Legislative Analysis



UNARMED COMBAT ACTIVITIES; REGULATE FOR AMATEURS

Phone: (517) 373-8080 http://www.house.mi.gov/hfa

House Bill 4220 (reported from committee as H-2) House Bill 4286 (reported from committee as H-1)

http://www.legislature.mi.gov

Analysis available at

Sponsor: Rep. Harvey Santana Committee: Regulatory Reform

Complete to 4-29-15

BRIEF SUMMARY: House Bills 4220 and 4286 each relate to the regulation of amateur mixed martial arts (MMA).

<u>House Bill 4220</u> would amend the Michigan Unarmed Combat Regulatory Act (MUCRA) by adding regulations relating to amateur mixed martial arts, while <u>House Bill 4286</u> would amend the Code of Criminal Procedure to include a new Class E felony for knowingly allowing a professional to participate as a contestant in an amateur mixed martial arts contest.

The bills are tie-barred, meaning that unless both are enacted, neither can go into effect. Each of the bills would take effect 90 days after its enactment into law. A more detailed summary follows below.

FISCAL IMPACT: House Bill 4220 (H-2) would have a fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) to the extent that it would require LARA to license and otherwise regulate amateur mixed martial arts (MMA) contestants, promoters, participants, and events. There is substantial uncertainty concerning the number of amateur MMA contestants and events that would require licensure and regulation under the bill given that the state has not previously regulated this activity, the inherent difficulty in comparing regulatory regimes among states, and the lack of a single statewide association representing amateur MMA. Nonetheless, LARA provisionally anticipates that the fees established and maintained in the bill would be sufficient to support the costs of regulating amateur MMA.

Furthermore, the bill would make several changes to the regulation of professional unarmed combat (although, the changed requirements would also pertain to amateur MMA) that LARA indicates would reduce its expenditures to administer, implement, and enforce the MUCRA:

• Eliminate the licensure of managers, seconds, and medical professionals, as germane to unarmed combat.

House Fiscal Agency Page 1 of 14

¹ However, there does appear to be an inconsistency regarding the inflation adjustment permitted by the bill: while the fee adjustment could occur biennially (that is, every two years), the period of time for which the fees are adjusted would be semiannual (that is, half of a year, or six months); consequently, the fees could be adjusted every two years but only for the change in the Detroit CPI-U which occurred over the preceding six months.

- Remove the requirement that a LARA employee must be present at weigh-ins, medical examinations, and various events.
- Require that promoters arrange for referees, judges, timekeepers, and medical professionals to attend events. (Currently, under R 339.215, LARA is responsible for assigning these licensed participants to attend events).
- Authorize LARA to collect an amount equivalent to its expenses related to investigating and adjudicating violations of the MUCRA or rules promulgated under the MUCRA from individuals determined responsible for the violations.

However, due to a lack of accounting detail relating to unarmed combat regulation entered into the state's accounting information IT system, the extent of cost savings under these changes is indeterminate.

According to information accessed by HFA, over the past five years, LARA collected an average of approximately \$85,600 annually in revenue generated by regulatory fees on approximately 650 licensed individuals and 20 regulated events. ² Though, according to LARA, over the same period, it expended an average of approximately \$254,600 annually on costs associated with the regulation of professional unarmed combat. Expenditures in excess of revenue were primarily supported with revenue generated from filing fees levied on business and nonprofit corporations and limited liability companies pursuant to unrelated statutes.

Corrections Impact

The proposed legislation establishes 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 \$34,900 per year per prisoner. Costs for probation supervision average about \$3,700 per supervised offender 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 APPARENT PROBLEM:

Under current law, amateur mixed martial arts (MMA) events are not regulated under the Michigan Unarmed Combat Regulatory Act (MUCRA), which regulates professional MMA activities.

According to testimony from the bill sponsor, amateur MMA fighters have been exploited by fight promoters who derive money from the events without always providing necessary medical attention for fighters or ensuring that fighters of similar size are matched together.

