

Date of Hearing: June 25, 2013

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, TOURISM, AND  
INTERNET MEDIA  
Ian C. Calderon, Chair

SB 309 (Price) – As Amended: June 14, 2013

SENATE VOTE: 36-3

SUBJECT: State Athletic Commission.

SUMMARY: Extends the operation of the California State Athletic Commission (Commission) until 2016. Makes various changes to the laws governing the Commission's operations and the Commission's oversight of professional and amateur boxing, professional and amateur kickboxing, all forms and combinations of full contact martial arts contests, including mixed martial arts (MMA) and matches or exhibitions conducted, held or given in California. Specifically, this bill:

- 1) Extends the repeal date of the Commission to January 1, 2016.
- 2) Deletes the requirement that the Commission must invite testimony and make recommendations to the Governor and the Legislature.
- 3) Eliminates the unnecessary "natural person" limitation on who may be licensed as a boxer and martial arts fighter.
- 4) Additionally authorizes a sanctioning body to administer its rules and would authorize the Commission to revoke the authority for a previously authorized nonprofit boxing, wrestling, or martial arts club, organization, or sanctioning body to administer its rules.
- 5) Repeals the prohibition against a professional boxer from sparring for training purposes with any person not licensed as a professional boxer or who does not have a sparring permit.
- 6) Deletes the requirement in law that a person conducting or operating a professional boxers' training gymnasium must be a licensed by the Commission.
- 7) Prohibits a person from training a professional boxer or kickboxer or martial arts athlete unless he or she has been licensed by the Commission.
- 8) Provides that the application and renewal fee for a licensed professional trainer is \$200.
- 9) Defines a "professional trainer" as someone who is responsible for the day-to-day training of those aforementioned athletes and possesses a minimum of 5 years' experience in combative sports.

- 10) Declares that only licensed professional trainers may make a recommendation to the Commission on whether a contestant is prepared for his or her first amateur mixed martial arts (MMA) bout or to turn professional in boxing, kickboxing, or MMA.
- 11) Requires a professional trainer to be present in the corner of the contestant unless otherwise authorized by the Commission or the Executive Officer (EO).
- 12) The bill would make the failure of a licensed professional trainer to report an injury or knockout of a licensed boxer or fighter, one of the grounds for the suspension or revocation of his or her license, as specified.
- 13) Provides that the administrative costs associated with managing and distributing the State Athletic Commission Neurological Examination Account (Account) shall be limited to no more than 20% of the prior year's contributions.
- 14) Authorizes the commission, in its discretion, to use moneys from the Account, to fund special neurological examinations and new diagnostic imaging and testing to be used in relation to those required examinations.
- 15) Prohibits a referee or physician and surgeon from being assigned to a boxing contest if he or she has not completed, within the preceding 6 months, a clinic offered by a provider approved by the commission, as specified. Authorizes a clinic provider to charge a referee or physician and surgeon participating in a clinic a reasonable fee.
- 16) Requires the Commission to charge a \$20 fee to issue Federal identification cards (IDs) and would further require those cards to be reissued once every 4 years.
- 17) Changes the required timeline from five working days to 72 hours for every person who conducts a contest or wrestling exhibition for which admission is charged and received to provide the Commission with proper accounting and payment.
- 18) Raises the minimum fee collected by the Commission for an amateur event or contest from \$500 to \$1,000. Clarifies that the minimum fee collected by the Commission for a professional event is \$1,250.
- 19) Raises the maximum broadcasting fee collected by the Commission from \$25,000 to \$35,000.
- 20) Limits the administrative costs associated with investing, managing and distributing the Boxers' Pension Fund (Pension Fund) to 2% of the corpus of the fund.

