

Legislative Analysis



AMATEUR MIXED MARTIAL ARTS REGULATORY ACT

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House Bill 4166 (without amendment)

House Bill 4167 (Substitute H-3)

Sponsor: Rep. Harvey Santana

Committee: Regulatory Reform

First Analysis (3-19-13)

BRIEF SUMMARY: House Bill 4167 would establish the Amateur Mixed Martial Arts Regulatory Act, a comprehensive new law regulating amateur mixed martial arts. Among other things, the bill establishes (1) licensing requirements for promoters, (2) a mandatory registration and minimum age for contestants, (3) fees, and (4) criminal penalties for violations, and provides for the investigation and remedy of complaints.

Currently, professional mixed martial arts (MMA) and boxing events are regulated under the Unarmed Combat Regulatory Act. However, that act does not apply to amateur MMA events.

The new act would **not** apply to (1) amateur wrestling; (2) amateur martial arts sports or activities held by and at a public or private training center; (3) a mixed martial arts exhibition; or (4) a contest or event conducted by or participated in exclusively by an agency of the U.S. Government, by a school, college, or university, or by an organization made up exclusively of those entities, provided each contestant is an amateur.

House Bill 4166 would add the felony penalty to the sentencing guideline provisions in the Code of Criminal Procedure.

FISCAL IMPACT: The Department of Licensing and Regulatory Affairs does not foresee the need to hire any additional staff to administer and enforce the bill. Additional expenses would be covered by the available resources. To the extent that persons are convicted of the new misdemeanor and felonies created, the bill could increase local incarceration costs in county jails and/or state incarceration costs in state prisons. (For additional information on the costs and revenues associated with the bill, see *Fiscal Information*, on page 12.)

THE APPARENT PROBLEM:

Mixed martial arts has experienced a meteoric rise in popularity over the last several years and is one of the fastest growing sports in the country, thanks in large part to the growth of professional organizations like the Ultimate Fighting Championships (UFC), King of the Cage, Pride Fighting Championships, and Strikeforce, among many others.

The increased popularity of professional mixed martial arts has also led to a significant increase in the popularity of amateur mixed martial arts, both in the number of events

held and the number of individuals participating. For some, amateur events can serve as a proving ground for serious competitors looking to move into professional competition. While professional mixed martial arts events in Michigan are regulated by the Unarmed Combat Regulatory Act, amateur events are completely unregulated by the state.

According to some who promote or participate in amateur MMA events, the lack of regulation is leading to some potentially dangerous situations that could result in serious injury to participants. Currently, almost anything goes in amateur MMA events in Michigan. For example, safety rules vary by event and many safety measures are optional for promoters. There is no requirement that fighters undergo pre-fight medical evaluations, be tested for performance-enhancing or illegal drug use, or be screened for communicable diseases. In some instances, individuals have been recruited to fight straight out of the audience, without submitting to any medical testing or having any previous fighting experience.

According to testimony, some participants are competing against opponents who are in a heavier weight class, are competing in multiple fights per event, and are competing in multiple events in a short time period (for example, two or more events in the same week). Currently, there is nothing that would prevent an amateur fighter who suffered a concussion during a fight from participating in another match during that same event or from fighting the next day, and nothing that would require proper medical clearance before being allowed back into the ring.

Additionally, despite amateur MMA being a full contact sport where contestants are susceptible to injury, there is currently no requirement for promoters to provide for medical personnel at a fight. According to testimony, sometimes individuals responding to injuries to have no formal medical training and, in some instances, lack the proper equipment and materials to treat an injury. There have also been reports of minors (some as young as 15 years old) participating in contests.

The lack of regulation of amateur MMA has also had an impact on Michigan's amateur fighters competing in other states. According to reports, the Association of Boxing Commissions has recommended that states ban fighters from Michigan because the lack of regulation (including failing to have any type of fighter registration) could put their fighters in danger. Ohio has reportedly acted on that recommendation and banned Michigan amateur fighters.

In partial response to the continued growth of amateur MMA, some municipalities have taken the extra step of adopting ordinances establishing requirements for promoters that want to hold events within the municipality. As reported by the Farmington-Farmington Hills Patch, the city of Farmington Hills has adopted an ordinance requiring an application and fee be submitted, along with requirements for on-site security and medical personnel. The ordinance also sets a minimum age of 18 for participants and spectators.