HB 4220 (H-2) & HB 4286 (H-1) Page 2 of 14

² While the MUCRA explicitly provides LARA with the authorization to promulgate rules establishing licensure fees not otherwise provided in statute, these fees have not been increased since they were initially establish in 2005.

THE CONTENT OF THE BILL:

House Bill 4220

The bill would, generally, amend MUCRA by regulating amateur Mixed Martial Arts (MMA). The act currently provides for the regulation of professional MMA, boxing, and other sports and activities where individuals compete against each other unarmed.

Title and name of act

The title of the act would amended by removing and updating terms to reflect those used in the bill. The name of the act would be changed from the "Michigan Unarmed Combat Regulatory Act" to the "Michigan Boxing and Mixed Martial Arts Regulatory Act."

Definitions

The act lists definitions in Sections 10 and 11. The bill would add the following <u>new</u> definitions to the act:

- o "Boxer" would mean an individual who is licensed to engage in boxing.
- o "Boxing" would mean the sport of attack and defense with fists, using padded gloves, in a square ring.
- o "Chemical dependency" would mean the term defined in Section 16106A of the Public Health Code, which reads "a group of cognitive, behavioral, and physiological symptoms that indicate that an individual has a substantial lack of or no control over the individual's use of one or more psychoactive substances."
- "Contest" would mean an individual bout between two boxers, two mixed martial
 artists, or two individuals engaged in other unarmed combat that is subject to this
 act.
- o "Contestant" would mean an individual who competes in an unarmed combat contest or event.
- "Emergency medical technician" would mean the term defined in Section 20904 of the Public Health Code, which reads "an individual who is licensed by the department [of community health] to provide basic life support."
- o "Event" would mean a program of unarmed combat that is planned for a specific date and time by a promoter and includes one or more contests, subject to the approval of the Department of Licensing and Regulatory Affairs (LARA).
- "Impaired" would mean the inability or immediately impending inability of an individual to safely participate in a contest or event due to substance abuse, chemical dependency, or use of drugs or alcohol that does not constitute substance abuse or chemical dependency.
- o "Matchmaker" would mean an individual who is responsible for arranging individual contests of unarmed combat.
- o "Medical clearance" would mean a determination by a physician made with reasonable medical certainty, that a contestant does not have a medical condition that would prevent participation in an event or contest.
- o "Mixed martial artist" would mean an individual who is licensed to compete in a mixed martial arts event or contest.

- o "Participant" would mean a referee, judge, matchmaker, timekeeper, contestant, or promoter.
- o "Person" would mean any of the following:
 - An individual, corporation, limited liability company, partnership, association, or other legal entity.
 - A department, board, commission, agency, or authority of the United States, this state, or a political subdivision of this state or a public school, community college, or university.
 - A training center or a school or other educational institution.
 - A combination of persons described in the prior 3 subdivisions.
- "Settlement" would mean an agreement, stipulation, consent order, waiver, default, or other method of settlement of a complaint that is agreed to by the parties and LARA.
- "Substance abuse" would mean the term as defined in Section 16106A of the Public Health Code, which is defined as a "chronic disorder in which repeated use of alcohol, drugs, or both, results in significant and adverse consequences. Substance use disorder includes substance abuse."
- o "*Training center*" would mean an institution that is formed or operated principally to provide instruction in boxing, mixed martial arts, or other sports.
- o "Unarmed combat" would mean any of the following:
 - Professional boxing
 - Professional or amateur mixed martial arts
 - Any other form of competition in which a blow is usually struck or another fighting technique is applied that may reasonably be expected to inflict injury.

The bill also would amend the following existing terms. The proposed definition changes are underlined.