EXISTING LAW:

- 1) The Muhammad Ali Boxing Reform Act (Federal Boxing Act) prohibits events from taking place in a state without a regulatory commission unless the fight is regulated by either another state's commission or on sovereign tribal land. (Title 15 United States Code Section 6303)

- 2) The Boxing Act, or State Athletic Commission Act (State Act), provides for the licensing and regulation of boxers, kickboxers, martial arts athletes and events held in California by the Commission within the Department of Consumer Affairs (DCA) and makes the Commission inoperative and repealed on January 1, 2014. [Business and Professions Code (BPC) Section 18602.]
- 3) Provides that the Commission is comprised of seven members, five members appointed by the Governor and subject to confirmation by the California State Senate Committee on Rules confirmation, one member appointed by the California State Senate Committee on Rules and one member appointed by the California Speaker of the Assembly. Specifies that efforts should be made to ensure at least four members have experience in either medicine as a licensed physician or surgeon specializing in neurology, neurosurgery, head trauma or sports medicine, financial management, public safety, and the sports regulated by the Commission. (BPC Section 18602.)
- 4) Provides that protection of the public shall be the highest priority for the Commission in exercising its licensing, regulatory, and disciplinary functions, and whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount. (BPC Section 18602.1.)
- 5) Provides that the Commission shall invite testimony from boxing stakeholders to identify actions that may lead to greater opportunities for its licensees to participate in major professional championship boxing contests in the State of California and provide a report based thereon to the Legislature. [BPC Section 18640.5(c).]
- 6) Provides that the Commission may license professional and amateur boxers, professional and amateur martial arts fighters, and booking agents, managers of professional boxers and professional martial arts fighters, trainers, chief seconds, and seconds of each and that only a natural person may be licensed as a boxer and martial arts fighter. (BPC Section 18642.)
- 7) Provides that the Commission may authorize a nonprofit boxing, wrestling, or martial arts club or organization, upon approval of its bylaws, to administer its rules for amateur boxing, wrestling, and full contact martial arts contests. Requires the Commission to review the performance of any such club or organization annually. Requires the Commission to review compliance with requirements for amateur contests to be preceded by a physical examination of every contestant, that a physician is in attendance at the contest and that the organization has a medical insurance program covering all contestants. Requires an organization to provide written financial reports of receipts and disbursements within 90 days of an amateur event. Authorizes the Commission to have representatives present as are necessary to obtain compliance with the requirements for amateur events. Authorizes the Commission to require any additional notices and reports from an organization it deems necessary. (BPC Section 18646.)
- 8) Prohibits a professional boxer from sparring for training purposes with any person not licensed as a professional boxer or who does not have a sparring permit. (BPC Section 18643.)
- 9) Provides that no person shall conduct or operate a professional boxers' training gymnasium unless he or she has a license issued by the Commission under this chapter. Defines

“professional boxers’ training gymnasium” as a gymnasium, the principal business of which is the providing of training facilities for professional boxers, and in which a fee is charged to professional boxers for the use of the gymnasium facilities or a fee is charged to persons who view the training of professional boxers. Provides that failure of a licensed training gymnasium owner or operator, fighter, boxer, trainer, second, or manager to report to the Commission an injury or knockout of a licensed boxer or fighter or the holder of a sparring permit shall be grounds for the suspension of their license. (BPC Sections 18653 and 18654.)

- 10) Establishes the application and renewal fee for a professional boxers’ training gymnasium at \$200. (BPC Section 18817.)
- 11) Requires athletes to undergo a physical examination by a physician prior to a contest and requires a physician to certify in writing the contestant’s physical condition to engage in the contest or match. Requires the physician to determine whether the contestant may have any knowledge, manifestations, symptoms, or prior history of a physical condition that may affect the contestant’s ability to perform or present a potential threat to the contestant’s health as a result of competing in the contest or match. Requires a contestant to complete a questionnaire on which he or she discloses any conditions of which the contestant is aware, including pregnancy. States if any specified condition is disclosed, the physician shall not allow the contestant to compete unless the physician or the contestant’s personal physician, who is licensed to practice medicine in the United States, has conducted a physical examination and determined that the specific condition does not affect the contestant’s ability to perform or present a potential threat to the contestant’s health as a result of competing in the contest or match. (BPC Section 18706.)
- 12) Provides that the Commission shall require, as a condition of licensure and as a part of the application process, each applicant for a license as a professional athlete or contestant licensed by the Commission to undergo an examination by a licensed physician and surgeon who specializes in neurology and neurosurgery. Provides that the cost of the examinations shall be paid from assessments on any one or more of the following: promoters of professional matches, managers, and professional athletes or other contestants licensed under this chapter. Provides that the rate and manner of assessment shall be set by the Commission, and may cover all costs associated with the examinations. (BPC Section 18711.)
- 13) Requires applicants for a license or renewal of a license as a professional boxer or professional martial arts fighter to undergo blood tests to detect the presence of antibodies both to the human immunodeficiency virus (HIV) and to hepatitis C virus (HCV) and to detect the presence of the antigen of hepatitis B virus (HBV) within 30 days prior to the date of the application. Requires the results of all three tests to be negative. (BPC Section 18712.)
- 14) Provides that no referee or physician shall be assigned to a boxing contest who has not participated in a clinic sponsored by the Commission in accordance with this section in the preceding six months. Specifies that clinics shall include, among other things, the subjects of the rules of the Commission, the recognition and diagnosis of serious or life-threatening, boxing-related and neurological injuries and disorders, and refereeing a bout. Authorizes the