The unregulated nature of amateur MMA has led many to question the long-term viability of the sport. Industry supporters believe some regulation is needed and that requiring promoters to be licensed and fighters to be registered will help clean up fly-by-night operations that operate with little regard for participant safety. The bill places amateur MMA under the advisory capacity of the Unarmed Combat Commission, sets forth regulations aimed at promoting fighter safety, and prohibits professional MMA fighters from competing against amateurs.

THE CONTENT OF THE BILL:

House Bill 4167 would establish the Amateur Mixed Martial Arts Regulatory Act, a comprehensive new law regulating amateur mixed martial arts, and is explained in greater detail below.

House Bill 4166 would add the felony penalty to the sentencing guideline provisions in the Code of Criminal Procedure.

Detailed summary of House Bill 4167

Section 1 - Name of the act

The act would be known as the Amateur Mixed Martial Arts Regulatory Act.

Section 3 - Definition of key terms

- "Amateur" would mean an individual mixed martial artist who is not competing and has never competed in a mixed martial arts contest for a prize or who is not competing and has never competed with or against a professional.
- "Medical professional" would mean a physician as defined in the Public Health Code (MCL 333.14007 and 333.17501).
- "Mixed martial arts" would mean the general term that describes the convergence of techniques from a variety of combative sports disciplines, including boxing, wrestling, judo, jujitsu, kickboxing, and other combination of techniques from different disciplines of the martial arts.
- "Mixed martial arts exhibition" would mean a performance or demonstration that is held at a promoter's gym, dojo, or similar training facility or at a training center and no fee is paid by a participant to participate in or by a spectator to attend the performance or demonstration.
- "Professional" would mean an individual who is competing or has competed in the past for a prize in any sport regulated under the Unarmed Combat Regulatory Act.

- "Promoter" would mean an individual who produces or stages an amateur mixed martial arts contest or event. It would not include the venue where a contest or event is held unless the venue contracts with the individual promoter to be a co-promoter.

Section 5 - Exemptions from the act

The act would **not** apply to (1) amateur wrestling; (2) amateur martial arts sports or activities held by and at a public or private training center; (3) a mixed martial arts exhibition; or (4) a contest or event conducted by or participated in exclusively by an agency of the U.S. Government, by a school, college, or university, or by an organization made up exclusively of those entities, provided each contestant is an amateur.

Section 7 - Regulation by Unarmed Combat Commission

The Unarmed Combat Commission (created through 2004 PA 403 to oversee professional boxing and MMA) would be required to establish appropriate disciplinary sanctions against licensees that are found in violation of the act.

Financial Interests

Commission members would be prohibited from promoting or sponsoring a contest or event or having any financial interest in an entity that promotes or sponsors events during time of service.

Section 9 - LARA responsibilities and the Amateur Mixed Martial Arts Fund

LARA would be responsible for administering and enforcing the act, by which both of the following would apply:

- LARA could initiate an administrative or court action against an applicant or licensee or take other action that is authorized under the action for a violation of the act.
- LARA could not take any action against an applicant, licensee, or license more than one year after a violation of the act occurred.

Amateur Mixed Martial Arts Fund

The Amateur Mixed Martial Arts Fund would be created within the Treasury Department to accept money from application fees, license fees, and administrative fines. Section 19 also requires regulatory and enforcement fees to be deposited into the Fund.

The State Treasurer would be in charge of directing the Fund and would have to credit all the interest and earnings from the fund investments back into the Fund. Money in the Fund at the close of the fiscal year would remain in the Fund and not lapse to the General Fund. LARA would be the administrator of the Fund for auditing purposes and could expend money, upon appropriation by the Legislature, to administer and enforce the act and for expenditures under the act.

Promulgation of Rules

The LARA director would be required to promulgate rules to set standards for exhibitions and to protect the health and safety of contestants. The director would have additional authority to promulgate rules he or she considers necessary to administer and enforce the act.

Section 11 - Promoter's license

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 LARA, accompanied by a non-refundable application processing fee and an annual license fee.

Expiration

Annual licenses issued under the act would expire on September 30 of the calendar year following the year in which they were issued.

Fees

The non-refundable application fee would be \$100 and the annual license fee would be \$300. Beginning one year after the bill goes into effect, the LARA director could adjust the fee amounts twice annually based on the changes for the immediately preceding 6-month period in the Detroit Consumer Price Index.

