

Legislative Analysis



REGULATION OF AMATEUR MIXED MARTIAL ARTS

Phone: (517) 373-8080
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Senate Bill 152 (S-2) as passed by Senate
Senate Bill 154 as passed by the Senate
Sponsor: Sen. Dave Robertson
Senate Committee: Regulatory Reform
House Committee: Regulatory Reform

Analysis available at
<http://www.legislature.mi.gov>

Complete to 10-6-15

SUMMARY:

Senate Bills 152 and 154 each relate to the regulation of amateur mixed martial arts (MMA).

Senate Bill 152 would amend the Michigan Unarmed Combat Regulatory Act (MUCRA) by adding regulations relating to amateur mixed martial arts. The act currently provides for the regulation of professional MMA, boxing, and other sports and activities where individuals compete against each other unarmed. The bill contains numerous provisions that spell out the regulations in great detail.

Senate Bill 154 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 maximum term of incarceration for an individual found guilty of this felony is three years. The bill would be tie-barred to SB 152.

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 of Senate Bill 152 follows below.

Detailed Summary of Senate Bill 152

The bill would amend MUCRA by expanding its regulatory authority to cover amateur Mixed Martial Arts (MMA) and other forms of unarmed combat, as well as other complementary changes detailed below. As noted above, the act currently only provides for the regulation of professional MMA, boxing, and other sports and activities where individuals compete against each other unarmed.

Title

The title of the act would be amended by removing and updating terms to reflect those used in the bill.

Definitions

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

- "*Boxer*" would mean an individual who is licensed to engage in boxing.
- "*Boxing*" would mean the sport of attack and defense with fists, using padded gloves, in a square ring.
- "*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 subject to this act.
- "*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."
- "*Event*" would mean a program of unarmed combat that is planned for a specific date and time by a promoter and includes 1 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.
- "*Matchmaker*" would mean an individual who is responsible for arranging individual contests of unarmed combat.
- "*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 the contestant from being able to participate in an event or contest.
- "*Mixed martial artist*" would mean an individual licensed to compete in a mixed martial arts event or contest.
- "*Participant*" would mean a referee, judge, matchmaker, timekeeper, contestant, or promoter.
- "*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 three 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."
- "*Training center*" would mean an institution that is formed or operated principally to provide instruction in boxing, mixed martial arts, or other sports.

- "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.

[Note: some of these terms are presently defined in R 339.101 of the Administrative Code, though those definitions may not match the definitions in the bill.]

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 the act and rules promulgated under the act. Currently, the term does not include reference to professional or amateur, and also specifically mentions jujitsu as a form of martial arts.
- "*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."
- "*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."
- "*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."
- "*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 licensee or other person against which a complaint is 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. SB 152 would revise this list in the following ways:

- 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 the act.
 - Amateur mixed martial arts

- Add an 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 League
 - 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

SB 152 would make several changes to the Michigan Unarmed Combat Commission, though the manner of appointment, composition and length of term would not change. Among them:

- The director of LARA would no longer serve on the board as a nonvoting ex officio member.
- Allow the chair, at his or her discretion, to cancel a meeting of the commission if the chair determines there is no business to conduct at that meeting. The commission is currently required to meet at least four times per year. This requirement would not change.
- Make an individual who has a material financial interest in a club, organization, or corporation whose primary purpose is to conduct unarmed combat contests or events, ineligible for appointment to the board. Presently, this provision refers to boxing or mixed martial arts contests or exhibitions.
- The commission would no longer have the power to purchase and use a seal.

Promoter licensing and responsibilities

Currently, a promoter is required to apply for and obtain an annual license from LARA in order to present a program of contests or exhibitions (a term replaced with "events" by the bill) regulated by the act, namely professional boxing and MMA. The event fees only apply to a boxing or MMA promoter conducting an event, as amateur MMA is presently an unregulated activity.

The bill would increase the annual promoter license fee amount from \$250 to \$300, as well as increase event fees from \$125 to \$500. SB 152 also would amend the language of this

section to reflect the inclusion of amateur MMA and other unarmed combat as regulated activities.