Commission to pay any necessary and authorized travel expenses of referees and physicians who attend such clinics. (BPC Section 18731.)

- 15) Establishes a five working day timeline for every person who conducts a contest or wrestling exhibition for which admission is charged and received to provide the Commission with proper accounting and payment. [BPC Section 18824(a).]
- 16) Establishes a fee of five percent, of the amount paid for admission to the contest or wrestling exhibition, not to exceed the amount of \$100,000 to be paid to the Commission by every person who conducts a contest or wrestling exhibition for which admission is charged and received. Requires the Commission to provide a report to the Legislature on the fiscal impact of the \$100,000 limit on fees collected by the Commission for admissions revenues. States that if the fee for any one boxing contest exceeds \$70,000, the amount in excess of \$70,000 shall be paid one-half to the Commission and one-half to the Pension Fund. Establishes a fee of up to 5% for the sale, lease, or other exploitation of broadcasting or television rights thereof to be paid to the Commission by every person who conducts a contest or wrestling exhibition. Specifies that the minimum fee shall be \$1,000 or and maximum shall be \$25,000. (BPC Section 18824.)
- 17) Provides that an inspector or other representative of the Commission duly authorized by the Executive Officer shall be admitted to the box office, and is authorized to assist in the counting of tickets and in the computation of the tax due thereon, and to take any other action necessary. Requires the inspector or other Commission representative to immediately mail the official statement of gross receipts received by him or her from the promoter to the Commission. (BPC Section 18825.)
- 18) Makes various findings and declarations about the importance of providing a pension to professional boxers and establishes a Pension Fund financed by an assessment on tickets, contribution by boxers, managers, promoters or a combination thereof. (BPC Sections 18880 and 18881.)
- 19) Establishes requirements for promoters to pay into the Pension Fund. Specifies that all contributions to finance the Pension Fund shall be deposited in the State Treasury and credited to the Pension Fund, all moneys in which are continuously appropriated for the purposes of administering the Pension Fund. States that the Pension Fund is a retirement fund and provides that no more than 20% of the annual contribution in the previous two years shall be used for administrative costs associated with investing, managing and distributing the Pension Fund. (BPC Section 18882.)

FISCAL EFFECT: Unknown

COMMENTS:

1) Author's Statement and Support:

This bill is one of six "sunset bills" the author is sponsoring this session as Chair of the Senate Business and Professions Committee. According to the author, this bill is necessary to extend the sunset date of the Commission in order to continue the regulation of boxing, kickboxing and MMA in California. The continued regulation will help to ensure that the

Commission's mission of protecting the public is in place for an additional four years. The author states in support of this measure that he, "has been concerned for the past number of years about significant and ongoing problems with the way this Commission does business but that in order to ensure the protection, health, welfare and safety of the athletes and fighters licensed by the Commission who participate in sports and events the Commission oversees, the Commission should continue to operate." According to the author, Federal Law - the Boxing Act - prohibits events from taking place in a state without a regulatory commission unless the fight is regulated by either another state's commission or on sovereign tribal land. Regulated events result in higher levels of protection for fighters than unauthorized or illegal events, in addition to added revenue for the state and a boon to the local economy where events take place.

Support for this measure comes from promoters and good government advocates. Roy Englebrecht Promotions wrote the committee to say, "As one of the longest stakeholders in the Commission, I have watched the ups and a lot of the downs that have existed over the past 20 years. But I have NEVER been more excited and pleased to see the tremendous change that has come to the Commission since the hiring of Executive Officer Andy Foster nearly one year ago.