Section 13 - Certification and acceptance

By filing an application for a promoter's license, applicants would do both of the following:

- Certify his or her general suitability, character, integrity and ability to participate in, engage in, or be associated with amateur mixed martial arts contests or events. The burden of proof would be on the applicant to establish that he or she possesses suitability, character, and integrity, and is qualified to promote and participate in contests or events.
- Accept the risk of adverse public notice, embarrassment, criticism, financial loss, or other actions with respect to an application and expressly waive any claim for damages as a result of any adverse public notice, embarrassment, criticism, financial loss, or other action.

Section 15 - Promoter's license ineligibility

Applicants would be ineligible to receive a promoter's license if they (1) were convicted of a felony involving violence, theft, fraud, or an element of financial dishonesty in the five years preceding the application, (2) had an unsatisfied tax lien greater than \$5,000 at the time of application, or (3) had submitted an application containing false information.

Applicants could file a written petition with LARA and the Commission for a review if an initial or renewal license was not issued. LARA could issue a license if a review determines the individual could competently perform the functions of a promoter.

Section 17 - Failure to renew license & license reinstatement

Individuals who fail to renew a license before it expires would be prohibited from (1) holding or conducting an amateur mixed martial arts contest or event; or (2) advertising, operating, or using the title "promoter" or "amateur promoter" after the expiration date printed on the license.

Individuals who fail to renew a license before it expires would be able to renew it within 60 days after the expiration by meeting all of the act's requirements for licensure, paying the required license fee (\$300), and by paying a late renewal fee of \$30. If a license is not renewed within 60 days after its expiration, the individual would have to reapply for a new license under Section 11.

Reinstatement of a license

Under Section 21, license holders found in violation of the act could face disciplinary action, including the suspension or revocation of a license. Individuals could seek reinstatement of a license by filing an application, paying the application processing fee (\$100) and annual license fee (\$300), and filing a petition with LARA stating why reinstatement of the license is appropriate. The petition would have to include "*evidence that the individual can and is likely to serve the public in the regulated activity with competence and in conformance with all requirements prescribed by law, rule, or an order of the department.*"

Section 17 also provides authority to LARA to reinstate revoked licenses and lift suspensions upon receiving the required application and full payment of any administrative fines levied by the Commission.

Section 19 - Regulatory and enforcement fee & requirements for event presentation

Promoters would have to pay a regulatory and enforcement fee of \$200 for each amateur mixed martial arts event presented (this is in addition to the application and license fees of Section 11). The fee revenue would be deposited into the Amateur Mixed Martial Arts Fund.

Report to the Legislature

By December 1 of each year, LARA would be required to provide a report to the Legislature detailing the amount of revenue generated by the regulatory and enforcement fee in the preceding fiscal year.

Requirements for event presentation

Licensees who present amateur mixed martial arts events would have to comply with all of the following:

- Within five days prior to the event, pay the regulatory and enforcement fee and provide notice to LARA describing the event.
- 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, and timekeepers.

- Arrange for a medical professional to be in attendance at the event and an alternate medical professional to attend in case the original medical professional cannot attend. The promoter would have to include the name of the medical professionals in the notice provided to LARA.
- Maintain record of an event for at least one year after the event took place and make the records available to LARA and law enforcement.

Licenses who present amateur mixed martial arts events would have to ensure that all of the following conditions are met:

- 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.
- Each individual national or international 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.
- Each contestant wears gloves provided by the event promoter that weigh between four and eight ounces.
- 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.
- 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)
Flyweight	125.9 or less
Bantamweight	126.0 - 135
Featherweight	135.1 - 145
Lightweight	145.1 - 155
Welterweight	155.1 - 170
Middleweight	170.1 - 185
Light heavyweight	185.1 - 205
Heavyweight	205.1 - 265
Super heavyweight	Greater than 265

- A contestant only participates in a contest with another contestant who is in the same weight class or, if the first contestant agrees to compete against a heavier contestant, in the next higher weight class.
- Professional mixed martial artists regulated under the Unarmed Combat Regulatory Act do not participate as contestants in a contest.
- Contestants do not compete unless they have submitted medical certification with negative results for hepatitis B and C, and HIV tests conducted within 180 days prior to the scheduled event.
- Female contestants do not participate unless they have submitted pregnancy test results within seven days prior to the event and the results are negative.
- Individuals are not allowed to participate without proper medical clearance.
- Events do not take place or continue without a medical professional in attendance.

