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House Bill 4869 (Substitute S-1 as reported)  
House Bill 4870 (as reported without amendment)  
Sponsor: Representative Barbara Farrah  
House Committee: Regulatory Reform  
Senate Committee: Economic Development and Regulatory Reform

## **CONTENT**

House Bill 4869 (S-1) would amend the Michigan Boxing Regulatory Act to do all of the following:

- Include the regulation of "mixed martial arts" contests and exhibitions under the Act, but exempt amateur mixed martial arts.
- Rename the Act as the "Michigan Unarmed Combat Regulatory Act" and similarly rename the Michigan Boxing Commission and the Michigan Boxing Fund.
- Expand the Commission to include four members licensed in mixed martial arts.
- Allow money in the Fund to be used to reimburse the Attorney General for services provided to the Department of Labor and Economic Growth (DLEG).
- Incorporate by reference New Jersey's requirements and standards for mixed martial arts, with certain exceptions.
- Authorize the DLEG Director to promulgate rules in addition to those incorporated by reference.
- Set a limit of \$10,000 per boxing or mixed martial arts contestant on the amount of a purse (financial remuneration to participants) that may be withheld pending drug tests.

Under the Act, boxing promoters are required to pay an event fee of \$125. The bill would require a mixed martial arts promoter to pay an event fee of \$2,000. The bill also would require a mixed martial arts promoter to pay a regulatory and enforcement fee of 3% of the total gross receipts from broadcast, television, or motion picture rights, up to \$25,000 per contract. (Under the Act, this fee is imposed on a boxing promoter only if the event is in a venue with a seating capacity over 5,000.)

"Mixed martial arts" would mean unarmed combat involving the use of a combination of techniques from different disciplines of the martial arts, including grappling, kicking, jujitsu, and striking, subject to limitations contained in the Act and rules promulgated under it.

House Bill 4870 would amend the Michigan Penal Code to refer to the Michigan Unarmed Combat Regulatory Act, rather than the Michigan Boxing Regulatory Act, in a provision specifying that Chapter 66 (Prize Fights) of the Code does not apply to any contests or exhibitions conducted, held, or given pursuant to the Michigan Boxing Regulatory Act. (Chapter 66 generally prohibits participating in, training for, or attending a prize fight, other than contests or exhibitions conducted pursuant to the Michigan Boxing Regulatory Act.)

The bills are tie-barred.

MCL 338.3601 et al. (H.B. 4869)  
750.447 (H.B. 4870)

Legislative Analyst: Patrick Affholter

## **FISCAL IMPACT**

The bills would increase the revenue and expenses of the Department of Labor and Economic Growth by an unknown amount, depending on the level of activity these events generate. The bills would establish a \$2,000 event fee paid by mixed martial arts promoters, which would be used to cover the cost of sending inspectors to the event as well as additional staff and administrative time required to regulate the events. According to the Department, these events typically require sending up to six inspectors at an average cost of \$1,300. With the additional administrative regulatory costs that would be incurred, the \$2,000 event fee as well as the 3% of gross receipts fee (capped at \$25,000) on broadcast events should provide sufficient revenue.

House Bill 4869 (S-1) would allow reimbursement to the Department of Attorney General for any services provided to the Department of Labor and Economic Growth. The amount of potential reimbursement is unknown as this would be a new use of the Fund and, according to the Department of Attorney General, there are no services currently provided.

Date Completed: 11-9-07

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.