"For the first time in many years, I am proud to be a fight promoter in California, and realize that the future of our sport and the business that I love is finally heading in the right direction." The Center for Public Interest Law adds that "In a very short time, Mr. Foster has decisively addressed significant shortcomings in many areas and we believe he deserves a chance to continue to tackle the deficiencies identified by BSA and DCA."

## 2) Background: California State Athletic Commission:

The Commission is responsible for protecting the health and safety of its licensees; boxers, kickboxers and martial arts athletes. Established by initiative in 1924, stemming from concerns for athletes' injuries and deaths, the Commission provides direction, management, control of and jurisdiction over professional and amateur boxing, professional and amateur kickboxing, all forms and combinations of full contact martial arts contests, including MMA and matches or exhibitions conducted, held or given in California. The Commission oversees licensing, prohibited substance testing, and event regulation. Functionally, the Commission consists of four components; licensing, enforcement, regulating events and administering the Pension Fund.

The Commission is responsible for implementation and enforcement of the Boxing Act and the State Act. The Commission establishes requirements for licensure, issues and renews licenses, approves and regulates events, assigns ringside officials, investigates complaints received, and enforces applicable laws by issuing fines and suspending or revoking licenses. In 2012, the Commission supervised close to 200 events. The Commission has so far supervised over 40 events in 2013. The Commission licenses a number of individuals related to the participation in, oversight for and management of events in California.

The current Commission mission statement, as stated in its Strategic Plan, is as follows: ***The California State Athletic Commission is dedicated to the health, safety and welfare of participants in regulated competitive sporting events, through ethical and professional service.***

The Commission is comprised of seven members. Five members are appointed by the Governor and subject to confirmation by the California State Senate Committee on Rules confirmation. One member is appointed by the Senate Committee on Rules and one member is appointed by the California Speaker of the Assembly. Commissioners are part-time employees who receive a \$100-a-day per diem. There are no qualifications for an individual appointed to the Commission; however, no person currently licensed as a promoter, manager or judge may serve on the Commission. The law also specifies that efforts should be made to ensure at least four members have experience in either medicine as a licensed physician or surgeon specializing in neurology, neurosurgery, head trauma or sports medicine, financial management, public safety, and the sports regulated by the Commission.

The Commission meets about six times per year to handle matters related to licensure and appeals of license denials, suspensions and fines; propose and review regulations or legislation focused on maintaining the health and safety of fighters; consider issues related to the Pension Fund and the Account; evaluate funding and revenue strategies, and; address a variety of topics brought forth by stakeholders.

3) Issues Raised in 2011 Sunset Review and Commission Response:

The Commission was last reviewed in 2011 by the Senate Business and Professions Committee. During the previous sunset review, the Committee raised 8 issues. Below are actions which the Commission took over the past 2 years to address many of the issues and recommendations made, as well as significant changes to the Commission's functions. The vast majority of the key improvements to the Commission's administrative activities, procedures and operations were implemented in a very short period of time under the leadership of the current EO who was hired in November 2012.

According to the Commission, the following are some of the more important programmatic and operational changes, enhancements and other important policy decisions or regulatory changes made:

- a) Payments Have Been Made to Eligible Boxers From the Pension Fund: The issue of lack of appropriate effort by the Commission to track down eligible former boxers, in addition to lack of pension payments over a number of years, was raised in every audit and oversight review of the Commission. While more work still needs to be done, the Commission in the past five months made three payouts to fighters who attributed their awareness of eligibility to recent outreach activity:
  - i) Payment to a homeless former boxer who fought 140 lifetime rounds, who had only a few days left on an annual allotment of days at an area homeless shelter.
  - ii) Payment to another homeless former boxer who fought 384 lifetime rounds.
  - iii) The Commission's first ever early retirement for medical purposes to a 45-year old former boxer suffering from the degenerative brain disease chronic traumatic encephalopathy, the symptoms of which include memory loss, confusion, depression and emotional outbursts