- Events do not take place or continue without trained and competent referees.
- Individuals are not allowed to participate if there is any reason to suspect they are impaired, have used, or are using performance-enhancing drugs. Impaired would mean the inability or immediately impending inability to safely participate in a contest or event due to substance abuse, chemical dependency, or the use of drugs or alcohol that does not constitute substance abuse or chemical dependency.
- Professionals are not allowed to compete as contestants.
- 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 be performed immediately after the contestant leaves the event venue.
- 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 receive 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.
- Individuals do not compete in the contest if they (1) participated in multiple contests before the event, (2) were knocked out twice or two or more of their contests were stopped because of excessive hard blows to the head, (3) and the second knockout or stoppage occurred in the 120 days prior to the event.
- 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 because of excessive blows to the head in any 12-month period, and the third knockout or stoppage occurred in the one-year period prior to the event.
- If an individual was not allowed to participate in an earlier event because of the requirements above at the time of the earlier event, he or she does not participate until providing the promoter with proper medical clearance.
- Each 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 according to the laws of descent and distribution of individual property if the contestant dies as a result of injuries sustained during a contest.
- Each contestant is at least 18 years old.
- Contestants do not compete in more than one contest at an event.

- Individuals do not participate as contestants if they participated in another contest in the seven days immediately preceding the event.
- The results of each contest are reported to LARA within 48 hours of the event's conclusion.

Section 20 - Registration of contestants

Before participating in a contest, a contestant would have to register with LARA by submitting a registration form that includes his or her name, address, birth date, and social security number. Forms would have to be accompanied by a nonrefundable registration processing fee of \$25 and an annual registration fee of \$25.

Expiration

Registrations would expire at the end of the calendar year in which the form was submitted.

Registration number

LARA would have to assign a registration number to each contestant that submits a registration form. A promoter would have to include the registration number of a contestant in any notice, report, or communication with LARA or the Commission, including the report of contest results.

Revocation

LARA would be authorized to revoke a contestant's registration if the contestant is found in violation of Section 20 or provides false information on the registration form.

Section 21 - Violations of the act

Individuals who (1) violate the act or a promulgated rule, (2) practice fraud or deceit in obtaining a license or performing duties as a promoter, (3) practice false advertising, (4) fail to comply with subpoenas or requested documents, (5) violate or fail to comply with a stipulation or settlement agreement with or a final order of LARA, (6) aid or abet in the promotion of an unlicensed contest, (7) do not pay all obligations related to the normal course of promoting an event, (8) enter into a contract for an event in bad faith, (9) gamble on the outcome of an event they are promoting, (10) assault another licensee, Commission member, or LARA employee, (11) or tamper with or coerces another promoter's contestants would be subject to a penalty.

LARA could limit, suspend, deny issuance or renewal, censure, or revoke the license of an individual, issue an administrative fine, and/or require that individual pay restitution if found in violation of the act or a rule promulgated under the act.

Misdemeanor violations

Violations of the act would be a misdemeanor punishable by up to 93 days imprisonment and/or a maximum fine of \$500. Second or subsequent violations would be misdemeanors with up to one year imprisonment and/or a maximum fine of \$1,000.

Felony violation

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

LARA could 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 be independent and cumulative and would not prevent another individual from pursuing a lawful remedy against the violator.

Section 23 - Complaint process

Anyone could file a written complaint with LARA if he or she suspects someone to be in violation of the act. Upon receiving a complaint, LARA would have to immediately begin an investigation and provide written acknowledgement of the complaint within 15 days of receiving it. In conducting its investigation, LARA could (1) administer oaths, (2) take testimony under oath, (3) require the appearance and testimony of witnesses, or (4) request the Attorney General to issue a subpoena requiring an individual to appear.

Sufficient evidence

If an investigation yields sufficient evidence of a violation, LARA or the Attorney General's office would have to take appropriate action against the accused, which could include (1) a formal complaint, (2) a cease and desist order, or (3) an order of summary suspension or injunctive relief. LARA would be able to meet with the person filing the complaint and the accused to attempt to reach a formal settlement.

