



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 808 (Substitute S-1 as reported)  
Sponsor: Senator Dave Robertson  
Committee: Regulatory Reform

## **CONTENT**

The bill would amend the Michigan Unarmed Combat Regulatory Act to do the following:

- Rename the Act the "Michigan Boxing and Mixed Martial Arts Regulatory Act"; rename the Michigan Unarmed Combat Commission the "Michigan Boxing and Mixed Martial Arts Commission"; and rename the Michigan Unarmed Combat Fund the "Boxing and Mixed Martial Arts Fund".
- Establish the Commission as an autonomous agency within the Department of Licensing and Regulatory Affairs (LARA) and require it to exercise its powers and functions independently of LARA except for budget, procurement, human resources, information technology, and related administrative functions.
- Require LARA to provide suitable offices, facilities, equipment, staff, and supplies for the Commission in Lansing.
- Require the Governor to appoint an executive director as the administrator of the Commission, with the advice and consent of the Senate; provide that the executive director would be a full-time Commission employee, but not a member of the State Classified Civil Service; and require the executive director to report directly to the Governor.
- Require the Commission to employ an administrative assistant for the executive director and specify that he or she would be a full-time Commission employee.
- Specify that the executive director, rather than the LARA Director, would serve as a nonvoting ex officio member of the Commission.
- Reduce the Commission from 11 members to nine, and require it to include at least one licensed physician and at least one licensed attorney.
- Require the Commission to meet at least eight, rather than four, times per year.
- Require four members of the Commission to have experience, knowledge, or background in boxing, and four to have experience, knowledge, and background in mixed martial arts, rather than requiring four to be licensees in boxing and four to be licensees in mixed martial arts.
- Allow the executive director, rather than the LARA Director, to promulgate rules for the administration of the Act, and specify that rules in effect on the bill's effective date would remain in effect until rescinded or otherwise changed by law.
- Require the executive director, within 180 days of the bill's effective date, to review rules promulgated by LARA and promulgate any rules necessary to advance the health and safety of boxing and mixed martial arts participants.
- Allow the Commission to use money in the Fund to reimburse LARA for the reasonable costs of services provided to the executive director or the Commission (in addition to reimbursing the Attorney General for the reasonable costs of services).
- Specify that the Commission would be the administrator of the Fund for auditing purposes.
- Specify that the executive director, rather than the Commission and LARA, would be vested with management, control, and jurisdiction over all professional boxing and professional mixed martial arts contests or exhibitions in Michigan.

- Establish a process for appealing a decision or order of the executive director to the Commission, and appealing the Commission's final order to the circuit court.
- Require a promoter's bond submitted to hold a contest or exhibition to be in an amount fixed by the executive director, rather than at least \$20,000; and prohibit the executive director from requiring a bond with a principal amount that exceeded 5% of the total purse or \$20,000, whichever was less.
- Require the regulatory and enforcement fee that promoters of certain events must pay to be 3% of the total gross receipts of revenue from broadcast, television, or motion picture rights or \$100,000 per contract, whichever was less, rather than 3% of those receipts but not to exceed \$25,000.
- Apply the regulatory and enforcement fee to boxing events located in a venue with a seating capacity of more than 2,000 spectators, rather than more than 5,000 spectators.
- Require a complaint alleging a violation of the Act to be submitted to the executive director, rather than LARA.
- Authorize the executive director, rather than LARA, to conduct investigations and hold hearings on alleged violations of the Act, and to take disciplinary actions after an investigation.
- Require the executive director, within one year after the bill's effective date, to issue an equivalent license without an examination to any person who was licensed in any capacity by LARA on the bill's effective date and who applied for an equivalent license.
- Provide for the confidentiality of information received, prepared, used, or retained by the executive director or Commission trade secret or commercial, financial, or proprietary information of a licensee or license applicant.

MCL 338.3601 et al.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs. The bill would increase both costs and revenue to the Department, but it is not known at this time whether the increased revenue or increased costs would be greater.

It is unknown what the compensation for the executive director would be, but it would be reasonable to estimate that between salary, benefits, and other employment costs, this position would cost the Department approximately \$125,000 to \$175,000 annually. Also, if a new employee were hired for the administrative assistant to the director position, it would be reasonable to estimate the position to cost the Department approximately \$50,000 to \$70,000. If existing staff could be reassigned for the position, the cost could be reduced or eliminated.

The bill also would increase the upper limit of the regulatory and enforcement fee from \$25,000 to \$100,000. This would likely result in additional revenue that would be credited to the Boxing and Mixed Martial Arts Fund. It is unknown at this time how much additional revenue would be raised, but if three to four boxing or mixed martial arts events each year grossed enough revenue to trigger the new limit, any additional costs to the Department caused by the bill would be covered by the additional revenue.

Date Completed: 6-13-12

Fiscal Analyst: Josh Sefton

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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.