- b) Updated Strategic Plan: The Commission completed a Strategic Plan for 2013-15 and has already met some of the goals outlined within the plan.
- c) Recent Improvements to Cashiering and Cash-Handling Procedures: The Commission has long faced criticism about the way payment is handled, including cash payments which could go missing or be placed in insecure locations like unlocked file drawers or safes with no key. Beginning in November 2012, the Commission no longer accepts cash as a method of payment and staff has been expressly forbidden from handling cash on the Commission's behalf. Concerns have also been raised over the years about cashiering duties. Cashiering manuals and standard operating procedures have been created and provided to staff. To ensure accountability and compliance with proper protocols, the Commission recently separated several duties related to cashiering within the office that were previously all handled by one individual so that now all mail is opened by someone other than the cashier to ensure all checks are restrictively endorsed before handling by the cashier. Checks are now required to be secured in an approved secure container in accordance with state policy, and the Commission's cashier is now required to make deposits on a timely basis. The cashier is also now required to obtain a second review once the Report of Collections is completed to ensure all funds are properly accounted for and reported in the correct account.
- d) Creation of Administrative Manual: The Commission now, for the first time ever, has standard operating procedures compiled in an administrative manual for athletic inspector field staff to use and refer to.
- e) Training is Happening and Completion is Recorded: The quality of officials is critical to protecting the health and safety of athletes and as such, the Commission needed to immediately create standards and evaluation procedures for all staff, licensees, officials and field representatives. It was recommended that the Commission work with its robust network of athletes and officials to provide guidance on this process and work with the Association of Boxing Commissions (ABC) to determine best practices and ensures compliance with any uniform standards.

After years of repeatedly failing to meet statutory requirements for training, the Commission is now holding inspector trainings and focusing training on many of the deficiencies identified in prior reviews and audits of the Commission. The Commission is also working with the ABC to utilize existing training infrastructure and staff. The Commission has also implemented policies requiring officials working title fights to have completed ABC or other approved training courses and has begun to make some staff assignments based on the preparedness and education of an official, further promoting the importance of training and continuing education to protect fighters. The Commission recently began maintaining a record of officials who have taken the appropriate training courses and ensures that competent officials are assigned to events by consulting these records, as well as refrains from assigning staff that have not completed required and necessary training. The Commission is also in the process of working with the ABC to receive approval of a referee training course, as well as working with the national association to ensure the availability of more approved trainers eligible to work in California. The Commission also recognizes the value of officials and is looking at ways to utilize qualified individuals to better train new and existing officials and is also working with the ABC to make further training improvements.



- f) Better Systems For Assigning Staff: There has been a concern in the past about a lack of clear, comprehensive standards for credentialing, hiring, training, or evaluating staff, licensees and officials, findings which were also outlined in the 2003 DCA audit and recommended that the Commission implement standards and proper evaluation as the basis for assignments. The Commission made some slight improvements in the past but it remained unclear if the Commission was able to demonstrate standards for who should be allowed to oversee events, and whether all licensed officials had been properly trained, or are able to pass basic proficiency exams. The Commission is now using a website geared toward effective athletic event management and making assignments based on established criteria, such as participation in required training. The Arbiter Sports website assists the Commission by quickly locating the nearest inspectors to each event which greatly contributes to reductions in staff travel costs, an issue which has plagued the Commission.
- g) Issuing Federal IDs prior to events: The Commission has been criticized for problems associated with issuance of IDs, including the recent DCA audit which examined a random sampling of boxers' files and IDs missing in 27 of 28 files. While the Commission historically provided IDs at events, adding to the event workload and dedicated time of staff, it recently implemented a policy to issue IDs prior to events so that fighters participate with a federal number and athletic inspector work at events can be streamlined. The Commission has recently partnered with DCA's Division of Investigation (DOI) to also issue IDs at DOI field offices throughout the state.
- h) Event Files Have Improved and Reporting Timelines Enhanced: The Commission recently obtained laptops for use in the field at events and has worked to reduce paperwork processing in the field. Lead inspectors utilize an internal "Who's Who" document that ensures necessary items are in place before a fighter is cleared to participate and events are authorized to take place. Prior to a fighter participating in an event, the EO and lead inspectors assigned to an event now check all possible suspension lists multiple times to ensure fighter safety and that athletes are not suspended in another jurisdiction that the individual did not report to the Commission. Previously, the Commission struggled to reconcile its information with the national suspension database, resulting in confusion and potential fighter harm. The Commission is also now making timely reports of event outcomes, including medical suspensions, to necessary national databases. Now, the EO signs off on all fight results which are submitted to both fightfax and mixedmartialarts.com within 48 hours of completion of the event.