Insufficient evidence

LARA would have to close a complaint and provide reasons for closure to the complainant and the accused violator if its investigation determines there is insufficient evidence to pursue a violation. A complainant would be able to provide additional information to LARA to have a complaint reopened

Section 25 - Summary suspension of a license

After conducting an investigation, LARA could issue an order summarily suspending a license based on an affidavit from a person familiar with the facts or information and belief that an imminent threat exists to the integrity of the sport, the public interest, or the safety of a contestant. Promoters whose licenses are summarily suspended could petition LARA to dissolve the order. Pending a hearing, an order would be dissolved unless sufficient evidence is presented to show an imminent threat exists that necessitates the continuation of the suspension order.

Section 27 - Cease and desist order

After conducting its investigation, LARA could order a person to cease and desist from a violation of the act. Individuals ordered to cease and desist could request a hearing by filing a written request within 30 days of receiving the order. The continued violation of a

cease and desist order would result in the Attorney General's office applying to a court to restrain and enjoin the person from committing further violations.

Section 29 - Formal complaint and contested case hearings

A summary suspension, cease and desist order, or injunctive relief would be in addition to and not in place of an informal conference, criminal prosecution, or any other action authorized under the act.

If LARA conducts an investigation and prepares a formal complaint, it would have to serve the complaint both to the person filing the complaint and the accused, and provide the accused with a notice describing the compliance conference and hearing process, and offering the accused the option of (1) a meeting with LARA to negotiate a settlement, (2) an opportunity to demonstrate compliance if the accused is a licensee, (3) or an opportunity to proceed to a contested case hearing. The accused would have 15 days after receiving the notice to select one of the options and, if no option is selected, a contested case hearing would proceed.

At LARA's discretion, a Commission member could attend an informal conference. The Commission could reject a settlement that is reached and require a contested case hearing. LARA could be represented at a contested case hearing by an employee of the department. LARA or the Attorney General's office could petition a court to issue a subpoena to require a person to appear, provide testimony, or produce relevant documents at a proceeding.

Section 31 - Hearing report and penalty determination

After completing a contested case hearing, the administrative law hearings examiner would have to submit a hearing report to LARA, the Attorney General's office, and the Commission, which may contain recommendations concerning the assessment of a penalty or a potential remedy. Copies of the report would also have to be provided to person filing a complaint and the accused.

Within 60 days of receiving the report, the Commission would have to meet and decide on an appropriate penalty or remedy based on the report. The Commission could request a transcript of the hearing and would then have to issue a determination within 60 days of receiving the transcript. The LARA director could issue a determination if the Commission does not do so in the required time period. Any commission member that has participated in an investigation or hearing or who has attended an informal conference could not participate in making a determination.

Section 33 - Administrative fines

LARA could impose a \$10,000 maximum administrative fine per violation on any licensee found in violation of the act or a promulgated rule. The Commission could impose the fine in addition to, or in lieu of, any other penalty under the act based on proof submitted to and the findings made by the hearings examiner.

LARA could also recover the costs of the proceeding (investigative, court, and attorney fees). LARA or the Attorney General's office could bring legal action to recover any administrative fines and other costs. The filing of a court action would not prevent preclude the imposition of other penalties.

Enacting Section 1

The bill would take effect 90 days after it was enacted into law.

FISCAL INFORMATION:

The bill's provisions establish a misdemeanor penalty for violating the act and a felony penalty for knowingly allowing a professional to participate as a contestant in an amateur mixed martial arts contest. To the extent that persons are convicted under these new provisions, the bill could increase local incarceration costs in county jails and/or state incarceration costs in state prisons. County jail costs vary by jurisdiction. State prison costs average around \$35,500 per year per prisoner. Supervision of felony probationers averages around \$3,000 per year. Any increase in penal fine revenues resulting from the bills would increase funding for local libraries, which are the constitutionally-designated recipients of those revenues.

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

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

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

Given that the department's budget has not included per diem payments for members of any of the several occupational and professional licensing boards and commissions in many years, it doesn't appear likely that amateur mixed martial arts commission members would receive a per diem payment.

