

Legislative Analysis



AMATEUR MIXED MARTIAL ARTS REGULATION

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4295 (Proposed Substitute H-1)

House Bill 4296 as introduced

Sponsor: Rep. Dave Agema

Committee: Regulatory Reform

Complete to 6-14-11

A SUMMARY OF HOUSE BILLS 4295 (PROPOSED H-1) AND 4296 AS INTRODUCED

House Bill 4295 would create the Amateur Mixed Martial Arts Regulatory Act to regulate amateur mixed martial arts; create the Amateur Mixed Martial Arts Commission and prescribe the make-up and duties of the commission; create the Amateur Mixed Martial Arts Fund; require licensing for promoters and establish license fees; prohibit certain conduct; establish administrative sanctions and criminal penalties for violations; provide for investigation of complaints and enforcement of the act; allow certain remedies; and define terms.

House Bill 4296 would add the felony penalty to the sentencing guidelines.

Currently, professional mixed martial arts (MMA) and boxing are regulated under the Unarmed Combat Regulatory Act. However, that act does not apply to amateur MMA events. "Mixed Martial Arts" is the general term describing the convergence of techniques from a variety of combative sports disciplines, including boxing, wrestling, judo, jujitsu, kickboxing, and other combination of techniques from different disciplines of the martial arts.

The new act would not apply to a MMA exhibition; amateur wrestling; amateur martial arts sports or activities held by and at a public or private training center; or a contest or event conducted by or participated in exclusively by an agency of the U.S. government, by a school, college, or university, or by an organization composed exclusively of those entities, if each contestant were an amateur. A "mixed martial arts exhibition" would mean a performance or demonstration of MMA that is performed or demonstrated at a promoter's gym, dojo, or similar training facility or at a training center and no fee is paid by a participant to participate in or by a spectator to attend the performance or demonstration.

Regulation of amateur MMA would be overseen by the Department of Licensing and Regulation (LARA).

Highlights of the Amateur Mixed Martial Arts Regulatory Act include the following:

- Place responsibility for administration and enforcement of the act with LARA.

- Establish the Amateur Mixed Martial Arts Commission as an advisory body within LARA and prescribe the membership and duties of the commission.
- Create the Amateur Mixed Martial Arts Fund and deposit into it all money received from application fees, license fees, and fines imposed under the act. Upon appropriation, funds would be expended to administer and enforce the act.
- Prohibit professional MMA artists subject to the Michigan Unarmed Combat Regulatory Act from participating as contestants in an amateur MMA contest.
- Unless otherwise exempted, require a person holding or conducting an amateur MMA contest or event or engaging in any other activity regulated under the act to hold a state promoter's license. The nonrefundable application processing fee would be \$100 and the annual license fee would be \$300. One year after the bill's effective date, LARA could biannually (every six months) adjust the amount of the fees based on the Detroit Consumer Price Index for the immediately preceding six-month period.
- Specify that certain felony convictions in the five-year period preceding an application for a promoter's license would render an individual ineligible for a promoter's license as would an unsatisfied tax lien under local, state, or federal law in the amount of \$5,000 or more.
- Require promoters to pay a regulatory and enforcement fee of \$200 for each event, for deposit into the Amateur MMA Fund. The amount of revenue generated by this fee in the preceding state fiscal year would have to be reported annually, by December 1, to the Legislature.
- Require licensed promoters to comply with certain requirements, such as providing notice to LARA of upcoming events and maintaining records of an event for at least one year. Records would have to be available to LARA or law enforcement officials upon request.
- Require licensed promoters to ensure that events are conducted in the manner prescribed in the act, including, the length of rounds; weight of gloves; division of weight classes; medical clearance of all participants; and presence of a trained and competent referee. Contestants would have to submit medical certification of negative results from hepatitis B and C and HIV tests conducted within the preceding 180-day period of the event. Female contestants would have to submit results of a pregnancy test taken within the seven-days preceding the event.
- Require a licensed physician, certified nurse practitioner, or physician's assistant to be in attendance at each amateur MMA event.
- Prohibit a contestant or participant who loses consciousness in an event or who receives hard blows to the head from being eligible to participate in another event

until that person undergoes certain medical evaluations and testing and receives medical clearance to compete.