- "Mixed martial arts" would mean a form of combat, either amateur or professional, that involves the use of a combination of techniques from different disciplines of the martial arts, such as grappling, kicking, and striking that are subject to the limitations contained in this act and rules promulgated under this act. Currently, the term does not include reference to professional or amateur, and also specifically mentions jujitsu as a form of martial arts.
- o "Prize" would mean currency or any other valuable compensation or reward offered or given to a contestant. The term does not include a watch, medal, article of jewelry, trophy, or ornament that is suitably inscribed to show that it was given for participation in a contest and costs \$200 or less. Currently the term is defined as "something offered or given of present or future value to a participant in a contest, exhibition, or match."
- o "*Professional*" would mean an individual who is competing or has competed in unarmed combat for a prize. "Unarmed combat" would replace "boxing or mixed martial arts" and "money prize" would become "prize."
- o "*Promoter*" would mean a person that produces or stages, in whole or in part, an unarmed combat contest or event. The term is currently defined as "any person who

produces or stages, any professional contest or exhibition of boxing or mixed martial arts, or both, but does not include the venue where the exhibition or contest is being held unless the venue contracts with the individual promoter to be a co-promoter."

- o "Purse" would mean a prize or any other remuneration offered to contestants to compete in a contest or event. The term includes a professional's share of any payment received for radio, television, motion picture rights, or other media. The term is currently defined as "the financial guarantee or any other remuneration for which professionals are participating in a contest or exhibition and includes the professional's share of any payment received for radio, television, or motion picture.
- "Respondent" means a <u>licensee or other</u> person against which a complaint <u>is</u> filed under this act. The term currently is defined as "a person against whom a complaint has been filed who may be a person who is or is required to be licensed under this act."

Applicability of the act

The act currently contains a list of entities and activities which are exempt from its provisions. HB 4220 would revise this list in the following ways:

- o Remove an exemption for:
 - Amateur martial arts sports or activities.
 - Amateur boxing regulated by the Amateur Sports Act of 1978.
 - Boxing elimination contests regulated under this act.
 - Amateur mixed martial arts
- Add exemption for:
 - An event that is sponsored by or under the supervision of the United States Olympic Committee in which all of the contestants are amateur boxers.
 - An amateur boxing event that is sponsored by or under the supervision of USA Boxing or any of the following organizations:
 - ➤ Golden Gloves Association of America Inc.
 - ➤ National Association of Police Athletic Leagues
 - ➤ National Collegiate Boxing Association
 - ➤ Native American Sports Council
 - ➤ Silver Gloves Association
 - Boxing elimination contests regulated Section 50 of this act are not subject to the other provisions of this act.

Eligibility for appointment to the commission

HB 4220 would make changes to the Michigan Unarmed Combat Commission, which would be renamed as the Michigan Boxing and Mixed Martial Arts Commission. The commission is currently required to meet at least four times per year. This requirement would not change, though the bill would allow LARA to cancel any of these meetings if it is determined by the chair of the commission and the department that there is no business to conduct at that meeting and that cancellation is appropriate.

In addition, the director of LARA would no longer serve on the board as a nonvoting ex officio member. Members are currently prohibited from promoting or sponsoring, or having a financial interest in any contest or exhibition of boxing, the bill would replace "boxing" with "any unarmed combat."

Under the act, an individual who has a material financial interest in any club, organization, or corporation whose main purpose is holding or giving boxing or mixed martial arts contests or exhibitions is ineligible to be appointed to the commission. The bill would change this to reflect the bill's use of the broader term "unarmed combat" in place of boxing.

Promoter licensing and responsibilities

An individual would have to obtain a promoter's license before holding or conducting an amateur mixed martial arts contest or event or engaging in any other activity under the act. Individuals seeking a license would have to file an application in writing and under oath with the Department of Licensing and Regulatory Affairs (LARA), accompanied by a non-refundable application processing fee and an annual license fee.

A license would expire on August 31 of the calendar year following the year in which it was issued. The non-refundable application fee to promote amateur events would be \$100, while the fee for promoters of professional events would remain unchanged from its current amount of \$500. The annual license fee for promoters of amateur events would be set at \$300.

Under the act now, the director of LARA, in consultation with the commission, is allowed to promulgate rules for the application and approval process for promoters. Promoters of professional MMA and boxing pay a \$500 application process fee and an annual license fee of \$250. There are presently no fees for amateur MMA promoters, as amateur MMA is currently unregulated by the state.