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

ARGUMENTS:

For:

The bill would provide regulation to a violent and potentially dangerous sport that is currently unregulated. Due to the lack of regulation, promoters are able to conduct events in any way they choose. This has many in the industry concerned for the health and safety of participants. For example, there is currently no requirement that a medical professional be present at a fight to respond to injuries. According to testimony, there have been instances where untrained individuals have responded to injuries involving blood without any type of protective equipment or proper training. This places both the participant and the responder in danger. There are also no physical health requirements for participants. As a result, individuals are able to participate in as many fights as they choose without having to receive a medical check and receive clearance from a medical professional. For example, fighters who are knocked out during a fight do not have to be screened for a concussion or other injuries before being allowed to fight again.

Among other things, the bill is intended to protect the health and safety of contestants participating in amateur MMA events by (1) limiting the number of fights an individual can compete in per contest and the number of contests an individual can participate in, (2) requiring fighters to receive medical clearance before participating in a contest, and (3) prohibiting individuals from competing if they are impaired or have used performance enhancing drugs. The bill also requires each event to have a medical professional on site to respond to injuries and provide appropriate medical care.

For:

The bill requires promoters to be licensed through LARA before conducting an amateur MMA event. Testimony alluded to several scenarios where "bad actor" promoters placed contestants in potentially dangerous situations, including matching contestants from different weight classes and experience levels. By requiring promoters be licensed, LARA would be able to enforce standards of professional conduct to ensure that promoters are operating events in a way that is as safe as possible for contestants. This includes requiring medical professionals be in attendance and strict criteria that must be met before an event can be held. Through the licensing process, LARA could revoke the license of a bad actor and prevent that individual or company from conducting events in

the future. Currently, without the license in place, LARA or the state has no way of regulating promoters.

The bill could also help level the playing field between professional and amateur fight promoters. The current lack of regulation provides a competitive advantage to amateur promoters because professional events can be very costly to put on. An amateur promoter that does not have to meet any minimum standard and can operate as it sees fit (in some cases cutting corners) can put on an event for minimal cost.

For:

Amateurs wishing to compete in MMA events would have to register with LARA. Registering fighters will help the department and others track fighters to ensure promoters are abiding by the fight requirements and make it easier to report results. It also provides the department a way to track fighters and know who is competing in these events.

Response:

While the bill addresses many of the issues raised during the committee process, it does not require any measurable competency for referees, an issue that was raised on similar bills last session. Untrained or incompetent referees may have a difficult time recognizing illegal holds and may fail to recognize when a contestant is in a potentially dangerous situation. Many other states require referees to display a certain amount of competence in order to officiate amateur events.

Despite the bill not addressing referee competency, it does require the LARA director to promulgate rules to protect the health and safety of contestants and provides additional authority to promulgate additional rules considered necessary to enforce this new act. It is possible that LARA could address some sort of competency standard for referees through the rule making authority if it felt it necessary to protect the health and safety of contestants.

Additionally, the bill creates the Amateur Mixed Martial Arts Fund and requires all regulatory and enforcement, application, and license fees, and administrative fines be deposited into the fund. Under the H-3 substitute, a \$25 registration fee is required to be submitted along with a fighter registration form. However, the bill does not provide for where registration fee revenue is to be deposited or for what purpose the money can be spent. It is presumed the revenue is intended to be deposited into the Amateur Mixed Martial Arts Fund and used to enforce and administer the act. This may need to be clarified to ensure the registration fee revenue is spent in appropriately.

Against:

Many believe that Michigan already is overregulating many of its occupations. In its report on occupational licensing, the Office of Regulatory Reinvention (ORR) recommended the complete deregulation of 18 occupations. Opponents do not believe it is appropriate to establish new licensing requirements for an occupation (in this instance, amateur MMA promoters) at a time when the ORR is recommending deregulation of

many other occupations. Proper oversight of the industry can be performed by the industry itself, and additional oversight from the state-appointed Unarmed Combat Commission is unnecessary. Requiring a license for promoters and a registration for fighters could serve as a barrier of entry into the industry, possibly preventing some from participating.

POSITIONS:

The Department of Licensing and Regulatory Affairs is neutral on the bills. (2-26-13)

Americans for Prosperity - Michigan opposes House Bill 4167. (2-26-13)

Several individuals involved in amateur mixed martial arts testified in support of the bills. (2-12-13)

Legislative Analyst: Jeff Stoutenburg
Fiscal Analyst: Robin Risko
Paul Holland

■ 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.