In addition to the event fee, a regulatory and enforcement fee also applies for events that the promoter proposes to televise or broadcast over any medium for viewing by spectators who are not present in the venue or if the event will take place in a venue with seating capacity of more than 5,000. The regulatory fee is equal to \$25,000 or 3% of the total gross receipts from any contracts for the sale, lease, or other exploitation of broadcasting, television, and motion picture rights or other media for the event, whichever is less. A third provision that states the fee also applies if the event is designed to promote professional boxing or MMA contests in this state would be deleted by the bill.

A promoter is presently required to submit, at least 10 days before the boxing or mixed martial arts event, the contract subject to the regulatory fee to LARA, stating the amount of the probable total gross receipts from which the 3% regulatory fee is calculated. However, if the promoter agrees to pay the \$25,000 amount and the department receives that amount at least one business day prior to the event, the promoter does not have to submit the contracts. The bill would amend this by revising the payment timeframe from one day to three business days prior to the event, making this requirement apply to any promoter, and by adding "or other media" to the type of contract required to be submitted to the department if the promoter chooses to do that rather than pay the \$25,000.

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.

An applicant would be ineligible to receive a promoter 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.
- Applicant had an unsatisfied tax lien greater than \$5,000 at the time of application.
- Applicant had submitted an application containing false information.

Bond requirement for promoters

The bill would retain some of the present requirements relating to actions a promoter must take in regards to submitting a bond to LARA, prior to the department granting approval for a contest or event.

The bill would require a promoter to submit a bond to the department that meets the following:

- Is in an amount fixed by the department that is not less than \$20,000 nor more than \$50,000 and is executed by the promoter as principal.
- The bond is issued by a corporation qualified as a surety under state law and is payable to the state of Michigan.
- Is conditioned on the faithful distribution of all money owed by the promoter as a result of the event.

- Is for the benefit of any person that is damaged by the promoter from nonpayment of any liabilities associated with the event.
- Allows any affected person to bring an action on the bond.
- Remains in effect until all complaints properly filed with LARA for nonpayment of obligations covered by the bond are fully adjudicated. A complaint is not properly filed if it is not filed within 30 business days following the event covered by the bond.

The language presently in the act requires the bond to be conditioned on the faithful performance by the applicant of the provisions of the act, and states that it may be used to satisfy payment for professionals, costs to LARA for ring officials and physicians, and drug tests. Generally speaking, SB 152 would add the requirement that the bond remain in effect until all properly filed complaints relating to payments are fully adjudicated and change the provision relating to "faithful performance" to "faithful distribution of all money owed by the promoter as a result of the event."

Expiration of licenses, prohibited activities

An annual license issued under this act expires on August 31 of the calendar year following the year in which the license was issued. Once a promoter, contestant, or participant license expires, the individual holding that license would be prohibited from continuing to use that licensed title as well as from engaging in the activities that necessitated obtaining that respective license.

Specifically, a person that fails to renew a promoter license required under this act on or before its expiration date would be prohibited from conducting a contest or event, or advertising, operating, or using the title "promoter" once expiration occurs.

An individual who fails to renew a contestant license that is required under this act on or before its expiration date shall not participate in a contest or event or use the title "contestant" after the license expires.

An individual who fails to renew a participant license that is required under this act on or before its expiration date shall not participate in an event or contest or use the title "referee," "boxing referee," "mixed martial arts referee," "judge," "boxing judge," "mixed martial arts judge," "matchmaker," "timekeeper," "boxing timekeeper," or "mixed martial arts timekeeper" after the license expires.

A person that does not renew a license issued under this act on or before its expiration date may renew the license within 60 days after the expiration date by paying a late renewal fee of \$30 in addition to the required license fee. After that 60-day period, the person may only obtain a license under this act by paying the late renewal fee, the appropriate initial application fee, and the appropriate annual license fee.

Federal and national identification cards

An individual would be prohibited from receiving a license as a professional contestant in boxing if he or she does not possess a federal identification card. An individual who does not have a federal identification card, and is a resident of this state, or not a resident of any state of the United States, must submit a separate request to LARA for a federal

identification card. An individual who is a resident of another state must apply to that state for a federal identification card.