- Require each contestant to be insured for not less than \$10,000 for any medical and hospital expenses, including deductibles paid by the contestant, for injuries sustained in a contest and for not less than \$10,000 to be in accordance with the statutes of descent and distribution of personal property if the contestant died as a result of injuries. (The bill is not clear as to who would provide the insurance coverage – the promoter or the contestant.)
- Prohibit various conduct, such as practicing fraud and deceit in obtaining a license or assaulting another licensee, a commission member, or an employee of LARA.
- Allow LARA to impose various administrative penalties on a licensed promoter for violations of the act, rules, or orders promulgated or issued under the act.
- Create criminal penalties for violations of the act. A first offense would be a 93-day misdemeanor; a second or subsequent offense a one-year misdemeanor. Fines of not more than \$500 or \$1,000, respectively, could also be imposed.
- Make it a felony punishable – per incident – by up to three years imprisonment and/or a fine up to \$10,000 to knowingly allow a professional to participate as a contestant in an amateur MMA contest with an amateur.
- Require LARA to investigate written complaints regarding violations of the act and establish procedures, reporting requirements, and time frames for certain aspects of an investigation.
- Allow summary suspension of a license based on information and belief that an imminent threat to the integrity of the sport, the public interest, or the welfare and safety of a contestant exists, and allow an appeals and hearing process for an affected licensee.
- Establish criteria under which licenses can be suspended, administrative fines imposed, cease and desist orders issued, or injunctive relief issued or granted. Establish a mechanism by which a licensee can contest the sanctions.
- Allow LARA to impose an administrative fine of not more than \$10,000 per violation on a promoter in addition to or in lieu of any other penalty or remedy under the act, including the criminal penalties listed in the bill.
- Define numerous terms.
- The bill would take effect 90 days after enactment.

House Bill 4296 would amend the Code of Criminal Procedure (MCL 777.13p) to specify that a violation of the Michigan Amateur Mixed Martial Arts Act Regulatory Act involving a professional being placed in the ring with an amateur fighter would be a Class E felony against public safety with a maximum term of imprisonment of three years.

FISCAL IMPACT:

The bill's provisions establish a misdemeanor penalty for violating the act and a felony penalty for knowingly allowing a professional to participate as a contestant in an amateur mixed martial arts contest. To the extent that persons are convicted under these new provisions, the bill could increase local incarceration costs in county jails and/or state incarceration costs in state prisons. County jail costs vary by jurisdiction. State prison costs average around \$34,000 per year per prisoner. Supervision of felony probationers averages around \$2,100 per year. Any increase in penal fine revenues resulting from the bills would increase funding for local libraries, which are the constitutionally-designated recipients of those revenues.

The bill would create a new fund, the Amateur Mixed Martial Arts Fund, which would receive all application fees, license fees, and administrative fines imposed under the bill, as well as any common cash earnings. The bill would require promoters of amateur MMA events to pay a nonrefundable application fee of \$100 and an annual license fee of \$300. According to the Department of Licensing and Regulatory Affairs (LARA), there are currently 22 licensed promoters of professional MMA events (regulated under the Michigan Unarmed Combat Regulatory Act), with the department anticipating that many of those promoters will also choose to be licensed as promoters of amateur MMA events under the bill. Accordingly, in the first year, the application fee would be expected to generate \$2,200 in revenue, with the license fee generating an additional \$6,600 in revenue. Additionally, the bill provides that beginning one year after the bill's effective date the amount of the application fee and annual license fee would be adjusted biannually (every 6 months) based on changes in the CPI.

The bill would also credit to the fund revenue from the \$200 per event regulatory and enforcement fee. The department and industry experts estimate that approximately 240-500 amateur MMA events occur in the state each year. Accordingly, regulatory and enforcement fee revenue would generate a \$48,000 to \$100,000 annually.

The Amateur Mixed Martial Arts Fund would be expended only to administer and enforce the new act, and would not lapse to the General Fund at the close of the fiscal year. The department's expenditures would include paying the per diem and travel expenses (as permitted by the Department of Technology, Management, and Budget) of members of the Amateur Mixed Martial Arts Commission. The bill provides that the commission may meet "as often as necessary to fulfill its duties" under the bill. The per diem would be established in a boilerplate section included in the annual LARA budget. Given that the department's budget has not included per diem payments for members of any of the several occupational and professional licensing boards and commissions in

many years, it doesn't appear likely that amateur mixed martial arts commission members would receive a per diem payment.

Other costs incurred by the department include the costs related to processing license applications, investigating complaints alleging violations of the bill and any administrative rules, and otherwise ensuring compliance with the bill. These expenses would be covered by the available resources (annual revenue and carried-forward funds) in the fund. The department does not foresee the need to hire any additional staff to administer and enforce the bill.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Bob Schneider
Mark Wolf

■ 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.