

UNARMED COMBAT REGULATORY ACT

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House Bills 4869 and 4870 without amendment

Sponsor: Rep. Barbara Farrah

Committee: Regulatory Reform

Complete to 7-24-07

A SUMMARY OF HOUSE BILLS 4869 & 4870 AS REPORTED FROM COMMITTEE

House Bill 4869 would add the regulation of mixed martial arts contests (i.e., contests sponsored by the Ultimate Fighting Championships®, a mixed martial arts sporting association) to the Michigan Boxing Regulatory Act. The act would be renamed as the Michigan Unarmed Combat Regulatory Act. The bill is described in more detail later.

House Bill 4870 would amend Chapter 35, entitled "Prize Fights," of the Michigan Penal Code (MCL 750.447). Currently, this provision specifies that the chapter does not apply to any contests or exhibitions conducted, held, or given pursuant to provisions of the Michigan Boxing Regulatory Act. The bill would instead reference the Michigan Unarmed Combat Regulatory Act.

House Bill 4869

The bill would amend the Michigan Boxing Regulatory Act (MCL 338.3601) to do the following:

- Rename the act as the Michigan Unarmed Combat Regulatory Act and the Michigan Boxing Fund as the Michigan Unarmed Combat Fund.
- Define "mixed martial arts" to mean unarmed combat involving the use of a combination of techniques from different disciplines of the martial arts. It would include grappling, kicking, jujitsu, and striking, subject to limitations contained in the act and rules promulgated under it.
- Revise the definition of "professional" to mean a person competing or who has competed in either boxing *or mixed martial arts* for a money prize.
- Revise the definition of "promoter" to mean any person producing or staging any professional contest or exhibition of boxing *or mixed martial arts, or both*.
- Rename the Michigan Boxing Commission as the Michigan Unarmed Combat Commission and increase the number of voting members on the board from seven to 11; require four of those members to be licensees in boxing, four members to be licensees in mixed martial arts, and three members to represent the general public. After the bill's effective date, a quorum would consist of seven members. When so designated by the director of the Department of Labor and Economic

Growth (DLEG), board action taken on only a boxing matter could only be considered by the boxing licensees and the members of the general public; a board action taken on only a mixed martial arts matter could only be considered by the licensed martial arts members and the members of the general public.

- Allow the commission to affiliate with any other state or national boxing *or mixed martial arts* commission or athletic authority. The commission, upon approval by the DLEG director, could enter into any appropriate reciprocity agreements.
- Incorporate by reference the requirements and standards contained in standards adopted by the New Jersey State Athletic Control Board, entitled "The Mixed Martial Arts Unified Rules", as they exist on the bill's effective date, with the exception of license fees described in those rules. Provisions contained in the Michigan Unarmed Combat Regulatory Act would supersede any conflicting requirements and standards. The DLEG director, in consultation with the commission, could promulgate rules consistent with Chapter 35 to alter, supplement, update, or amend the incorporated standards. (The uniform rules have also been adopted by the Nevada State Athletic Commission and several other states.)
- Require the DLEG director to promulgate departmental rules that set standards for mixed martial arts exhibitions; participants; and, to the extent not contained in the incorporated standards, licensure standards for a mixed martial arts professional referee, judge, or timekeeper and experience standards for a licensed professional judge of mixed martial arts contests, as well as rules setting license fees for participants in regulated activities.
- Require a mixed martial arts promoter to file a bond in the amount of \$10,000 in the same manner established for a boxing promoter. The annual fee for a mixed martial arts promoter license would be \$2,500.
- Require a mixed martial arts promoter to insure a professional participating in a mixed martial arts contest or exhibition for at least \$5,000 for medical and hospital expenses, to be paid to the contestant to cover injuries sustained in the contest, and not less than \$10,000 to be paid in accordance with the statutes of descent and distribution of personal property in the event of death.
- Apply various provisions that currently apply only to boxing also to mixed martial arts.

FISCAL IMPACT:

The current boxing promoter fee structure generates \$45,000.00 annually in restricted revenue. HB 4869 will increase this restricted revenue by an amount less than \$100,000.00 annually. The Department of Labor and Economic Growth (DLEG) supports this legislation in principle. However, based on experience with boxing promoter fees, DLEG has expressed the concern that the additional fee revenue will not be sufficient to

cover the increased regulatory expenditures. Expenditures have exceeded revenue by \$80,000 to \$90,000 annually since the inception of the Michigan Boxing Fund two years ago. As a result, DLEG has needed to use Corporation fees— fees raised from other regulatory activities and which the department can use for a variety of regulatory purposes—to make up for the missing boxing fee funding. DLEG believes the addition of mixed martial arts to the proposed fee structure will further increase this deficit.

BACKGROUND INFORMATION:

Mixed martial arts (MMA), sometimes referred to as cage fighting, includes elements of the disciplines of jiu-jitsu, judo, karate, boxing, kickboxing, wrestling, and other forms of fighting. Reportedly, the fan base for MMA is growing exponentially and many matches are televised, some of which are available only by Pay-Per-View. Promoters and participants alike maintain that MMA is a safe sport, some say safer than boxing, when certain rules are followed and safety measures in place. For that reason, the major promoters will only host matches in states that regulate the sport. Approximately half of the states have recently enacted or are currently considering legislation to allow and regulate MMA matches. The bills would allow MMA events to be held in Michigan. According to the Department of Labor and Economic Growth, they are already shutting down renegade shows around the state.

Supporters of the legislation believe that hosting MMA events could be an important source of revenue and cite ever increasing gate revenues and revenues from broadcast rights. For example, an event sponsored by the Ultimate Fighting Challenge held in Las Vegas in March of this year grossed a gate of \$4.3 million, and MMA Pay-Per-View events last year generated \$223 million in revenue. Regulation is also needed to ensure the safety of the athletes.

Though supporting the bill in concept, DLEG has several concerns about the bills. Among their concerns is the need to increase some of the fees contained in House Bill 4869 to cover administrative costs; removing the financial incentive for promoters to avoid large venues; ensuring proper training of officials, especially referees, in order to decrease injuries to the athletes; and regulating amateur MMA events to circumvent potential abuses in the amateur circles.

POSITIONS:

The Ultimate Fighting Challenge, a mixed martial arts sports association, supports the bill. (6-5-07)

The Department of Labor and Economic Growth supports the concept of the bill. (6-5-07)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.