#### 4) State Auditor's Report:

The BSA conducted an audit of the Commission in response to a request by the Joint Legislative Audit Committee (JLAC) in June 2012, the results of which are contained in a report published March 2013, "*State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question*". The report found that:

- a) The Commission's solvency plan may not be practical;

- b) The Commission does not track information about projected revenue and expenditures in a manner conducive to proper budgeting;
- c) The Commission does not receive all of the revenue due from events and athletes;
- d) Inspectors may not perform necessary health and safety regulatory functions at events; and,
- e) The Pension Fund is still not administered properly.

Simultaneously, the DCA conducted an internal audit of the Commission, the findings of which are contained in a report published in March 2013, "*California State Athletic Commission Operational and Administrative Control Audit*" which also found numerous deficiencies in Commission operations, particularly those related to event regulation and revenue reconciling for events.

5) 2013 Sunset Review Hearing: Further Suggestions For Improvement:

On April 8, 2013, the Senate Committee on Business, Professions and Economic Development and the Assembly Committees on Arts, Entertainment, Sports, Tourism & Internet Media, and Business, Professions and Consumer Protection, held a Joint Oversight and Sunset Review Hearing of the Commission. The following are some of the major issues pertaining to the Commission along with background information concerning the particular issue. Recommendations were made by Committees' staff and within the BSA's report regarding the particular issue areas which needed to be addressed.

a) Issue: Commission's Budget Problems:

- i) Background: The Commission is funded through regulatory fees and license fees. For each event held in California that the Commission regulates, the Commission collects a "gate fee" from the event promoter, which is a 5% fee on gross ticket sales for that event, not to exceed \$100,000. The Commission also collects a "TV fee" from the event promoter if the event is broadcast on television, which is a 5% fee on the revenue a promoter collects from broadcasting rights, not to exceed \$25,000.

In June 2012, the DCA budget staff reported to Commission members that it faced a deficit of nearly \$700,000 by the end of Fiscal Year 2013. In a letter to the Commission's then-EO, the Director of the DCA stated that "without the ability to pay for even basic services, the Commission will have no choice but to cease operation immediately and cancel or postpone indefinitely all Commission regulated events." The Commission is currently operating according to a solvency plan implemented last summer to address a significant budget shortfall and the threat of no longer being able to conduct business and meet its statutory mandates, however, this plan may not be feasible for the Commission to do its job. The Commission is authorized to spend less than \$1.2 million in FY 2014/15. Substantial cuts to the Commission may be impacting its ability to protect fighters and effectively regulate the sports within its jurisdiction. The drop in funding levels and requirements for significant expenditure reductions in order to build an adequate fund reserve have led

to layoffs, decreased Commission presence at regulated events and numerous executive management vacancies.

The Commission has come under scrutiny for years regarding challenges in properly evaluating what it costs to oversee an event and how much revenue an event brings in. It is becoming increasingly clear that the Commission lacks the necessary resources and compensation to safely monitor events. The Commission may not be able to adequately predict revenues over time in the manner that other licensing boards do, given the fluid nature of the Commission licensing revenues and fluctuations in the sports that may dictate when events do or do not take place. However, the Commission is facing such a dire budget situation that it may be necessary for the Commission to seek fee increases for the licensing categories it does have, as well as collect up-front monies from promoters to cover initial costs of event oversight.

Boxers are issued a ID per the Federal Act and State Act that contains a number assigned to the fighter, the fighter's date of birth, height, weight and photo. These IDs are issued by the state commission in which a boxer resides and are valid for four years from the date of issuance (the Commission issues IDs for California-based fighters). MMA fighters may be issued a National Identification Card (National ID) that contains a number assigned to the fighter, the fighter's date of birth, height, weight and photo. National IDs can only be issued by a state commission or tribal commission in good standing with the ABC and while these are not mandatory they are recommended by the ABC.

- ii) Recommendation and Proposed Statutory Change: The April 8, 2013 Oversight Hearing of the Commission focused on a number of areas but one in particular, the Commission's budget and associated revenues and spending authority, captured the bulk of Committee Members' attention.