An individual would be prohibited from receiving a license as a professional contestant in mixed martial arts if he or she does not possess a national identification card. An individual who does not have a national identification card shall submit a separate request to the department for a national identification card.

To receive a federal or national identification card from LARA, an individual must submit an application that includes his or her name, address, date of birth, and any other information required by the department along with a nonrefundable \$20 application processing fee. The department may prescribe the form and the contents of the application form. LARA would then be required to transmit that information to a record keeper designed by the department and, when approved by that record keeper, LARA would be required to issue a federal or national identification card that includes an identification number assigned by that record keeper.

Drug testing

Currently, the act allows the commission or LARA to perform a drug test on professionals before or after a contest. Currently, the test is to detect the presence of alcohol, stimulants, or drugs, including, but not limited to, performance enhancing drugs.

SB 152 would amend this by instead requiring that a promoter ensure that a contestant is available for drug testing before or after a contest, and by requiring the drug test to also detect the presence of controlled substances, enhancers, or any other drugs or substances prohibited by rule, or derivatives or metabolites of controlled substances, alcohol, enhancers, stimulants, performance enhancing drugs, or other drugs or substances prohibit by rule.

The bill would prohibit a promoter from conducting a professional boxing, professional or amateur MMA event in this state unless at least one inspector is present at that event.

An inspector would be required to adhere to all of the following:

- 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.
- Be:
 - Certified by the commission on law enforcement standards under the Commission on Law Enforcement Standards Act (PA 203 of 1965).
 - Licensed by LARA as a private security guard or security guard agency.
 - Employed by a security guard agency that is licensed by LARA.

LARA may promulgate rules to establish additional duties of inspectors. An inspector would be entitled to receive reasonable compensation, and reimbursement of actual and necessary travel expenses, for attending an event, payment of which is the responsibility of the event's promoter.

Contestant license

In order to participate in a contest, the bill would require an individual to obtain a contestant license from LARA. To obtain this license, an individual must submit all of the following to the department:

- An application that includes name, address, and date of birth. The department may prescribe the form and the contents of the application form.
- A nonrefundable \$45 application processing fee and an annual license fee of \$45.
- If, applying for a license as a professional contestant in boxing or mixed martial arts, the identification number of the contestant's federal identification card.

An individual would be barred from receiving a contestant license unless he or she passes a physical examination performed by a physician and submits the results of that examination to the department on a form prescribed by the department.

Except as otherwise provided in this act, LARA would be required to issue a contestant license to an individual who meets the contestant licensing requirements as well as any rules promulgated under the act. Each contestant license would be assigned a contestant number by LARA.

In any notice, report, or other communication with LARA or the commission that identifies or refers to a specific contestant, including, but not limited to, the report of the results of each contest, a promoter shall include the license number of the contestant.

Participant license

In order to participate in a contest or event as a referee, judge, matchmaker, or timekeeper, an individual must first obtain a participant license from the department. To obtain a participant license, an applicant must submit all of the following to LARA:

- An application, the form and contents of which may be prescribed by the department.
- A nonrefundable \$30 application processing fee and one of the following annual license fees, as applicable:
 - Referee license: \$150
 - Judge license: \$70
 - Matchmaker license: \$150
 - Timekeeper license: \$70

To receive a participant license, an applicant must demonstrate, to LARA's satisfaction, that he or she meets all of the following:

- Has good moral character
- Is at least 18 years of age
- Any other requirement established by rule

SB 152 would require that a licensed promoter presenting an unarmed combat event would be required to comply with all of the following:

- At least five days before the event, submit a request for approval of the event to LARA on a form prescribed by the department. The request must include the names of the physician and alternate physician, emergency medical technicians (EMTs)

and alternate EMTs, referee, judges, timekeeper, and inspector that the promoter is required to have present.

