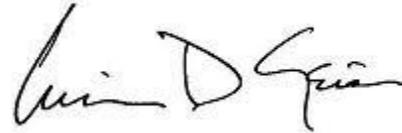
- According to the Department of Commerce and Insurance and TAC, the average annual total travel expense reimbursement to the eliminated Commission positions will result in a recurring decrease in state expenditures of approximately \$1,000.
- According to TAC, the Commission holds four meetings per year. Commissioners are paid \$150 per meeting. Therefore, the recurring decrease in expenditures for the payments to the nine commissioners is \$5,400 (\$150 per meeting x 4 meetings x 9 members).

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- TAC anticipates two televised amateur shows at a minimum gate revenue of \$500 each for a recurring increase in state revenue of \$1,000 (\$500 gate x 2 shows).
- According to TAC, the network television the show pays a fee equaling three percent of their revenue. The average earnings from a televised event are \$10,000. Therefore, the recurring increase in state revenue is \$600 (\$10,000 x 3% x 2 shows).
- According to TAC, the licensing fee is \$75 every two years. TAC anticipates licensing 100 individuals annually. Therefore, the recurring increase in state revenue is \$7,500 (\$75 fee x 100 individuals).
- The recurring increase in state revenue is \$9,100 (\$1,000 gate revenue + \$600 televising fee + \$7,500 licensing fee).
- The recurring decrease in state expenditures is \$6,400 (\$1,000 travel + \$5,400 payment).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/sbh