

REVISIONS TO BOXING ACT

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House Bill 4447 as introduced
Sponsor: Rep. David Robertson
Committee: Regulatory Reform

First Analysis (4-13-05)

BRIEF SUMMARY: The bill would make numerous, but generally technical, changes to the Michigan Boxing Act.

FISCAL IMPACT: There is no fiscal impact on the State of Michigan or its local units of government.

THE APPARENT PROBLEM:

Public Act 403 of 2004 (enrolled House Bill 4335) repealed the law regulating amateur and professional boxing and replaced it with the Michigan Boxing Regulatory Act; the act represented the first major revision to Michigan's boxing statutes for decades. Though attempts were made to anticipate every need or area of concern, it has become clear after several months of implementation that the new act requires some tweaking.

For example, the act contains a general requirement that applicants for licensure demonstrate good moral character. The application of this requirement, however, has proved problematic for the Department of Labor and Economic Growth (DLEG), the state agency with oversight responsibility for the Michigan Boxing Commission and the new boxing laws. It is not uncommon for fight promoters to need to add or replace boxers for a fight at short notice. When this happens, DLEG does not have sufficient time to investigate a boxer's background and make a determination regarding his or her character before the scheduled fight. It has been suggested that the focus be placed instead on the applicant for a promoter's license. Several other concerns have also been identified as needing to be addressed; these are viewed as representing technical – as opposed to substantive – changes.

THE CONTENT OF THE BILL:

The bill would make numerous revisions to the Michigan Boxing Regulatory Act. Several of the changes are editorial in nature; significant changes are as follows.

- Exclude from the definition of "promoter" the venue where the exhibition or contest was being held unless the venue contracted with the individual promoter to be a co-promoter.
- Eliminate a general requirement for an applicant for licensure under the act to demonstrate good moral character. However, the bill would require that an applicant for a promoter's license would have to demonstrate good moral

character. An applicant denied a license under this provision could petition the Michigan Boxing Commission for a review of the denial under Section 46 of the act.

- Revise language in the act to clarify that a promoter must file a bond with the Department of Labor and Economic Growth (DLEG) before an approval for a boxing contest or exhibition is granted.
- Revise the requirement for unofficially scoring 200 rounds of amateur boxing in order to seek a license as a professional judge; instead an individual would need to score 200 rounds of professional boxing.
- Require DLEG to initiate an action against an applicant or take any other allowable action against a contestant, promoter, or other participant who practiced fraud or deceit in obtaining a license.
- In a provision pertaining to departmental rules regarding the application process for a promoter's license, revise the type of background information that must be disclosed. A requirement that the information must include at least two years of federal income tax returns of principal officers or members and individuals having at least a 10 percent ownership interest in the applicant would be eliminated. Also, a requirement for the department to utilize the background information to ascertain the applicant's financial stability would also be eliminated.
- Eliminate a provision requiring the director of DLEG to withhold a percentage of the purse in a contest until the postcontest drug tests are available. Instead, the bill would specify that – beginning on the bill's effective date – a promoter's license would be subject to revocation unless at least 10 percent of the purse in a contest or exhibition was withheld or escrowed pending the availability to the department of the results of the postcontest drug test. The bill would prescribe actions to be followed by the department depending on whether the drug test results confirmed or did not confirm compliance with the act. This provision would not prohibit a licensed promoter from including a provision in a contract with a professional that required the promoter to withhold 10 percent of the purse until such time as the postcontest drug test results were available to the department.

MCL 338.3611 et al.

ARGUMENTS:

For:

Supporters of the bill believe that the proposed revisions would not change concepts in the act, but merely how these concepts would work. In particular, the Department of Labor and Economic Growth has identified two provisions that have proven to be unworkable. One, the issue of requiring all applicants for licensure to demonstrate good moral character, has been discussed earlier. The other involves the current requirement that DLEG withhold 10 percent of the purse until the postcontest drug results are available. However, since it is the promoter who holds the purse, the department has nothing to withhold. The bill would therefore place the responsibility to withhold a

percentage of the purse pending the postcontest drug test results with the promoter; noncompliance with the statute's requirements would place the promoter's license in jeopardy of being revoked. The bill would also detail actions that DLEG must take depending on the outcomes of the postcontest drug test results. Other proposed changes are viewed as either editorial in nature (to increase clarity) or technical (corrections that are not substantive changes of law). In short, it is not uncommon for major statutory overhauls to subsequently need some fine tuning.

POSITIONS:

The Department of Labor and Economic Growth supports the bill. (4-12-05)

The Michigan Boxing Commission supports the bill. (4-12-05)

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■ 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.