- Within the five-day period preceding a professional boxing or professional MMA event, submit the fight records of each contestant to the department. "Fight records" would mean that term as defined by the department by rule.
- Pay all obligations that are related to the normal course of promoting an unarmed combat event, including, but not limited to, venue rent and judge, physician, referee, and timekeeper fees.
- Arrange for a physician to attend the event, and arrange for an alternate physician to attend the event if the original physician is unable to attend the event.
- Arrange for an ambulance that is staffed by emergency medical technicians to be on the premises to attend the event for purposes of subsection and arrange for an alternate ambulance that is staffed by emergency medical technicians to be on the premises to attend the event if the original ambulance and emergency medical technicians are unable to attend the event.
- Arrange for a referee, judges, and a timekeeper to attend the event.
- Arrange for an inspector to attend the event.
- Maintain records of the event for at least one year after the date of the scheduled event and make those records available to LARA or law enforcement officials on request.

A licensed promoter presenting an amateur mixed arts, professional mixed martial arts, or professional boxing event in this state shall ensure that all of the following are met in the conduct of the event:

- Except for an individual national or international championship MMA contests, each individual mixed martial arts contest consists of not more than three rounds, of not more than five minutes' duration, with at least a one-minute rest period between each round; and the length of each individual boxing contest is determined by the department but does not exceed 10 rounds, of not more than five minutes' duration, with at least a one-minute rest period between each round.
- Each individual national or international championship mixed martial arts contest consists of not more than five rounds, of not more than five minutes' duration, with at least a one-minute rest period between each round; and the length of each individual national or international championship boxing contest is determined by the department but does not exceed 12 rounds, of not more than five minutes' duration, with at least a one-minute rest period between each round.
- Each mixed martial arts contestant wears gloves, supplied by the promoter, that weigh at least four ounces and not more than eight ounces; and each boxing contestant wears gloves that each weigh at least eight ounces and not more than 16 ounces.
- The referee examines the gloves worn by each contestant before and during a contest. If the referee finds that a glove is misplaced, lumpy, broken, roughed, or otherwise unfit, the contestant must change the glove before the start of the contest.

- Before a contestant participates in a contest, he or she is weighed and placed in the appropriate weight class. As used here, "weight class" means one of the following:

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+

All of the following also would apply to a contest or event:

- o A contestant could only participate in a contest with another contestant who meets one of the following:
 - The other contestant is in the same class as the contestant.
 - If the 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 between the contestants is not more than three pounds.
 - If the contestant's weight class is super bantamweight, featherweight, or super featherweight, and the other contestant is in another weight class, the weight difference between the contestants is not more than four pounds.
 - If the contestant's weight class is lightweight or super lightweight, and the other contestant is in another weight class, the weight difference between the contestants is not more than five pounds.
 - If the contestant's weight class is welterweight, super welterweight, middleweight, super middleweight, or light heavyweight, and the other contestant is in another weight class, the weight difference between the contestants is not more than seven pounds.
 - If the contestant's weight class is heavyweight or super heavyweight, there is no limitation on the weight difference between the contestant and the other contestant.

- An individual cannot compete as a contestant without submitting to the promoter a medical certification of negative results for hepatitis B and C and HIV tests that were performed on the contestant in the 180-day period that precedes the scheduled contest or event.
- An individual cannot compete as a contestant without submitting to the promoter the results of an ophthalmologic exam that was performed in the 180-day period that precedes the contest or event and the results of the exam are submitted to LARA.
- A female individual cannot compete as a contestant unless she submits to the promoter the results of a pregnancy test that was performed on her in the seven-day period that precedes the contest or event and the results of the pregnancy test are negative.
- An individual is not allowed to compete as a contestant without proper medical clearance.
- The event does not take place or continue without an ambulance that is staffed by at least two emergency medical technicians on the premises of the event.
- The event does not take place or continue without a physician at the event.
- The event does not take place or continue without an inspector and a trained and competent referee, judge, and timekeeper.
- An individual is not allowed to compete as a contestant if there is any reason to suspect that he or she is impaired or has used or uses performance enhancing drugs.
- A professional is not allowed to compete as a contestant in an amateur event.
- An individual who lost a contest by a technical knockout in the 30-day period preceding the event is not allowed to compete as a contestant without submitting the results of a physical examination to the department that indicating fitness to compete.
- The physician at the event determines the status of a contestant who is knocked out or whose contest is stopped by the referee. The physician may make recommendations concerning either of the following:
 - The contestant's status, including, but not limited to, a recommendation to the department that the contestant not compete for a period of time specified by the physician.
 - The need for additional testing or examination of the contestant, including, but not limited to, a post-fight neurological examination, which may include performing computerized axial tomography (CAT) scans or magnetic resonance imaging (MRI) on the contestant immediately after the contestant leaves the event venue.
- If a physician recommended that the contestant not compete for a period of time, that contestant does not compete in another contest during that time period.
- If a physician recommended further neurological examination of a contestant, that contestant does not compete in another contest until those examinations are conducted, the promoter and department receive copies of the examination reports, and the reports demonstrate that the contestant is fit to compete.
- A contestant who sustains a severe injury or knockout in a contest is examined by a physician and is not permitted to compete in another contest until a physician certifies that the contestant is fully recovered.
- An individual who meets all of the following does not compete as a contestant:
 - He or she participated in multiple contests before the event.