As a result of the Background Paper, the BSA's report and conversation during that hearing, the following are proposed in this bill:

- (1) \$20 fee once every four years charged to athletes for the Commission to issue a Federal ID card.
- (2) Limiting the administrative costs associated with managing and distributing the neurological examination account to no more than 20% of the prior year's contributions.
- (3) Authority for the Commission to contract with a third party to conduct officials training sessions and clarification that the third party may charge attendees a fee. Removal of the authority in current law for the Commission to pay necessary travel expenses of referees and physicians who attend such clinics.
- (4) Raise the minimum fee collected by the Commission for an amateur event or contest from \$500 to \$1,000. Establish the minimum fee collected by the Commission for a professional event as \$1,250.

(5) Raise the minimum TV tax collected by the Commission from \$1,000 to \$1,250. Raises the maximum TV tax collected by the Commission from \$25,000 to \$35,000.

(6) Limit the administrative costs associated with investing, managing and distributing the Pension Fund to 2% of the corpus of the fund.

b) Issue: Lack of Pregnancy Testing for Female Athletes:

- i) Background: The Commission and consumer advocates have been concerned for many years about the Commission's lack of pregnancy testing for female athletes and as such the Commission has made several attempts to mandate pregnancy tests, none of which have been successful. As an alternative to a testing requirement, in 2001, the Commission developed a notice that was provided to all female boxers before each bout. The Commission wanted to at the very least inform female boxers of the dangers associated with boxing if pregnant and to potentially prevent female boxers from fighting while pregnant. The notice, "*What Can Happen If I Fight When I am Pregnant?*" included possible medical effects of fighting while pregnant and recommended pre-fight testing.

The Commission sponsored AB 972 (Runner), of the 2005-06 Legislative Session, which would have mandated pregnancy testing for female fighters, stating that pregnancy testing was a basic protection for female athletes and a key initiative to promote women's health, as a pregnant fighter engaging in a bout could damage her own body as well as her unborn child. At the time, the Commission also asserted that "all major boxing commissions in the United States require pregnancy testing," many of which have found on "multiple occasions that female boxing applicants tested positive on pregnancy tests."

The Commission is the only commission in the nation that does not require pregnancy tests.

- ii) Recommendation and Proposed Statutory Change: Staff suggested that the Committee may wish to pursue requiring pregnancy tests for female athletes as a female athlete safety measure.

c) Issue: Need for a "Professional Trainers" License and Reporting of Athlete Injuries:

- i) Background: Current law requires the Commission to oversee a licensed fighter, as well as the individuals that train with that fighter. The State Act includes a statutory provision requiring that a professional boxer only spar for training purposes with an individual possessing a sparring permit and statute requires gyms to track sparring and report it to the Commission. This requirement has not historically been followed and may be impossible for the Commission to enforce given its current resources. The Commission reported in its Sunset Report that the requirement for approval of, and reporting from, a sparring partner is unique to California and is not feasible. The Commission advised that resources may better be utilized by monitoring licensed professional trainers under a new licensing category. The Professional Trainer would be licensed by the Commission, pay a fee would have to sign off on the application of

any professional fighter making his or her debut. This additional accountability measure would allow the Commission to evaluate possible poor performance of the fighter and take action against not only the fighter but also the Professional Trainer associated with that fighter.

- ii) Recommendation and Proposed Statutory Change: Staff recommended that the Commission provide additional information to the Committee about this licensing category, including the existence of a similar licensing category in other states and whether this is a practice endorsed by the ABC, and noted that the Committee may consider adding a Professional Trainer licensing category provided more details are made available. The Commission provided examples of other states in which a Professional Trainer's license exists.

This bill addresses these recommendations.

d) Issue: Clarify the Delegation of Authority for Amateur Sports:

- i) Background: Current law allows the Commission to delegate its authority to oversee amateur sports to a qualified nonprofit organization if the Commission determines that the nonprofit "meets or exceeds the safety and fairness standards of the Commission." The Commission has the "sole direction, management, control of, and jurisdiction over all professional and amateur boxing, professional and amateur kickboxing, all forms and combinations of forms of full contact martial arts contests, including mixed martial arts, and matches or exhibitions conducted, held, or given within this state". Thus, under current law, the Commission's delegated authority for amateur regulation would also have oversight of the same sports as the Commission.