An applicant would be ineligible to receive a promoter's license if one of the following applies:

- Applicant was convicted of a felony involving violence, theft, fraud, or an element of financial dishonesty in the five years preceding the application.
- o Applicant had an unsatisfied tax lien greater than \$5,000 at the time of application.
- o Applicant had submitted an application containing false information.

In addition, the bill would revise event and regulatory and enforcement fees by setting a separate amount for amateur events. Promoters of amateur events would pay a \$500 event fee and a \$200 regulatory and enforcement fee.

The fees for professional events would remain unchanged at \$125 for the event fee and 3% of total gross receipts related to broadcasting the event or \$25,000, whichever is less, for the regulatory and enforcement fee.

The professional fee is only paid if the event is located in a venue with a seating capacity of more than 5,000 or the promoter proposes to broadcast the event over any medium for spectators who are not present in the venue. Currently, the fee must also be paid if the event is designed to promote professional boxing or MMA contests in this state. This provision would be deleted by the bill.

Drug testing

HB 4220 would amend a provision that allows the commission or LARA to perform a drug test on professionals before or after a contest by instead requiring that a promoter ensure that a contestant is available for drug testing. The commission would no longer have authority to do this. The drug test would be used to detect the presence of controlled substances, alcohol, enhancers, stimulants, performance enhancing drugs, or other drugs or substances, or the derivatives or metabolites of those aforementioned, that are prohibited by the rules promulgated by LARA.

At an event, the promoter would be required to have at least one inspector present. An inspector is an individual who is any of the following:

- Certified by the Commission on Law Enforcement Standards (COLES) under the commission on law enforcement standards act.
- o Licensed by LARA as a private security guard or security guard agency.
- o Is employed by a security guard agency that is licensed by the department.

An inspector must:

- o Not have any relationship or business interest with a licensee involved in an event for which he or she is the inspector.
- Collect and submit all contestant drug tests as required by the department to ensure the chain of custody of those tests.

An inspector would also be required to receive reasonable compensation, and reimbursement of his or her actual and necessary travel expenses, for attending an event. The department also may promulgate rules to establish additional duties of inspectors.

Contestant license

An individual prior to participating in a contest must obtain a contestant license from the department. To obtain a license, an applicant must submit all of the following to LARA:

- o An application which includes name, address, and date of birth. The department may prescribe the form and the contents of the application form.
- o For an amateur MMA contestant, a nonrefundable application processing fee of \$25 and an annual license fee of \$25.
- For a professional MMA contestant, a nonrefundable application processing fee of \$45 and an annual license fee of \$25 is already set by administrative rule. The bill would not change this.
- o If the applicant is applying for a professional boxing license, the ID number of his or her federal ID card. An individual cannot receive a license without this.
- o If the applicant is applying for a professional MMA license, the ID number of his or her national ID card. An individual cannot receive a license without this.

o The results of a passing physical examination performed by a physician.

To obtain a federal or national ID card from LARA, an applicant must submit an application that includes his or her name, address, date of birth, and any other information required by the department. LARA would then transmit the applicant's information to a national or federal record keeper designated by LARA, who would approve or deny the application. Upon approval, the department shall issue a federal or national ID card that includes an ID number assigned by that record keeper. [Note: provisions regarding identification are currently contained within the administrative code.]

If an applicant meets all of the licensing requirements of the act and any applicable rules that have been promulgated by the department, then LARA would be required to issue the applicable license.

Participant license

To be eligible for a participant license, an applicant must have good moral character, be at least 18 years of age, and meet any other requirements established by rule. An individual would be prohibited from participating in a contest or event as a referee, judge, matchmaker, or timekeeper without a participant license. In addition to a completed participant license application form, an applicant must submit a nonrefundable \$30 fee as well as an annual license fee of \$150 for a referee or matchmaker license or \$70 for a judge or timekeeper license. These fee amounts have been set at their current amounts by administrative rule and would be codified in MUCRA by the bill.