- In any 90-day period, he or she was knocked out in two contests or two of the contests were stopped and a physician recommended neurological testing after any of those contests.
- The second knockout or stoppage occurred in the 120-day period preceding the event.
- An individual who meets all of the following does not compete as a contestant:
 - He or she participated in multiple contests before the event.
 - In any 12-month period, he or she was knocked out in three consecutive contests or three consecutive contests were stopped and a physician recommended neurological testing after any of those contests.
- The third knockout or stoppage occurred in the one-year period preceding the event.
- An individual who was not allowed to compete as a contestant in an earlier event because he or she met the conditions above at the time of that earlier event could not compete as a contestant without providing the promoter with proper medical clearance.
- Each contestant is at least 18 years of age.
- A contestant does not compete in more than one contest at an event.
- All of the contestants in a contest are the same gender.
- An individual does not participate as a contestant if he or she participated in another contest in the seven-day period preceding the event.
- The results of each contest are reported to LARA, on a form prescribed by the department, within 48 hours after the conclusion of the event. The report shall include any physician recommendations. Within two business days after it receives those results, LARA would be required to enter those results in each national contest results database selected by the department.
- In a professional event, that tickets sold by contestants are not a factor in determining the amount of the purse.
- If a mixed martial arts contest is a cage fight, the referee conducts a safety inspection of the cage before the contest.

Duties of LARA and the commission

Currently, the director of LARA, in consultation with the commission, may promulgate rules for the administration of this act. The bill would add the requirement that before the promulgating rules, the commissioner must review the rules of the Association of Boxing Commissions. The rules of the association may then be adopted by reference so long as they are not inconsistent with the act. The bill also would allow the director to promulgate rules relating to standards, including training standards, for unarmed combat events, participants, and any other individuals engaged in activities regulated by the act that are not otherwise provided for in the act.

The act also presently requires that the department promulgate certain rules. SB 152 would instead require the director to promulgate the required rules while adding the ability of the director to also promulgate any additional rules considered necessary to administer and enforce the act.

The director would be tasked with promulgating rules regarding the following (changes made by the bill are signified by underlined text):

- Number and qualifications of ring officials required at any event or contest.

- Powers, duties, and compensation of ring officials.
- Qualifications, activities, and responsibilities of licensees.
- License fees not otherwise provided under this act.
- Any necessary standards designed to accommodate federally imposed mandates that do not directly conflict with this act.
- A list of enhancers and prohibited substances, the presence of which in a contestant is grounds for suspension or revocation of the license or other sanctions.
- Standards to protect the health and safety of contestants participating in contests and events.

SB 152 also would allow LARA to affiliate with any other state or national boxing, or mixed martial arts, or unarmed combat commission or athletic authority. The commission, with the director's approval, may enter into any appropriate reciprocity agreements. Presently, the commission has this ability, though the term "unarmed combat" is not used in the provision. The bill also extends to LARA and the commission the power to manage, control, and jurisdiction over, amateur MMA and amateur mixed martial arts events.