California is unique in requiring that a delegated authority have nonprofit status. According to information provided by the National Conference of State Legislatures (NCSL), many other states similarly delegate regulatory authority for amateur sports but do not always require the organization to have nonprofit status. Some, like Oklahoma, require that an authority other than the state commission be a nationally recognized amateur sanctioning body. Many sanctioning outfits are actually for-profit organizations but often have national or international authority over a particular sport.

The Commission has delegated its regulatory oversight responsibilities of amateur boxing and MMA to two different nonprofit organizations; USA Boxing, Inc. and the California Amateur Mixed Martial Arts Organization (CAMO).

There have been several issues with USA Boxing that raise some concern regarding the oversight of amateur boxing. In 2009, the Commission suspended USA Boxing's authorization to regulate amateur boxing for three weeks in response to media reports of improprieties including underage alcohol consumption and gambling at USA Boxing sanctioned events and concern for the health and safety of amateur athletes. That delegation was reinstated after the Commission staff negotiated stricter requirements regarding safety, background checks, uniformity, reporting and record keeping, and included promises for USA Boxing to be more responsive to the Commission. The Commission voted to place USA Boxing on probation until June

2010. Earlier this year, the Commission informed USA Boxing that it would be randomly sending the Commission inspectors to USA Boxing sanctioned events to ensure safety at those events.

When CAMO was first created and received authority from the Commission to oversee amateur MMA, there was no consensus on safety standards for amateur MMA and CAMO founders reported that it was unnecessary and even dangerous for the fighters to wear headgear. It does not appear that the Commission ever adopted regulations to clearly outline the difference between professional regulations and amateur regulations prior to delegating its authority. Additionally, the Commission struggled with a definition of what constitutes “full contact” and should therefore be regulated. While CAMO presented substantial regulations and clear standards for the components necessary to oversee amateur MMA, there is some concern that the Commission was not yet in a position in its own process and according to its own procedures to assist in the creation of the CAMO program. The Commission also worked with a small group of stakeholders to create a new model for regulation which may have omitted the input of many passionate athletes and organizers. CAMO established a fee structure for licensing that exceeds any of the fees collected by the Commission. Many groups determined to be under CAMO’s regulatory authority still balk at the fee structure, citing that high fees are cost prohibitive to conduct events. BSA also reported that the Commission may have opportunities to generate revenue by regulating amateur MMA rather than delegating its authority to CAMO.

- ii) Recommendation and Proposed Statutory Change: Committee staff stated that regulations and statute governing the Commission’s policies need to be updated to ensure that it has the ability to oversee amateur boxing in the event that USA Boxing is suspended again or removed completely from the authority to administer amateur events. Committee staff also recommended that the Commission should fully explain how it would handle regulating amateur MMA in California, considering that it had to delegate its authority originally in 2009 because it lacked the staff and resources to regulate this growing field of athletes and events.

This bill addresses these recommendations.

Prior and Related Legislation:

- a) AB 2100 (Alejo), of the 2011-12 Legislative Session, would have required that the California State Athletic Commission, (CSAC) in consultation with the Association of Boxing Commissioners, to establish and enforce a professional code of conduct, as specified, and that persons seeking payment as promoters must make specified disclosures to the CSAC prior to being compensated. AB 2100 was held on Assembly Appropriations Committee Suspense File.
- b) SB 543 (Price), Chapter 448, Statutes of 2011, extended the CSAC sunset date for 2 years, from January 1, 2012 to January 1, 2014.
- c) SB 294 (Negrete McLeod), Chapter 695, Statutes of 2010, extended the CSAC sunset date for one year, from January 1, 2011 to January 1, 2012.

- d) SB 963 (Ridley-Thomas), Chapter 385, Statutes of 2008, extended the CSAC sunset date on the Athletic Commission and its Executive Officer from July 1, 2009 to January 1, 2011.
- e) SB 247 (Perata), Chapter 465, Statutes of 2006, reestablished the CSAC on January 1, 2007, as an independent board through July 1, 2009.
- f) AB 972 (Sharon Runner), of the 2005-06 Legislative Session, would have required a female boxer, kickboxer, or martial arts fighter to provide the results of a pregnancy test before competing in a boxing match indicating whether she is currently pregnant and would have prohibited her from competing in a match if she is pregnant. AB 972 failed passage in the Assembly Judiciary Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Center for Public Interest Law  
Roy Englebrecht Promotions/Fight Club OC

Opposition

None on file

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