An individual who fails to renew a license required under this act before its expiration date may renew it within 60 days following the expiration date by paying the required license fee, and, if the license is for acting as a participant in amateur contests or events, a late renewal fee of \$30. After that 60 day period, an individual must complete all requirements as a new applicant and pay the \$30 late fee. For those acting as participants in professional contests or events, administrative rule sets the late fee at \$20.

Beginning one year after the bill goes into effect, the director of LARA would be able to increase or decrease the fee amounts once every two years based on the changes for the immediately preceding six-month period in the Detroit Consumer Price Index. Any fee adjustments would be rounded to the nearest whole dollar amount.

Amateur MMA event requirements

Licensees who present an unarmed combat event would have to comply with all of the following:

• Within five days prior to the event, submit a request for approval of the event and issuance of an event permit to the department. A promoter is prohibited from presenting an unarmed combat event in this state without such a permit. The permit must be posted in a prominent place near the box office or main entrance.

- Pay all obligations related to the normal course of promoting an event, including fees for renting a venue, paying a judge, hiring medical professionals, referees, timekeepers, and an inspector.
- o Provides a bond of between \$20,000 and \$50,000 to the department. This is currently required for professional MMA and boxing events, and would now be required for amateur MMA and other unarmed combat events.

A licensed promoter presenting an amateur or professional MMA or professional boxing event would have to ensure that all of the following conditions are met:

- At an MMA event, each individual contest consists of no more than three rounds, with each round being no longer than three minutes long, and at least a one minute break between each round.
- At a boxing event, the length of an individual contest is determined by the department but does not exceed 10 rounds of not more than 5 minutes duration with at least a one minute break between each round.
- The length of each individual national or international MMA championship consists of no more than five rounds, with each round being no longer than five minutes, and at least a one minute break between each round.
- The length of each individual national or international boxing championship is determined by the department but does not exceed 12 rounds of not more than 5 minutes duration with at least a one minute break between each round.
- Each MMA contestant wears gloves provided by the event promoter that weigh between 4 and 8 ounces and each boxing contestant wears gloves that weigh between 8 and 16 ounces. The glove requirements for MMA are currently contained in the administrative code.
- Gloves worn by contestants are inspected by the referee before and during the contest and changed before a contest starts if a glove is found to be misplaced, lumpy, broken, roughed, or otherwise unfit. This requirement is currently in the administrative code.
- Each contestant is weighed and placed in the appropriate weight class before participating in a contest. The weight classes would consist of:

Name	Weight (in pounds)
Mini flyweight	105 or less
Light flyweight	106 to 108
Flyweight	109 to 112
Super flyweight	113 to 115
Bantamweight	116 to 118
Super bantamweight	119 to 122
Featherweight	123 to 126
Super featherweight	127 to 130
Lightweight	131 to 135
Super lightweight	136 to 140
Welterweight	141 to 147
Super welterweight	148 to 154

Middleweight	155 to 160
Super middleweight	161 to 168
Light heavyweight	169 to 175
Cruiserweight	176 to 200
Heavyweight	201 to 260
Super heavyweight	261+

- A contestant only participates in a contest with another contestant who is in the same weight class.
- If a contestant's weight class is mini flyweight, light flyweight, flyweight, super flyweight, or bantamweight and the other contestant is in another weight class, the weight difference cannot exceed three pounds.
- If a contestant's weight class is super bantamweight, featherweight, or super featherweight and the other contestant is in another weight class, the weight difference cannot exceed four pounds.
- If a contestant's weight class is lightweight or super lightweight and the other contestant is in another weight class, the weight difference cannot exceed five pounds.
- o If a contestant's weight class is welterweight, super welterweight, middleweight, super middleweight, or heavyweight and the other contestant is in another weight class, the weight difference cannot exceed seven pounds.
- o If a contestant's weight class is heavyweight or super heavyweight, there is no weight limitation between the contestants.
- o All contestants in a contest must be of the same gender. The administrative code has a prohibition on contests involving members of opposite sex.
- Contestants do not compete unless they have submitted medical certification with negative results for hepatitis B and C, and HIV tests, and had an ophthalmologic exam conducted within 180 days prior to the scheduled event.
- o Female contestants do not participate unless they have submitted pregnancy test results within seven days prior to the event and the results are negative.
- o Individuals are not allowed to participate without proper medical clearance.
- Events do not take place or continue without a physician at the event as well as at least two emergency medical technicians on the premises.
- Events do not take place or continue without trained and competent referee, judge, and timekeeper.
- o Individuals are not allowed to participate if there is any reason to suspect they are impaired, or has used or uses performance enhancing drugs.
- o Individuals do not complete in more than one contest at an event.
- o Individuals do not compete who lost a contest by a technical knockout (TKO) in the 30 days prior to the event, unless they submit the results of a physical exam indicating they are fit to compete.
- The medical professional at the event determines the status of a contestant who was knocked out in a contest or whose fight was stopped because of hard blows to the head rendering the contestant defenseless or incapable of continuing. The medical professional can recommend post fight neurological exams or other testing.