Violations of the act

[Note: the bill makes technical changes to the complaint process currently in place under MUCRA, but 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:

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

The department may take an action allowed under the act if it determines an applicant or licensee does any of the following [Note: only items added by the bill are listed]:

- Engages in fraud, deceit, or dishonesty in obtaining a license.
- Engages in fraud, deceit, or dishonesty in performing the duties of a promoter, if applicable, or otherwise practicing that person's licensed occupation.
- If the licensee or applicant pays a fee under this act with a check, money order, or similar instrument or with a credit card or debit card and that payment is dishonored or otherwise refused when presented by the department for payment, fails to pay that fee and reimburse the department for any charges incurred by LARA in connection with that dishonored or refused payment. If a payment is dishonored or refused, the license is immediately suspended and remains suspended until the fee and the related charges are paid. As used in this subdivision, "dishonored" means that term as described in section 3502 of the Uniform Commercial Code, 1962 PA 174, MCL 440.3502.
- Engages in false advertising.
- Fails to comply with a subpoena issued under this act.
- 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 the department or commission.

- Fails to pay any obligation that is related to the normal course of promoting an event, including but not limited to venue rent, or judge, physician, referee, or timekeeper fees.
- Enters into a contract for a contest or event in bad faith.
- Gambles on the outcome of a contest or event when the person is a promoter.
- Fails to file current address information with the LARA.
- Tampers with or coerces a contestant.
- 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 to 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 cap of \$100,000 in the case of any other person. However, 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, the bill would allow the commission to assess an administrative fine in an amount that does not exceed \$100,000.

Also presently included in MUCRA is a requirement that the investigative unit of LARA report to the director on the status of an investigation 30 days after the department receives a complaint. If good cause is shown, the director may extend the time in which the report is filed. This requirement would be eliminated by SB 152.

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.

SB 152 would add a provision stating that if LARA and the involved parties agree to a settlement that imposes a suspension or revocation of a license, or an administrative fine, as the result of a violation stemming from a contest or event, or any other violation of the act that does not stem from a contest or event, then the commission would be required to make a determination of what the penalty imposed by the settlement would be, if the settlement does not specify a penalty. The commission's determination would be based on the terms of the settlement. Should the commission fail to determine the appropriate penalty or penalties in the 60 days, the director would be able to do so and issue a final order.

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 one year's imprisonment and/or a maximum fine of \$1,000.

Any individual who knowingly allows a professional to compete in an amateur MMA 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.

SB 152 also would delete several provisions in the current act, among them:

- The ability of a LARA employee to, in consultation with a commission member present, withhold a purse for up to three days due to a violation of the act or rule promulgated under the act.
- A requirement that a participant in a professional contest or exhibition submit to a post-exhibition test of body fluids to test for prohibited substances as well as a requirement that the promoter be responsible for the cost of this test.

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.

FISCAL IMPACT:

Senate Bill 152 (S-2) would have a positive fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) to the extent that the bill would increase certain application, licensure, and event fee amounts and expand conditions under which LARA could recover its costs to investigate and adjudicate violations of the act from violators. LARA anticipates that the revenue generated by the revised fees and collected from violators would be sufficient to adequately offset its expenses to regulate the unarmed combat industry.

Historically and currently, revenue collected from licensees and events was and is insufficient to offset LARA's expenditures to implement, administer, and enforce the regulation of the unarmed combat industry and, consequently, 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.

SB 154 is the bill which amends sentencing guidelines as a result of SB 152. The bill would increase costs on the state's correctional system. Information is not available on the number

of persons that might be convicted under the provisions of the bill. New felony convictions would result in increased costs related to state prisons and state probation supervision.

The average cost of prison incarceration in a state facility is roughly \$34,800 per prisoner per year, a figure that includes various fixed administrative and operational costs. State costs for parole and felony probation supervision average about \$3,760 per supervised offender per year. Any increase in penal fine revenues would increase funding for local libraries, which are the constitutionally-designated recipients of those revenues. The bill would have an indeterminate fiscal impact on the judiciary and local court funding units. The fiscal impact would depend on how the provisions of the bill affected caseloads and related administrative costs.

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.