- Contestants described above do not compete until receiving proper medical clearance.
- If further neurological exams are recommended, the contestant does not compete
 in another contest until providing copies of the exam reports to the promoter that
 demonstrate the contestant is fit to compete.
- Contestants who sustain severe injuries or knockouts in a contest are examined by a medical professional and not allowed to compete again until a full recovery is certified.
- Individuals do not compete in the contest if they participated in a contest in the 60 days prior to the event and were knocked out or the contest was stopped because of excessive hard blows to the head.
- o Individuals do not compete in the contest if one of the following applies:
 - He or she participated in multiple contests before the event
 - Within the last 90 days, he or she was knocked out in two contests or two of his or her contests were stopped and a physician recommended neurological testing after any of those contests.
 - The second knockout or stoppage occurred in the 120 days prior to the event.
- o Individuals do not compete in the contest if they have participated in multiple contests before the event, were knocked out in three consecutive contests or had three consecutive contests stopped and a physician recommended neurological testing in any 12-month period, and the third knockout or stoppage occurred in the one-year period prior to the event.
- An individual who was not allowed to participate in an earlier event because of the requirements above at the time of the earlier event cannot participate until providing the promoter with proper medical clearance.
- Each amateur MMA contestant is insured for at least \$10,000 for any medical and hospital expenses, including deductibles paid by the contestant, to cover injuries from a contest and at least \$10,000 to be paid if the contestant dies as a result of injuries sustained during a contest. Promoters are currently required to insure professional contestants for at least \$50,000 for medical and hospital expenses and for at least \$50,000 to be paid out if the professional dies as the result of injuries sustained during the contest or event.

The results of each contest must be reported to the department, on a form prescribed by the department, within 48 hours after the conclusion of the event. The report must include any physician recommendations in regard to contestants who were knocked out or had their fight stopped by the referee.

Promulgation of rules

The director of LARA, after consulting with the commission, may promulgate rules to set standards for unarmed combat events and participants, and to establish training requirements for promoters, contestants, and participants regulated under this act. The director may also establish license fees or training requirements for other individuals engaged in activities regulated under this act not otherwise provided for in this act.

Violations of the act

[Note: while the bill makes technical changes to the complaint process currently in place under MUCRA, it does not make significant changes to the process.]

If a licensee violates part of the act or a rule or order promulgated under the act, LARA may do one of the following:

- o Suspend or revoke that individual's license
- o Deny renewal of that individual's license
- Assess an administrative fine
- Censure the licensee

If the department determines that an applicant or licensee does any of the following, they may take an action allowed under the act:

- o Engages in fraud, deceit, or dishonesty in obtaining a license.
- o Engages in fraud, deceit, or dishonesty in performing the duties of a promoter, if applicable, or otherwise practicing that licensed occupation.
- O Pays a fee under the act with a check, money order, or similar instrument or with a credit or debit card and that payment is dishonored or otherwise refused when presented by the department for payment, and subsequently fails to pay that fee and reimburse the department for any charges incurred by the department in connection with that dishonored payment. In this event, the license is immediately suspended and remains suspended until the fee and related charges are paid.
- o Engages in false advertising.
- o Fails to comply with a subpoena issued under the act.
- o Fails to provide a requested document or records to the department.
- Violates or fails to comply with a settlement with, or final order issued by, LARA or the commission.
- Fails to pay an obligation that is related to the normal course of promoting an event, including, but not limited to, venue rent or judge, physician, referee, or time keeper fees
- o Enters into a contract for a contest or event in bad faith.
- o Gambles on the outcome of a contest or event of which the person is a promoter.
- o Fails to file current address information with the department.
- o Tampers with or coerces a contest.
- o Aids or abets another person to act as a promoter, contestant, or participant or conduct an event without a license under this act.
- Violates any other provision of this act or a rule promulgated under this act for which a penalty or remedy is not otherwise prescribed.

Under the act presently, if a violation does not relate to a contest or event, the commission may assess an administrative fine of not more than \$10,000. For a violation that relates to the preparation of a contest or event, the bill would allow commission may assess a fine that does not exceed 100% of the purse to which the holder of the license is entitled for the contest or event, while removing a maximum cap of \$100,000 in the case of any other person.

The bill also would add a provision which allows the commission to levy an administrative fee that does not exceed \$100,000 if disciplinary action is taken against a person, other than a contestant, that relates to the preparation for a contest or event, the occurrence of a contest or event, or any other action taken in conjunction with a contest or event.

LARA also would be able to bring an injunctive action to prevent a violation of the act and if successful, would be entitled to its costs and reasonable attorney fees. LARA could also undertake investigations to enforce the act. Penalties imposed under the act would not prevent another individual to pursue a lawful remedy against the violator.

An individual who engages in an activity for which a license is required under the act, or uses a title designated in the act without the appropriate licensure is guilty of a misdemeanor punishable by up to 1 year imprisonment and/or a maximum fine of \$1,000.

Any individual who knowingly allows a professional to compete in an amateur mixed martial arts contest would be guilty of a felony punishable by up to three years imprisonment and/or \$10,000 fine per incident.

An individual found guilty of violating the act or a rule or order promulgated under the act would also be responsible for reimbursing the department for expenses related to the investigation and disciplinary proceedings for that violation. Allowable expenses include, but are not limited to, salaries and benefits of personnel, travel and any other expenses of those personnel, and any other expenses incurred by the department while conducting the investigation and any disciplinary hearing. If found guilty in a court of law, that individual would be assessed costs related to the investigation of the violation and costs related to the prosecution of the action. Allowable costs include, but are not limited to, salaries and benefits of personnel, costs related to the time spent by the Attorney General's office and other personnel working on the action, and any other expenses incurred by the department for the action.

Enacting Section 1

Sections 32, 51, 52, 53, 54, 56, 60, 61, 62, and 63 of the Michigan Unarmed Combat Regulatory Act would be repealed.

House Bill 4286

House Bill 4286 would amend the Code of Criminal Procedure by adding as a Class E felony, a violation of the Mixed Martial Arts Regulatory Act resulting from allowing a professional to fight an amateur in the ring. The maximum term of incarceration for an individual found guilty of this felony is three years.

ARGUMENTS:

For:

According to testimony, the lack of regulation for amateur MMA events has resulted in serious injuries to and the deaths of contestants who were matched up against superior

fighters. Because amateur promoters and contestants are not currently required to register with the state, there is no way of tracking so-called "bad actors" who take advantage of amateur fighters looking to break into the professional ranks.

Against:

Opponents of the measure say that individuals are free to stop fighting if they feel they are overmatched or injured. Additionally, while professional fighters draw large crowds, amateur events do not, and any new fees for amateur promoters will result in fewer events, ultimately providing fewer opportunities for amateur fighters to showcase their skills.

POSITIONS:

The Department of Licensing and Regulatory Affairs (LARA) indicated support for the bill. (4-22-15)

Michigan Mixed Martial Arts indicated opposition to the bill. (4-22-15)

Legislative Analyst: Josh Roesner Fiscal Analyst: Paul Holland Robin Risko

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